

TBC CAPITAL

RESIDENTIAL REAL ESTATE IN TBILISI

FEBRUARY 2024

Monthly Watch

Irina Kvakhadze
Vice President

Revaz Maisuradze
Senior Analyst

Salome Deisadze
Senior Associate

RESIDENTIAL REAL ESTATE IN TBILISI

February 2024 vs February 2023

-1%



3,358

Number of transactions

+6%



1,202$

Average asking sale price per SQM

-5%



12.0$

Average asking rent price per SQM

Transactions, price and yield

In February 2024 the **number of transactions** on Tbilisi residential real estate market amounted to 3,358, marking a 1% decline compared to the same period of the previous year.

In the same period, the asking **sale price** stood at $1,202, barely changing relative to the previous month. However, there was a 6% growth observed annually. The **market size** reached $266 Mln, exceeding the February 2023 level by 2%.

Rent price amounted to $12.0, decreasing by 5% relative to the same period of the previous year.

The **rental yield** in Tbilisi stood at 10.5%, decreasing by 1.2 percentage points relative to February 2023.

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

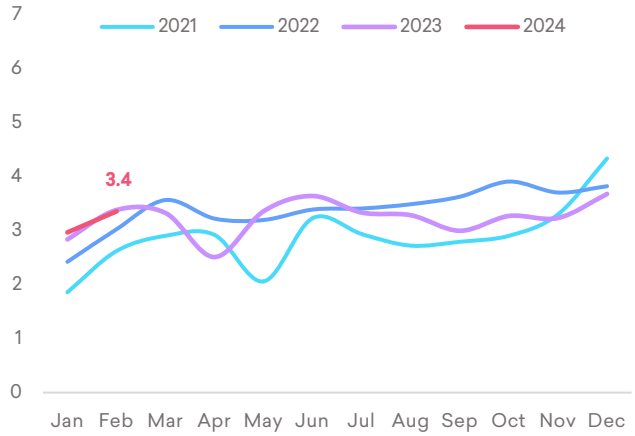


Figure 2. Average asking sale price ($/SQM)

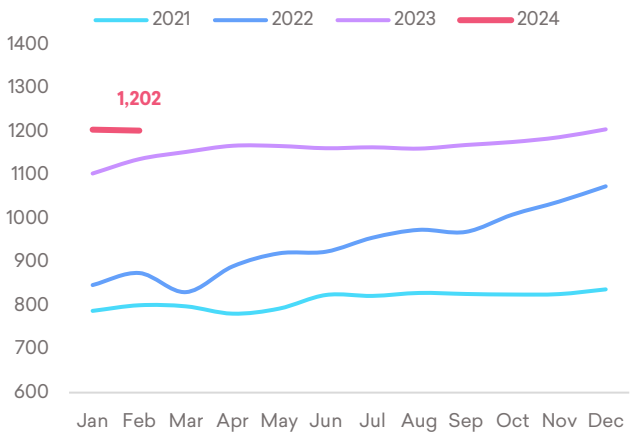


Figure 3. Average asking rent price ($/SQM)

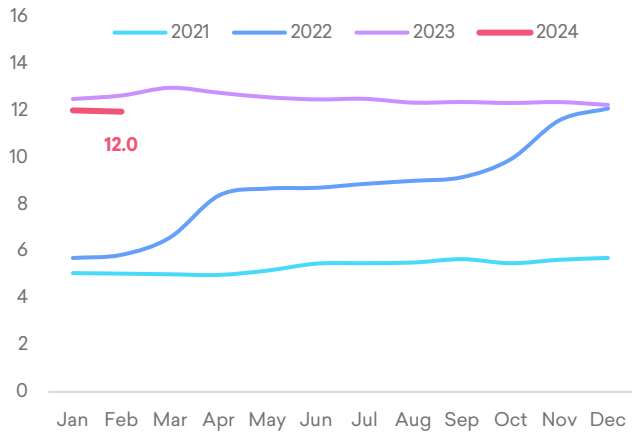
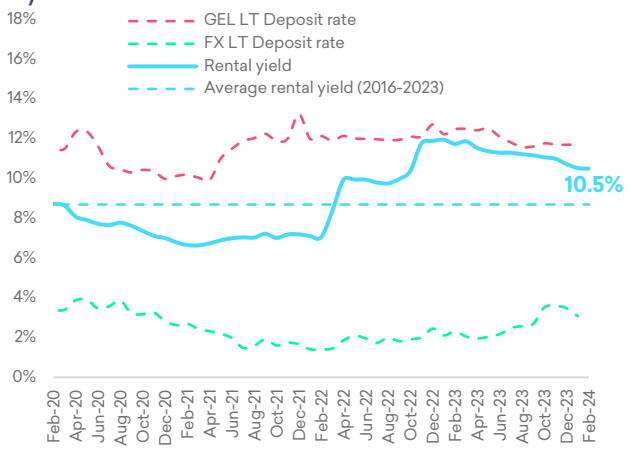


Figure 4. Rental yield and deposit rate dynamics



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 February 2024, 725 **new** apartments were sold, decreasing by 3% compared to the same period of the previous year.

As for **old** apartments, a total of 2,633 transactions were made, practically remaining at the same level as in February 2023. Since there were no significant changes in either new or old apartment transactions, the share of new apartments stayed at 22% in total sales.

Average sale prices increased annually for both new (+9%) and old (+5%) apartments.

In monthly terms, sale prices for new apartments increased by 3.1%, however in case of old apartments the price decreased by 0.7%.

In February 2024, sales of apartments ranging from 50 to 75 SQM took up 43% (+2 pp, MoM) of total sales. Flats above 125 SQM took 5% share.

Share of high priced apartments (>1500 $/SQM) in total sales stood at 18%, 3 percentage points higher than in February 2023.

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

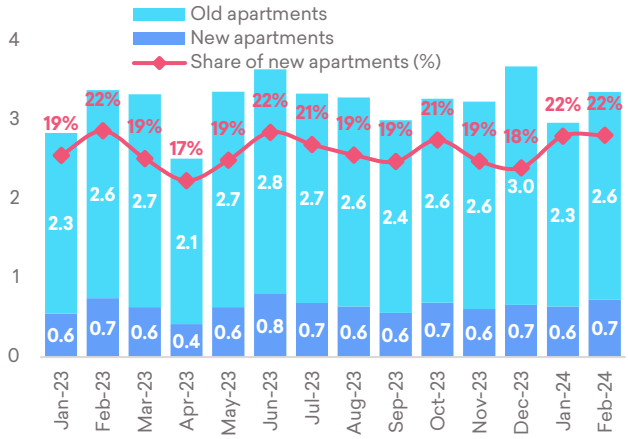


Figure 6. Average asking sale price, New vs Old ($/SQM)

