



TBC CAPITAL

RESIDENTIAL REAL ESTATE IN TBILISI

MAY 2024
Monthly Watch

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RESIDENTIAL REAL ESTATE IN TBILISI

May 2024 vs May 2023

-7%



3,142

Number of
transactions

+2%



1,192\$

Average asking sale
price per SQM

-6%



12.0\$

Average asking rent
price per SQM

Transactions, price and yield

In May 2024, the **number of transactions** reached 3,142, marking a 7% decrease compared to May 2023. Furthermore, in monthly terms, there was a 2% decline observed. Transactions in the first 5 months of 2024 stands 1% higher relative to the same period of 2023.

In May, the asking **sale price** amounted to \$1,192, posting a 2% growth relative to May 2023 (-1% MoM). In the same period, the **market size** stood at \$243 Mln, decreasing by 7% annually.

Rent price stayed close to the previous month's level and amounted to \$12.0, standing 6% below compared to the same period of the previous year.

The **rental yield** in Tbilisi still stayed at the same level, amounting 10.6% and declining by 0.8 percentage points relative to May 2023.

In terms of new constructions, in 5M 2024, permits were issued for residential area of about 677 thousand SQM, which is 27% higher than in 5M 2023 (see Annex).

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

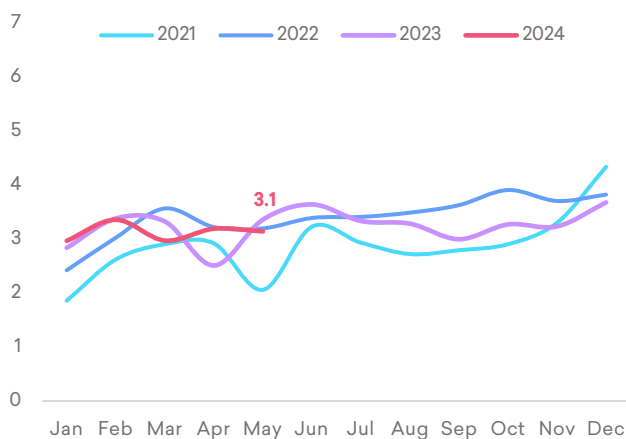


Figure 2. Average asking sale price (\$/SQM)

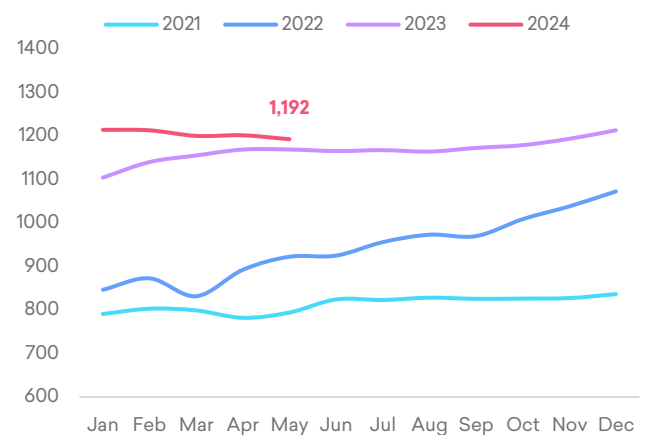


Figure 3. Average asking rent price (\$/SQM)

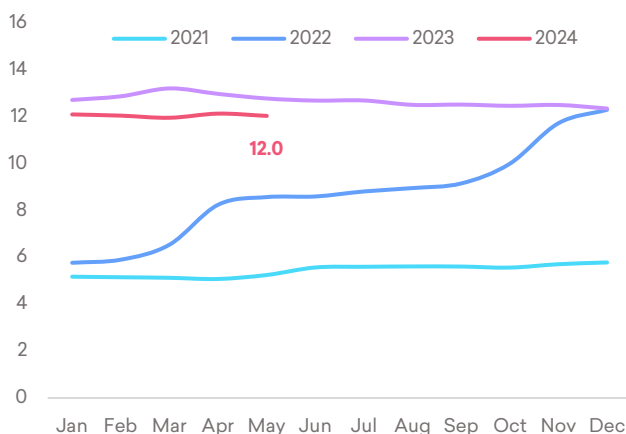
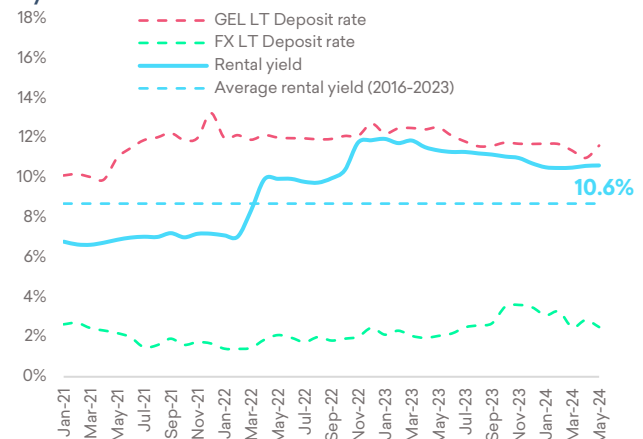