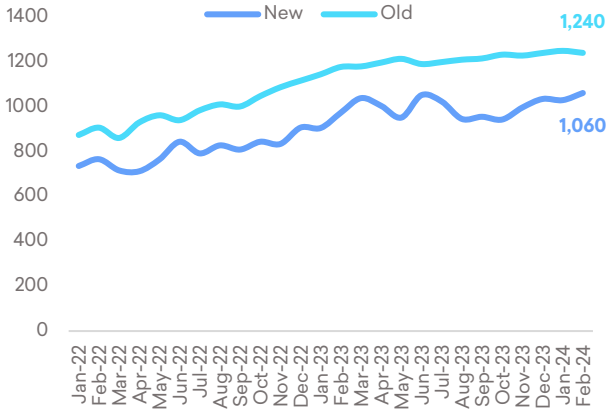


Figure 7. Distribution of sold properties by size (SQM), Tbilisi

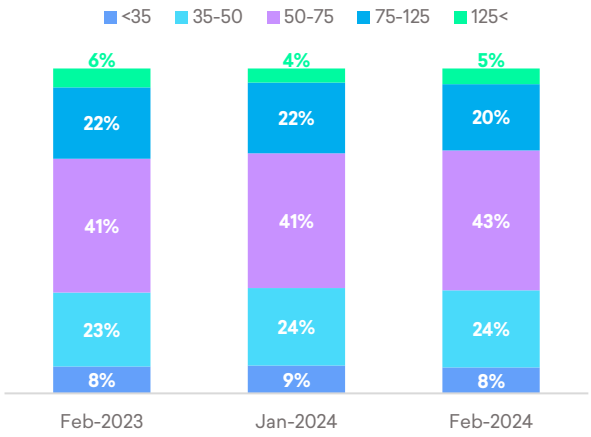
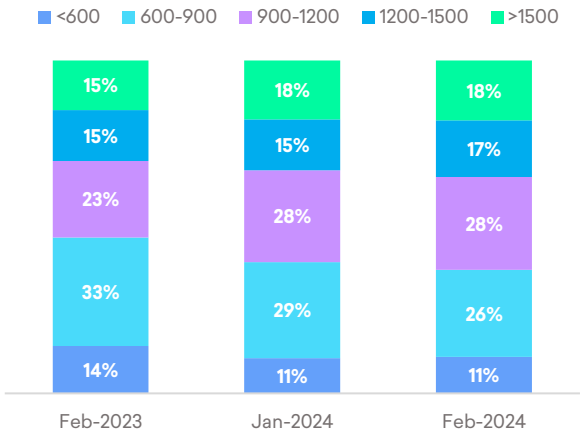


Figure 8. Distribution of sold properties by price categories ($/SQM), Tbilisi



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 February 2024, Didi Dighomi (24% share in total sales) took the top as the district with the highest number of sold residential properties in Tbilisi, followed by Saburtalo (18% share).

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

In the same period, average price per SQM in Mtatsminda and Vake stood above $2,000. There was annual growth observed for old apartments in all districts, with Krtsanisi (+23%), Mtatsminda (+14%) and Chughureti (+10%) posting the highest growths.

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

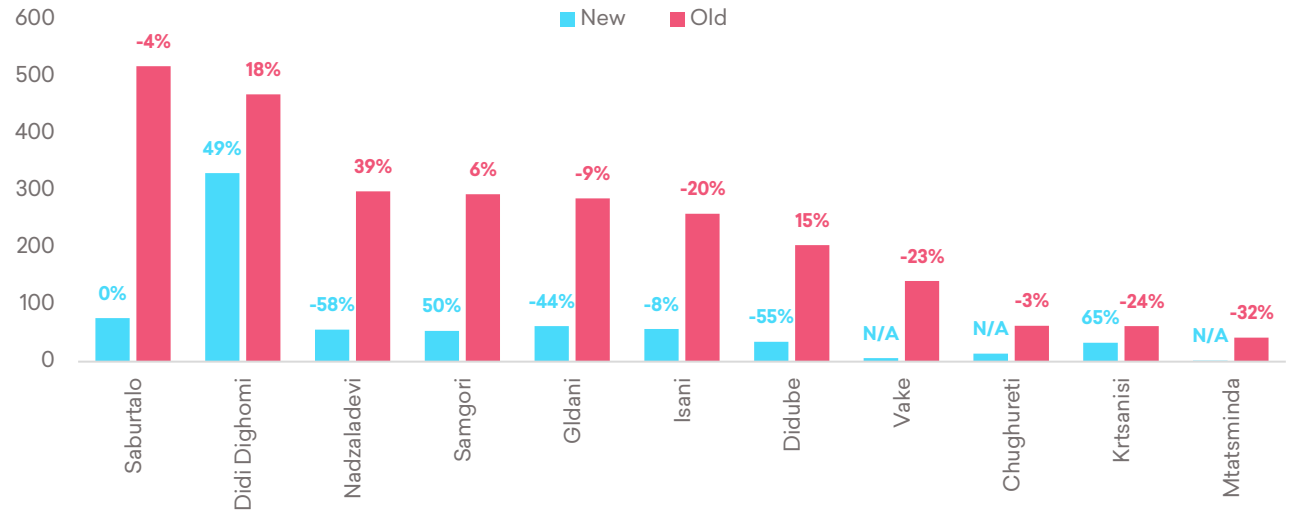
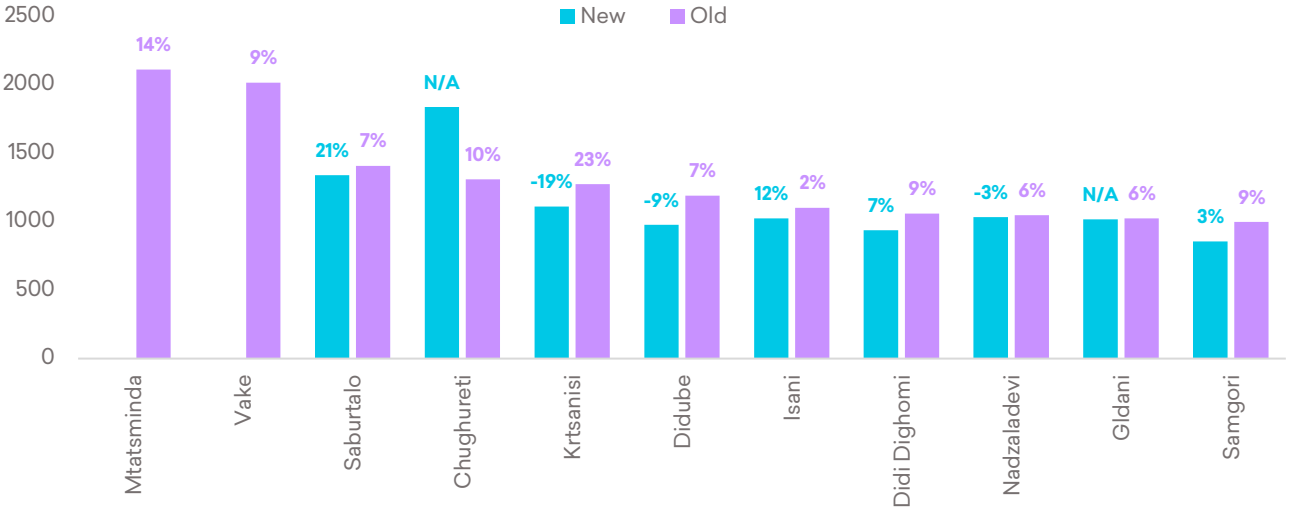


Figure 10. Weighted average sale price ($/SQM) and YoY change (%), New vs Old apartments, February 2024