Figure 4. Rental yield and deposit rate dynamics



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 May 2024, 712 **new** apartments were sold, increasing by 12% relative to May 2023. As for **old** apartments, a total of 2,430 transactions were made, posting an 11% annual decline. It seems that the demand for newer apartments remained stronger. Since sales of new apartments increased considerably, their share in total sales went up to 23%.

The average sales price increased annually for both, new (7.8%) and old (1.8%) apartments. Compared to April 2024, the average sale price decreased by 1.2% for new apartments and by 0.5% for old ones.

Apartments ranging from 50 to 75 SQM took the biggest portion (43%) of the total apartments sold in May 2024, which is a 3pp increase compared to the same period of last year and a 1pp increase compared to April 2024. The flats above 125 SQM took 4% share.

In May 2024 the share of high price apartments (>1500 \$/SQM) in total property sales stayed at 21% (+4pp, YoY)

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

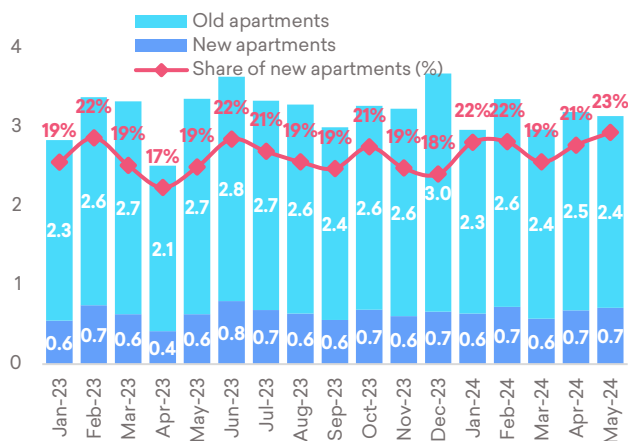


Figure 6. Average asking sale price, New vs Old (\$/SQM)

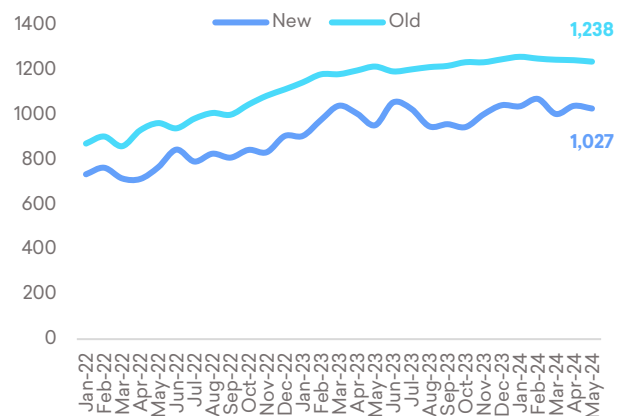


Figure 7. Distribution of sold properties by size (SQM), Tbilisi

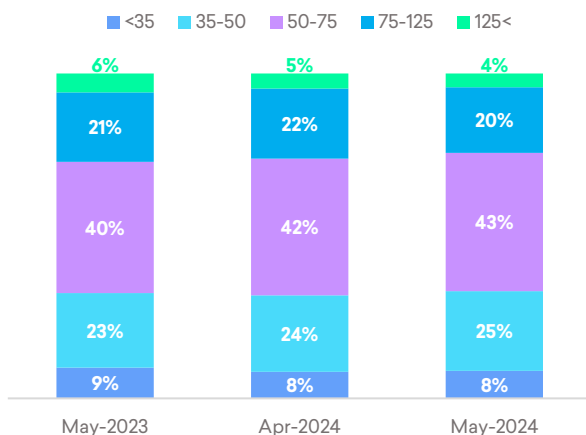
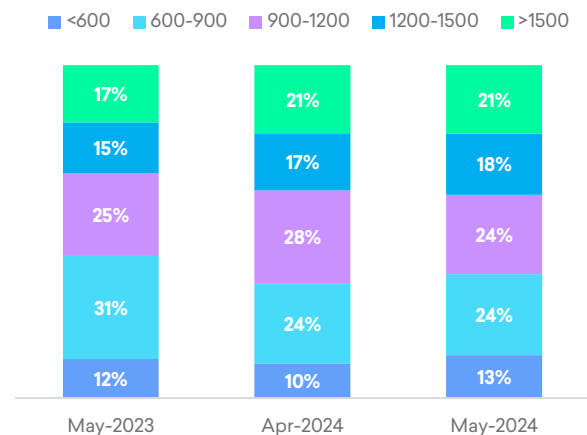