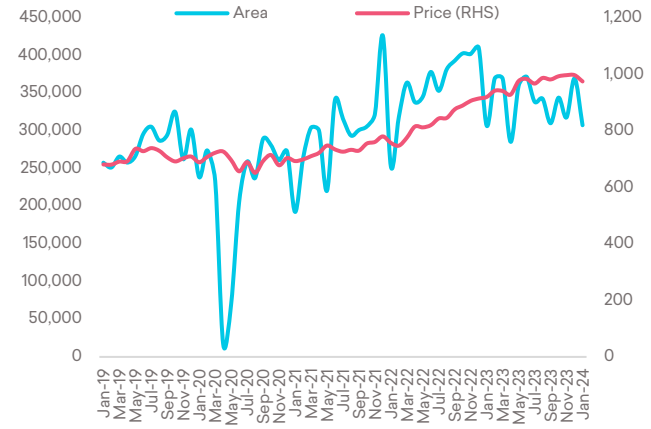


Source: NAPR, TBC Capital
Note I: indicators are not calculated for districts that had less than 10 transactions in the specified period and are shown as N/A
Note II: change in sale price is calculated using NAPR data, while absolute values are adjusted by myhome data

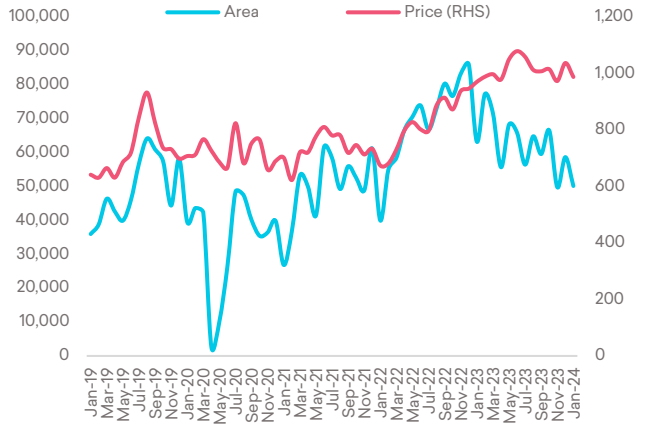
Annex: Georgia

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

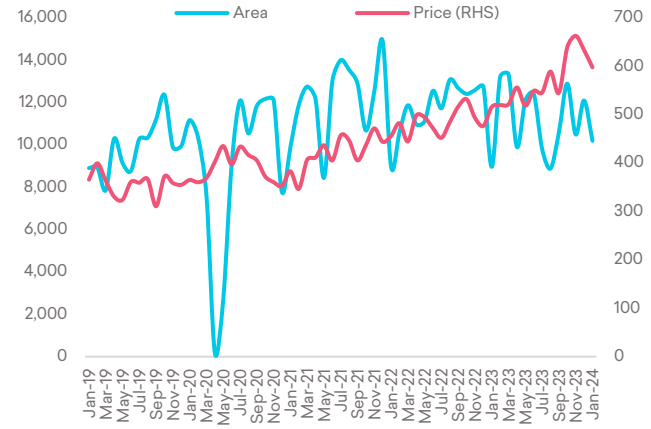
Georgia



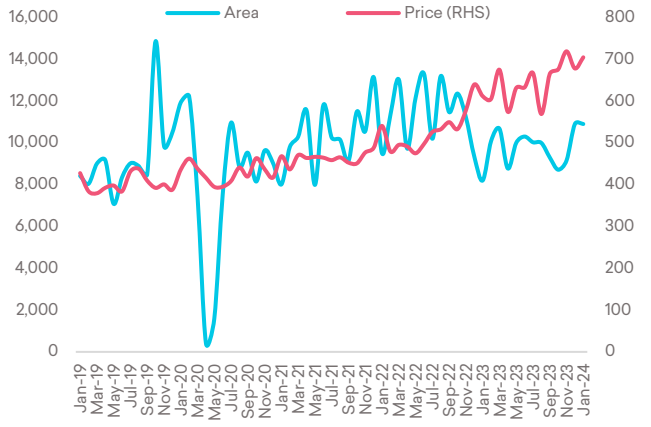
Batumi



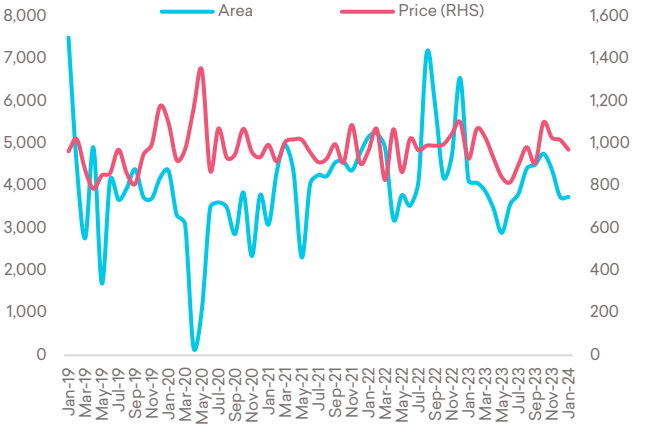
Kutaisi



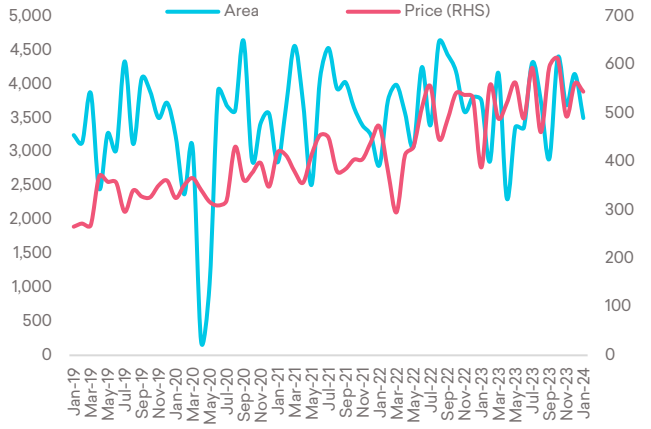
Rustavi



Borjomi



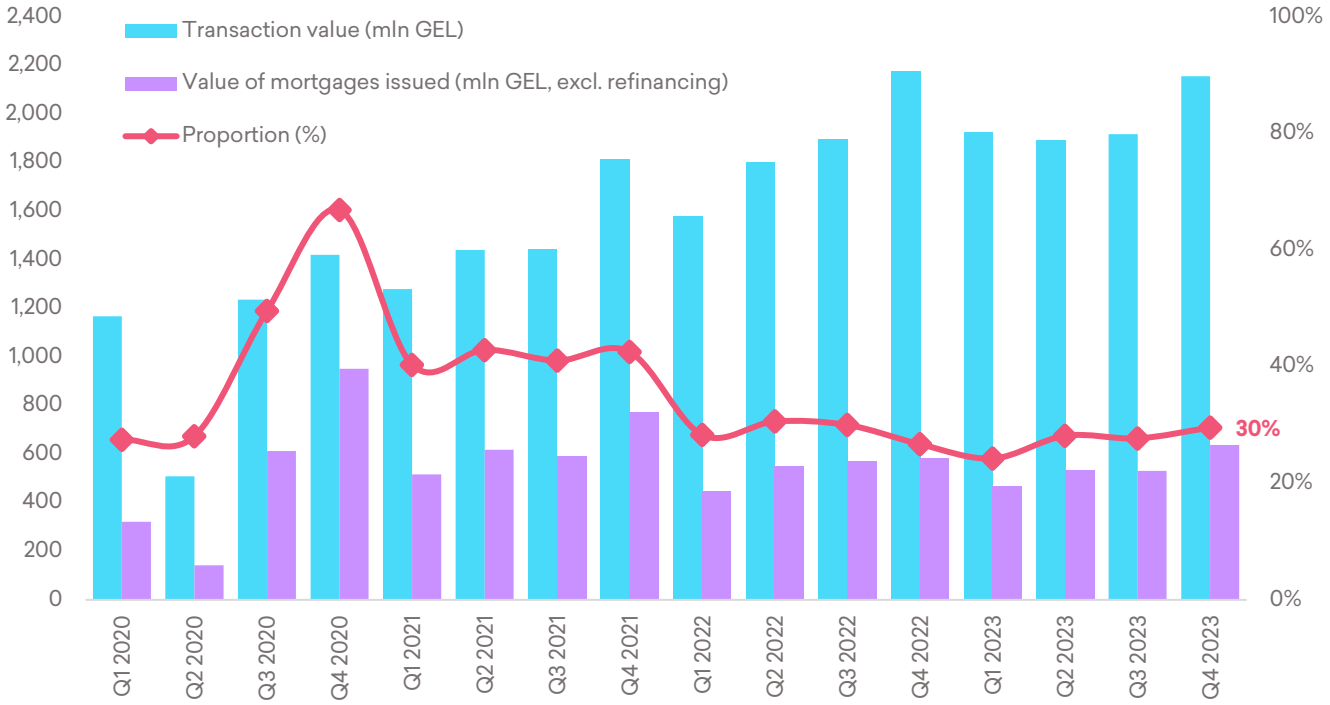
Gori



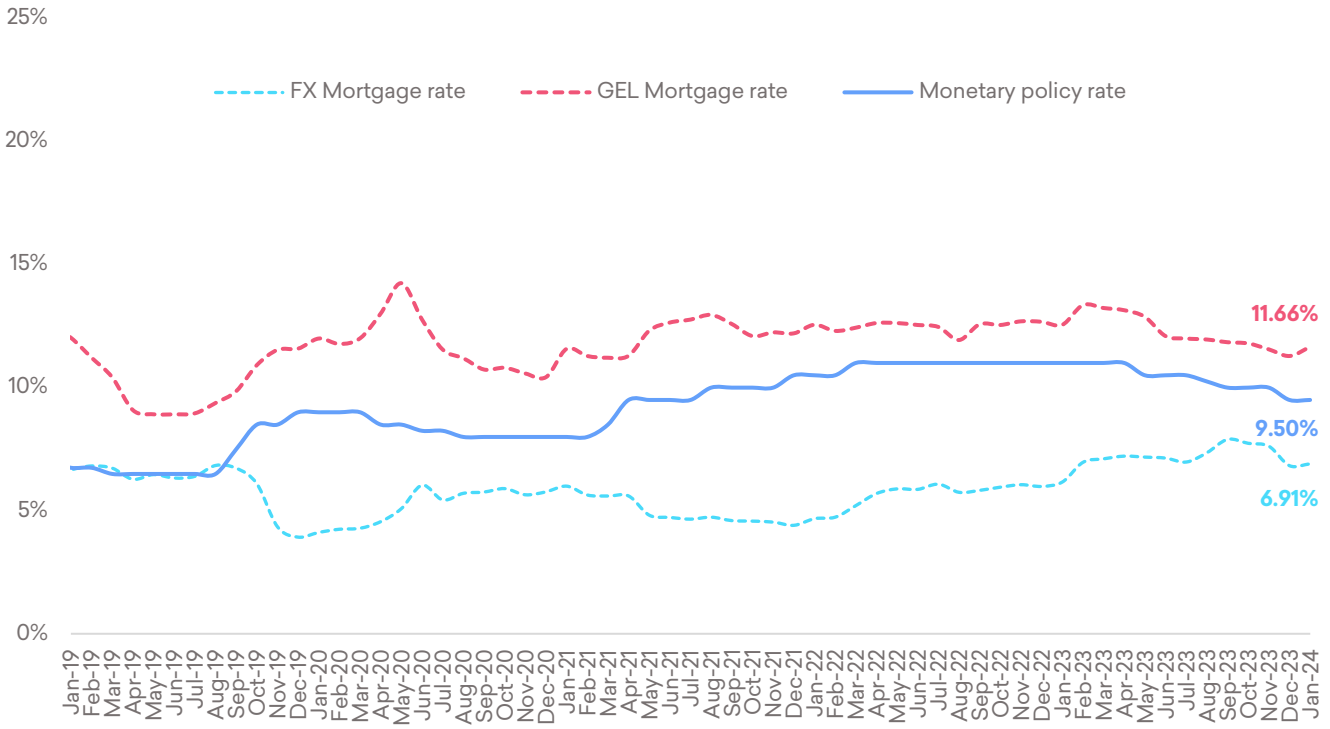
Source: NAPR, TBC Capital

Annex: Mortgage