Figure 8. Distribution of sold properties by price categories (\$/SQM), Tbilisi



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 May 2024, Didi Dighomi (23% share in total sales) stayed at the top as the district with the highest number of sold residential properties in Tbilisi, followed by Saburtalo (17% share).

In terms of new apartments sales: Samgori, Didi Dighomi and Krtsanisi showed significant annual growth. The highest number of new apartments were sold in Didi Dighomi. In case of old apartment sales, only Nadzaladevi and Didi Dighomi showed annual growths. The greatest number of old apartments were sold in Saburtalo, closely followed by Didi Dighomi.

In May 2024, the average price per SQM in Mtatsminda still stood above \$2,000, posting the highest YoY growth for old apartment prices. There was a significant annual growth observed in the average prices for new apartments in Chughureti and Isani.

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

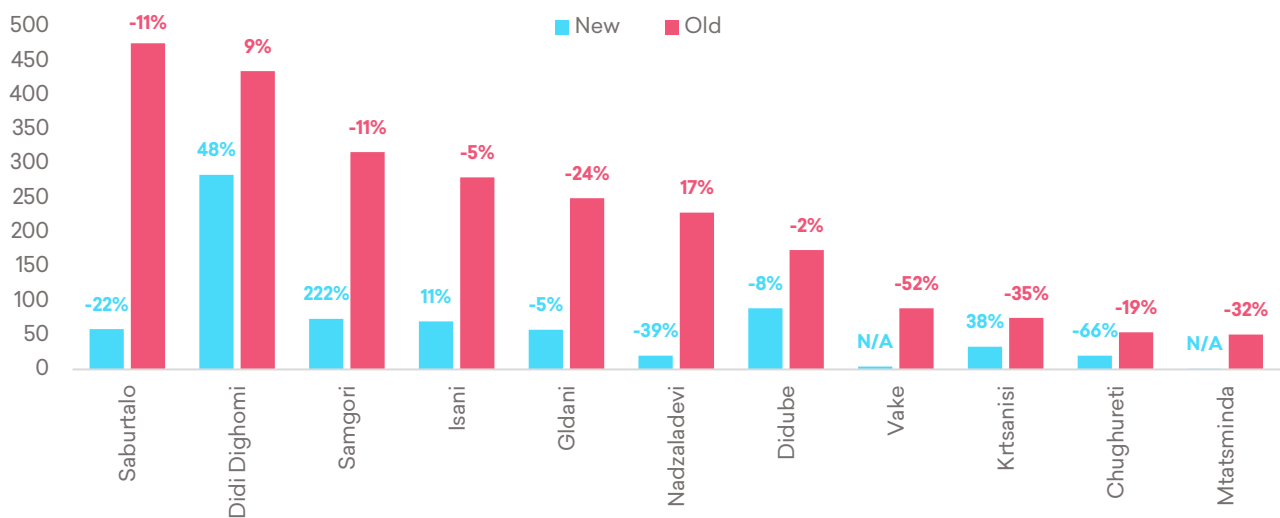
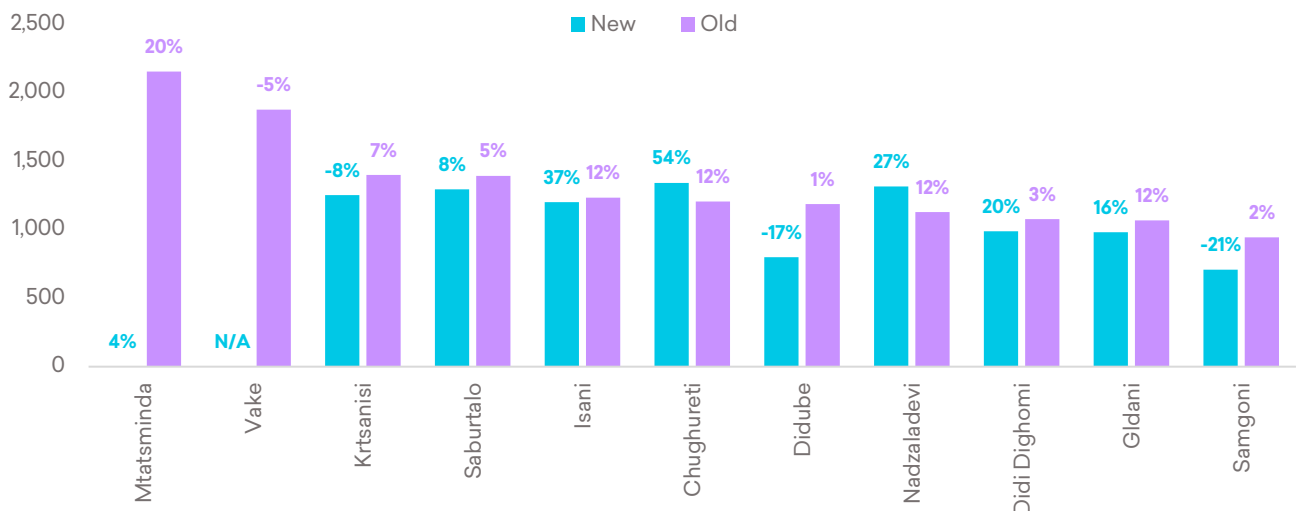