A2. Value of issued mortgages to transaction value, Tbilisi



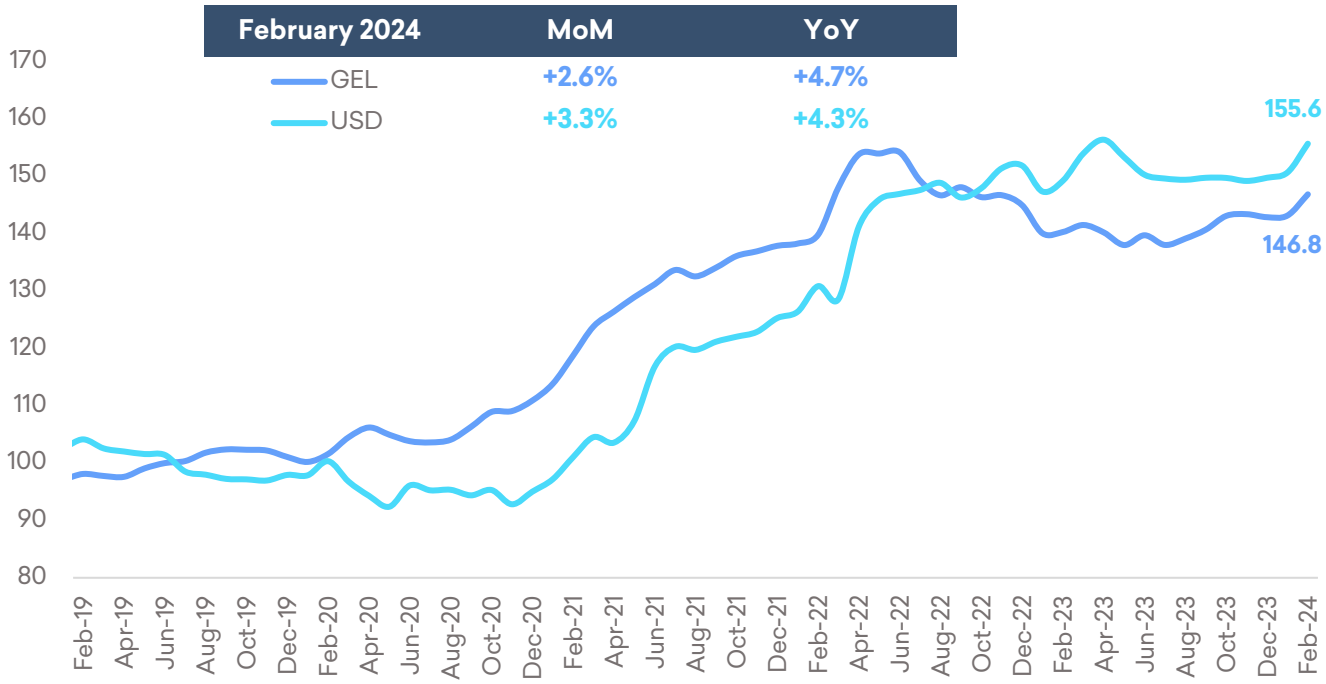
A3. Mortgage rate dynamics in Georgia



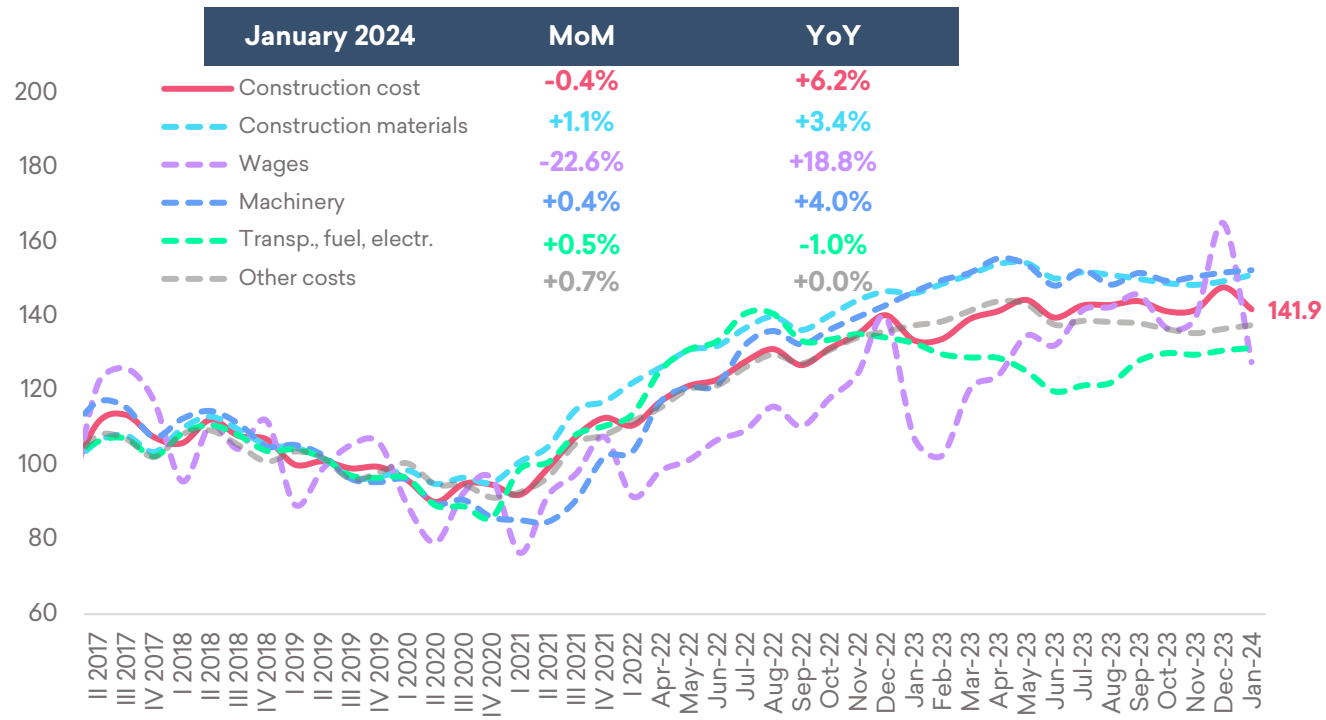
Source: NAPR, NBG, TBC Capital

Annex: Construction costs

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



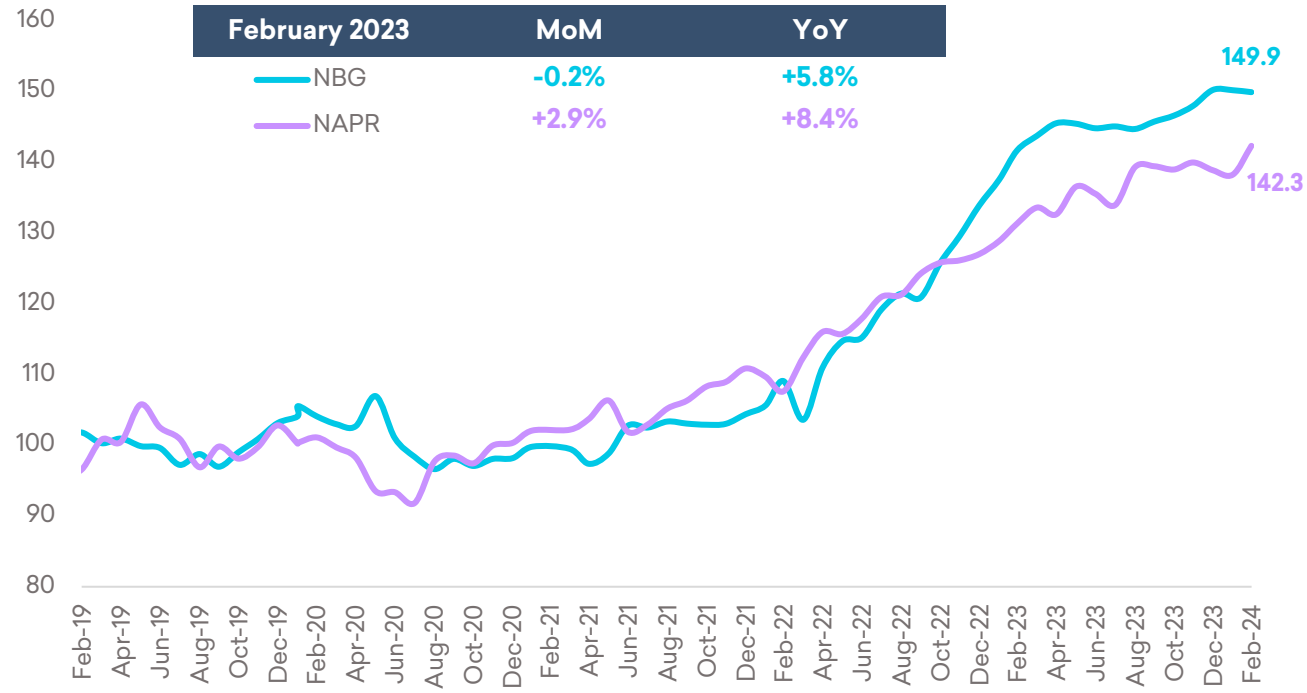
A5. Construction cost index (2019 average = 100, $)