Figure 10. Weighted average sale price (\$/SQM) and YoY change (%), New vs Old apartments, May 2024



Source: NAPR, TBC Capital

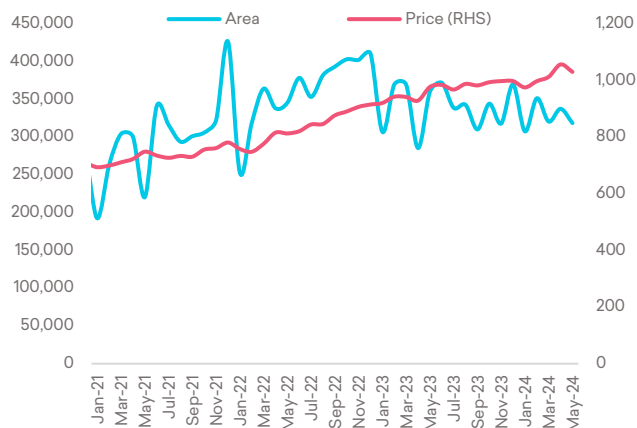
Note I: indicators are not calculated for districts that had less than 10 transactions in the specified period and are shown as N/A

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

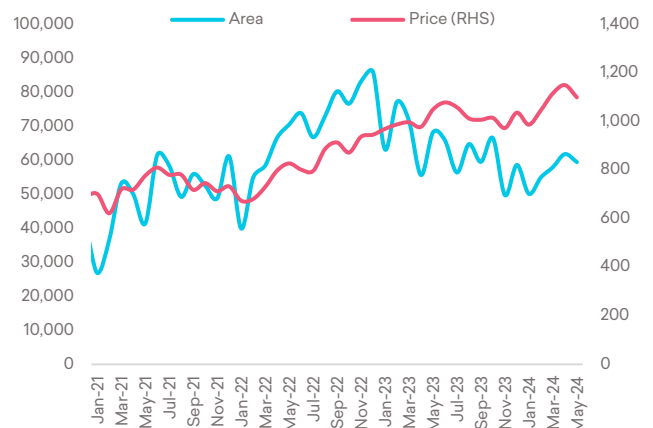
Annex: Georgia

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

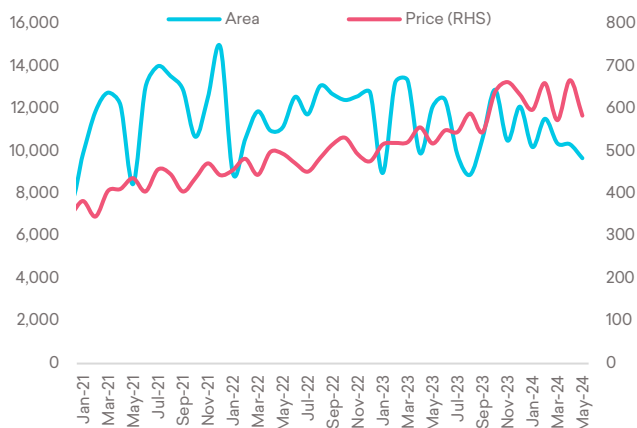
Georgia



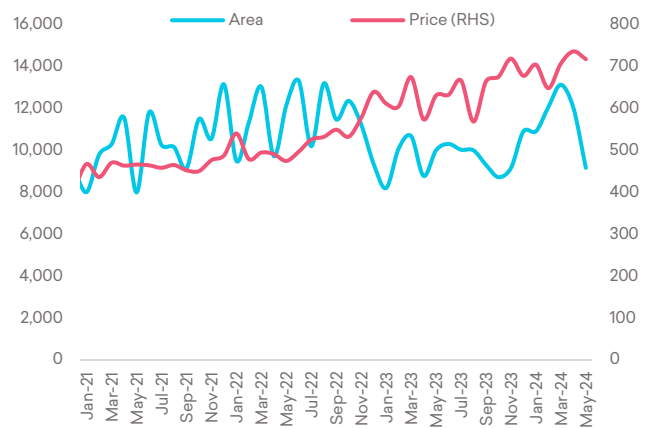