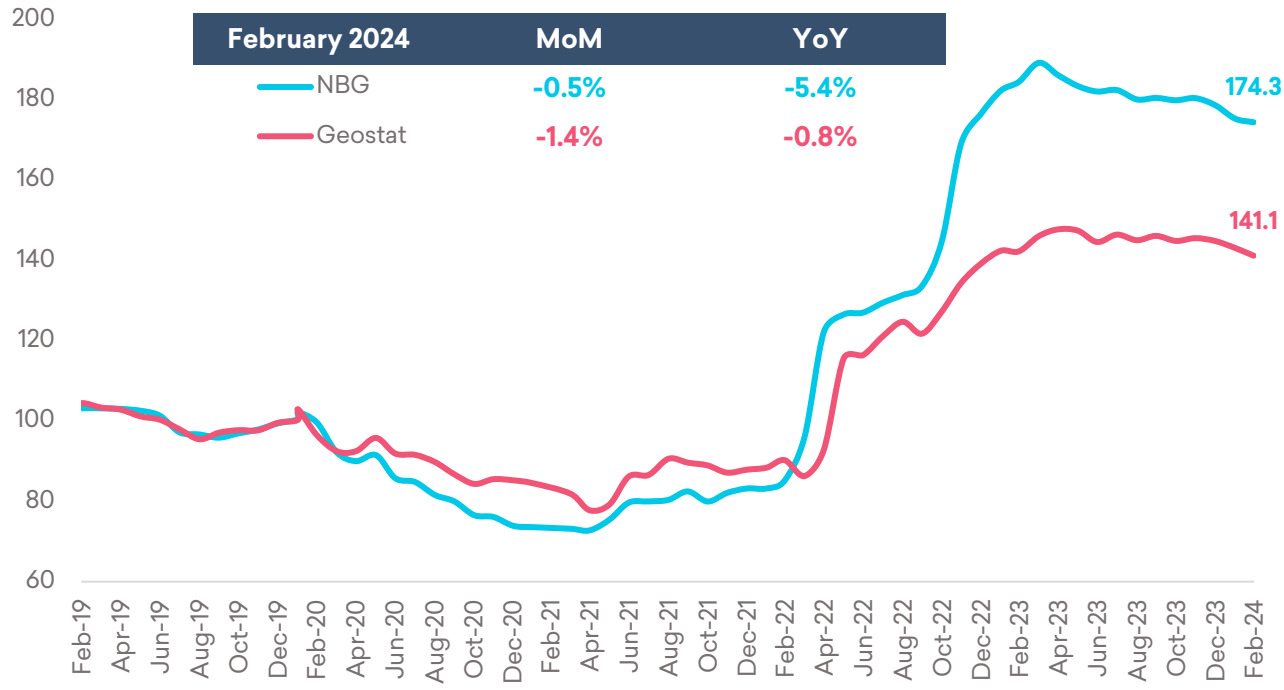
Source: Geostat, TBC Capital
Note: Q1 2022 data is used for YoY change figures in construction cost index

Annex: Price indices

A6. Sale price indices (2019 average = 100)



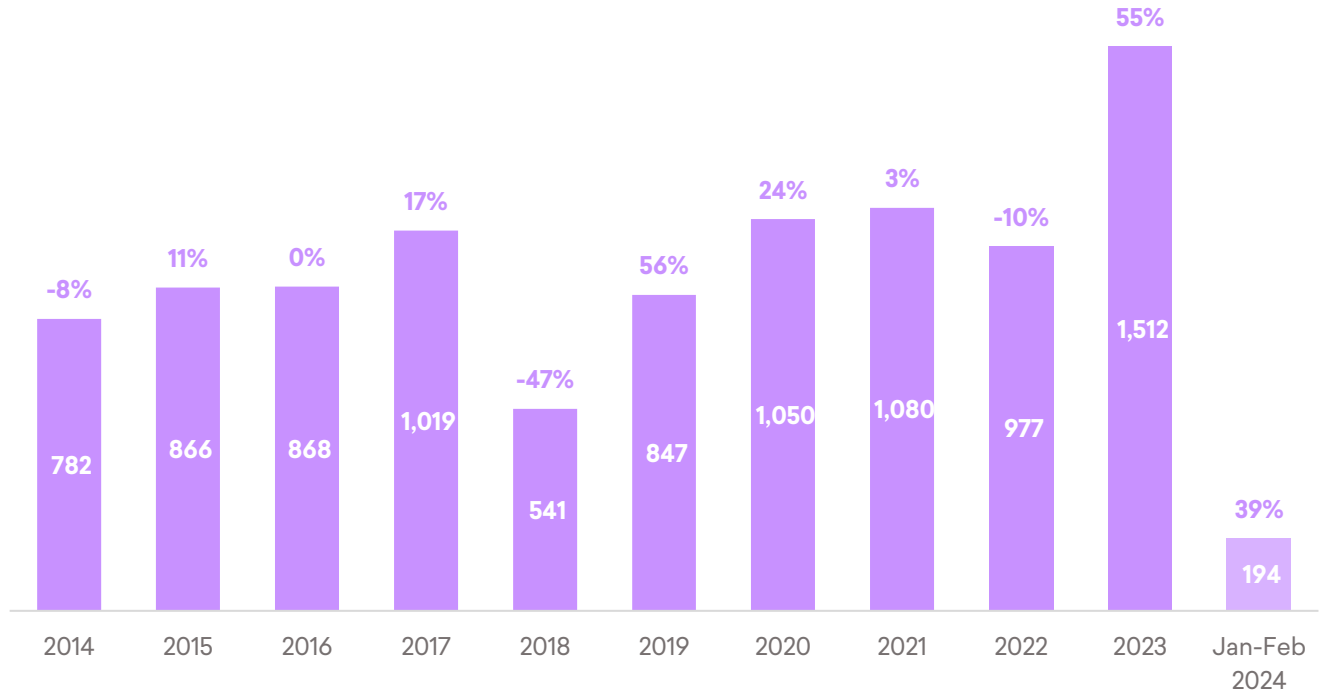
A7. Rent price indices (2019 average = 100)



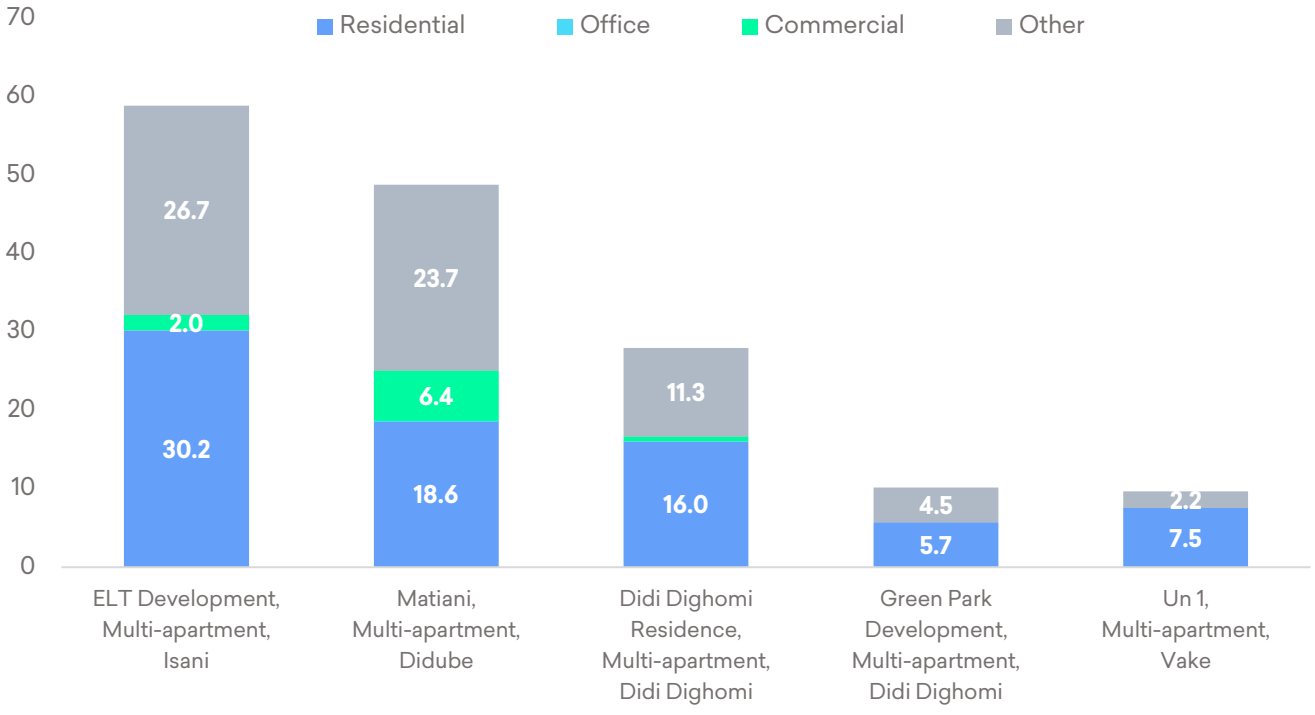
Source: Geostat, NBG, NAPR, TBC Capital
Note: index calculated using NAPR data shows change in average weighted prices recorded in RRE transactions

Annex: Construction permits

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



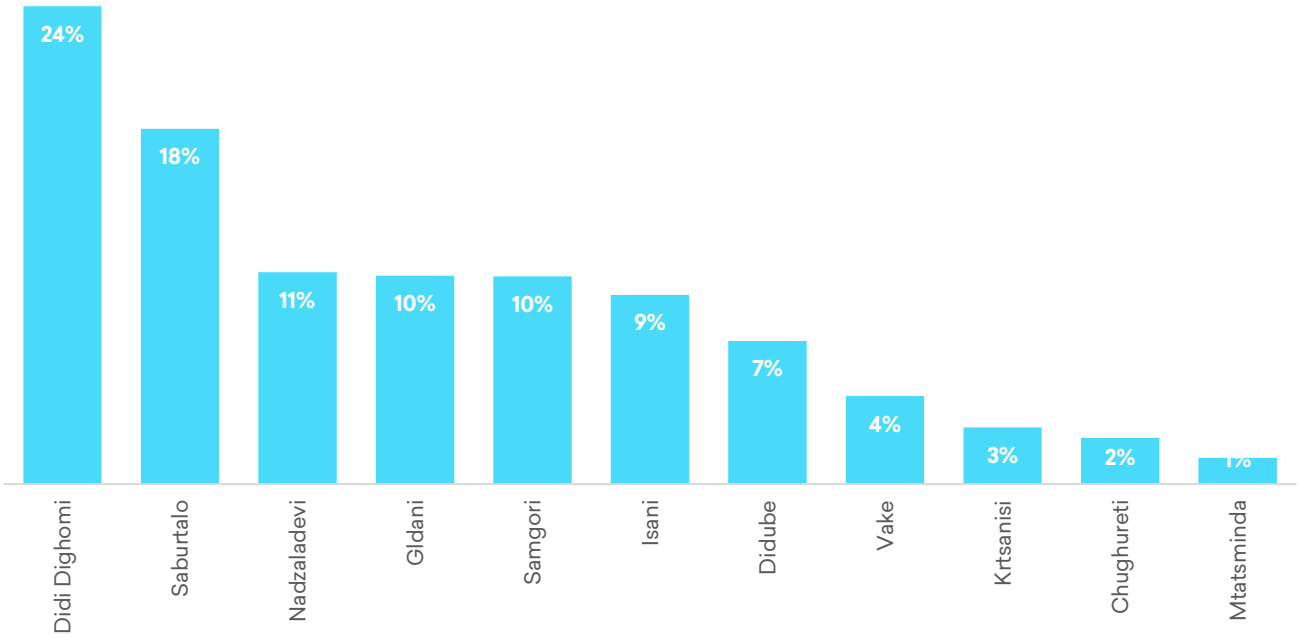
A9. Top 5 projects in terms of total area ('000 SQM), February 2024



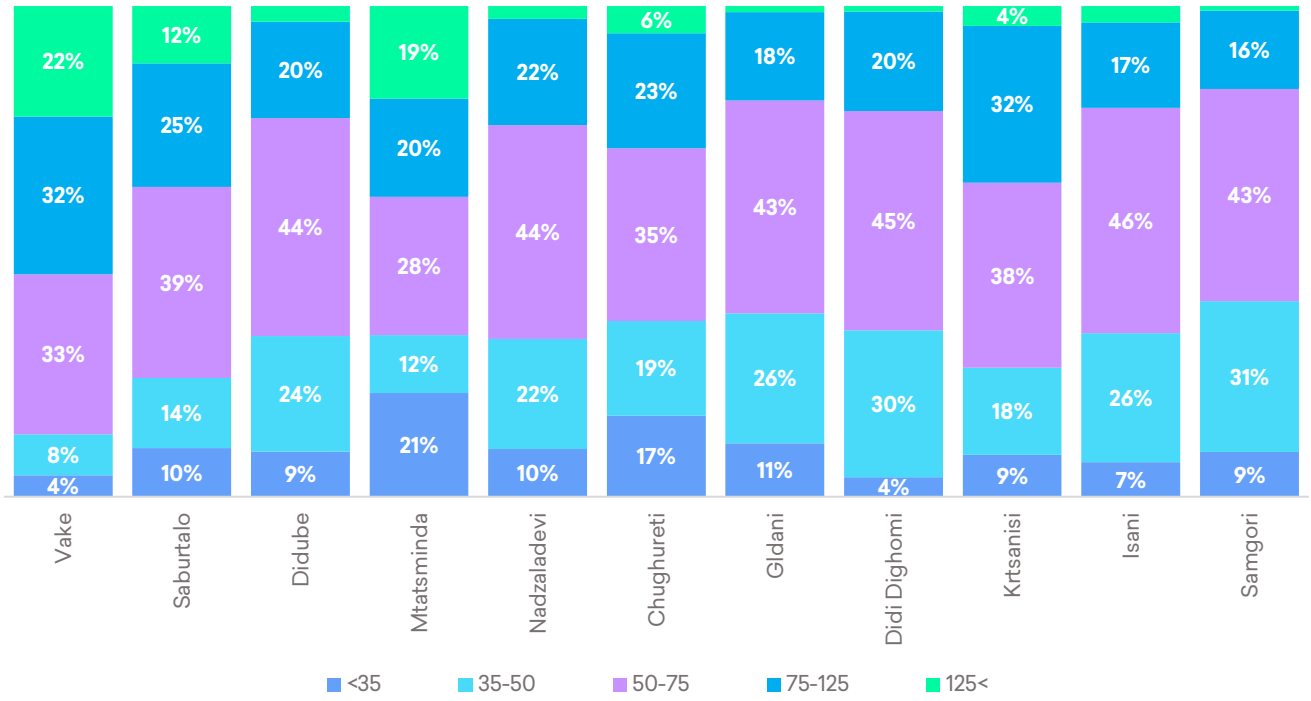
Source: TAS, TBC Capital
Note: residential area in class III and IV multi-apartment and multifunctional buildings

Annex: Tbilisi districts

A10. Transaction distribution by districts, February 2024



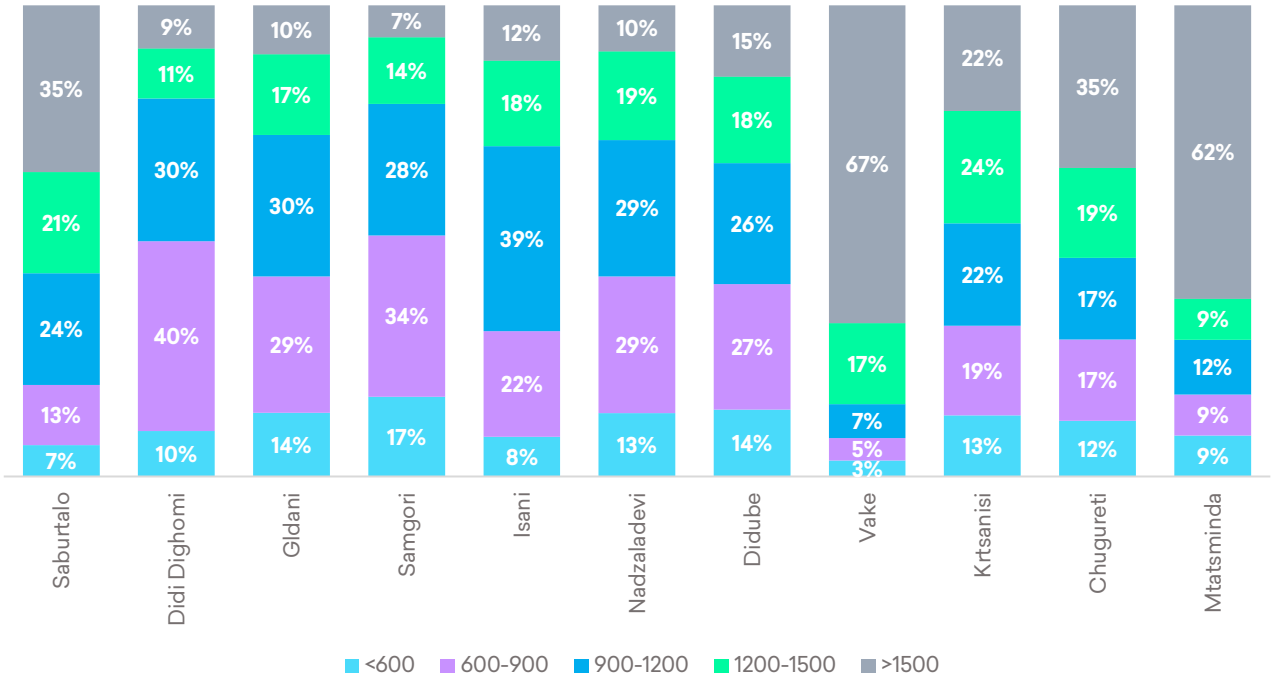
A11. Distribution of transactions by size (SQM) and districts, 2024 YTD



Source: NAPR, TBC Capital

Annex: Tbilisi districts

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



Source: NAPR, TBC Capital

Legal Notice

This publication (the "Publication") has been prepared and distributed by TBC Capital LLC ("TBC Capital") member of TBC Bank Group PLC ("Group") for informational purposes only and independently of the respective companies mentioned herein.

TBC Capital is operating and performing its professional services on the territory of Georgia and is duly authorized to prepare and distribute this Publication on the territory of Georgia.

Nothing in this Publication shall constitute an offer or invitation to treat to solicit buying or selling or subscribing any assets and/ or securities and nothing herein shall form the basis of any contract or commitment whatsoever or shall be considered as a recommendation to take any such actions.

Since distribution of this Publication may be restricted by law in certain jurisdictions, persons into whose possession this Publication comes are required by TBC Capital to inform themselves about and to observe any and all restrictions applicable to them.

As this Publication is not directed to or intended for distribution, directly or indirectly, to or use by any person or entity in any jurisdiction where such distribution, publication, availability or use would be contrary to the applicable law or which would require any registration or licensing within such jurisdiction, neither TBC Capital nor any member of the Group nor any of their respective director(s), partner(s), employee(s), affiliates, adviser(s) or agent(s) ("Representatives") accept any direct or indirect liability to any person in relation to the publication, distribution or possession of this Publication in or from any jurisdiction.

This Publication is not intended to provide any investment, business, tax and/or legal advice, and credit or any other evaluation. Recipients of this Publication are strongly required to make their own independent investigation and detailed appraisal of the matters discussed herein. Any investment decision should be made at the investor's sole discretion and consideration. Any and all information contained in this Publication is subject to change without notice, and neither TBC Capital nor any member of the Group nor any of their Representatives are under any obligation to update or keep information contained in this Publication.

Distribution of this Publication, at any time, does not imply that information herein is correct, accurate and/or complete as of any time after its preparation date or that there has been no change in business, financial condition, prospects, credit worthiness, status or affairs of the respective companies or anyone else since that date. Accordingly, this Publication should not be considered as a complete description of the markets, industries and/or companies referred to herein and no reliance should be placed on it. TBC Capital does not undertake to update this Publication or to correct any inaccuracies therein which may become apparent.

The Publication may include forward-looking statements, but not limited to, statements as to future operating results. Any "forward-looking statements", which include all statements other than statements of historical facts, involve known and unknown risks, uncertainties and other important factors beyond TBC Capital's control that could cause the actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such for- ward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment operating in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. No assurances can be given that the forward-looking statements in this document will be realized. TBC Capital does not intend to update such forward-looking statements.

Opinions, forecasts, estimates and/or statements relating to expectations regarding future events or the possible future performance of investments represent TBC Capital's own assessment and interpretation of information available to it currently from third party sources. Information obtained from the third party sources believed to be reliable, but that there is no guarantee of the accuracy and/or completeness of such information.

TBC Capital does and seeks to do and any member of the Group may or seek to do business with companies covered in this Publication. Thus, investors should be aware that TBC Capital may have a potential conflict of interest that could affect the objectivity of the information contained in this Publication.

This Publication may not be reproduced, redistributed or published, in whole or in part, in any form for any purpose, without the written permission of TBC Capital, and neither TBC Capital nor any member of the Group nor any of their Representatives accept any liability whatsoever for the actions of third parties in this respect.

TBC Capital makes no expressed or implied representation or warranty of usefulness in predicting the future performance or in estimating the current or future value of any security or asset, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this Publication.

Without limiting any of the foregoing and to the extent permitted by law, TBC Capital or any member of the Group or any of their Representatives expressly disclaim all liability whatsoever (in negligence or otherwise) for any loss or damages however arising, directly or indirectly, from any use of this Publication or its contents (including without limitation to the accuracy and/or completeness of information therein) or otherwise arising in connection with this Publication or for any act or failure to act by any party on the basis of this Publication.

7 Marjanishvili Str., Tbilisi 0102, Georgia
Tel: +995 32 2 272727 | +995 32 2 272733
Email: Research@tbccapital.ge
Email: Macro@tbcbank.com.ge
www.tbccapital.ge
www.investing.tbccapital.ge



TBC CAPITAL