Batumi



Kutaisi



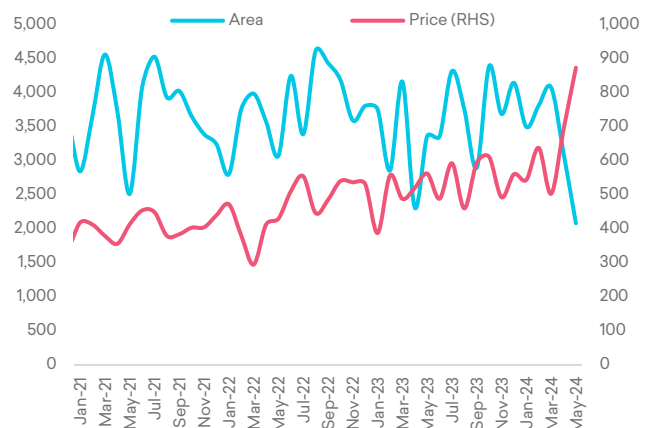
Rustavi



Borjomi



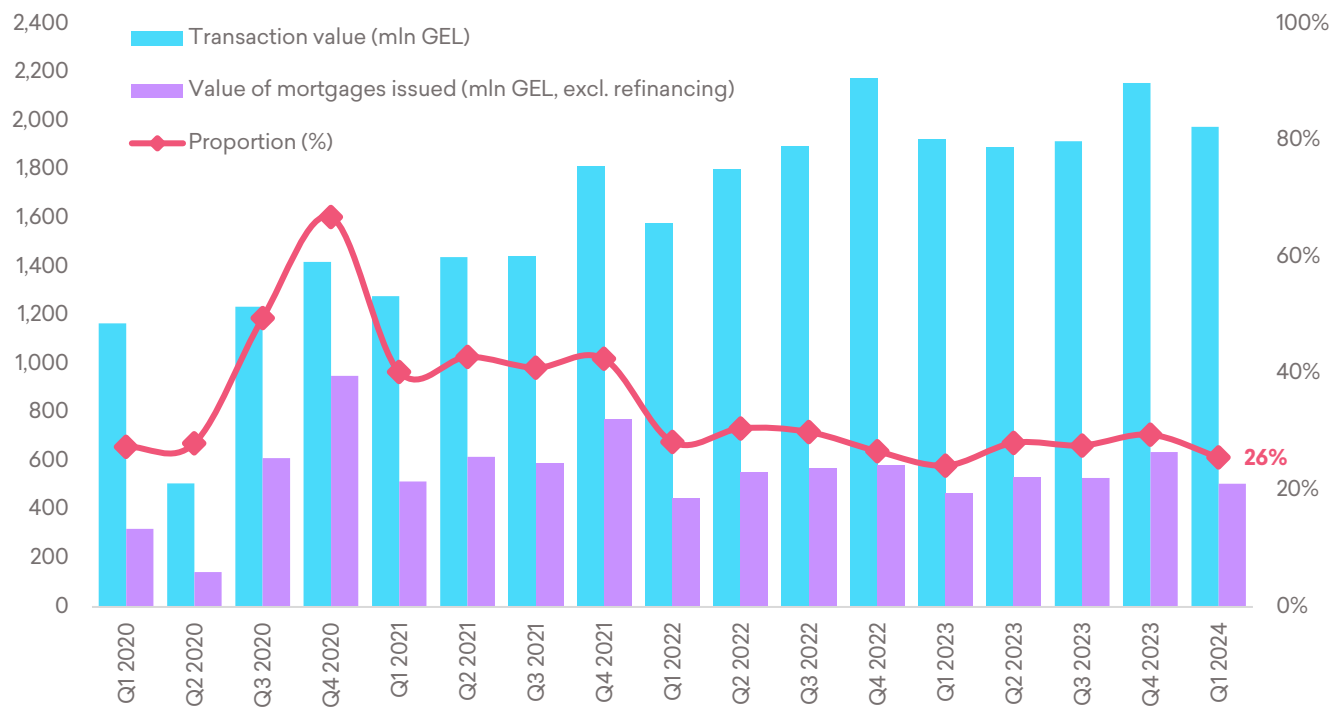
Gori



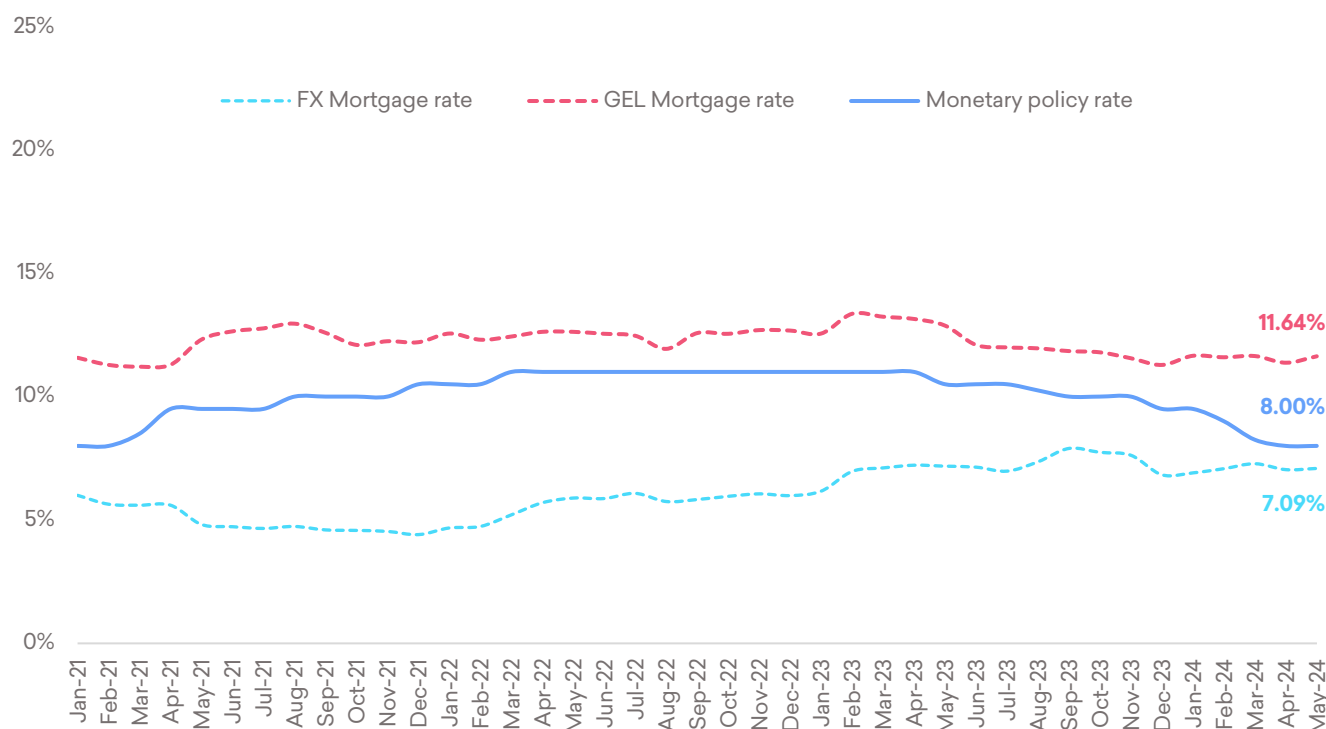
Source: NAPR, TBC Capital

Annex: Mortgage

A2. Value of issued mortgages to transaction value, Tbilisi



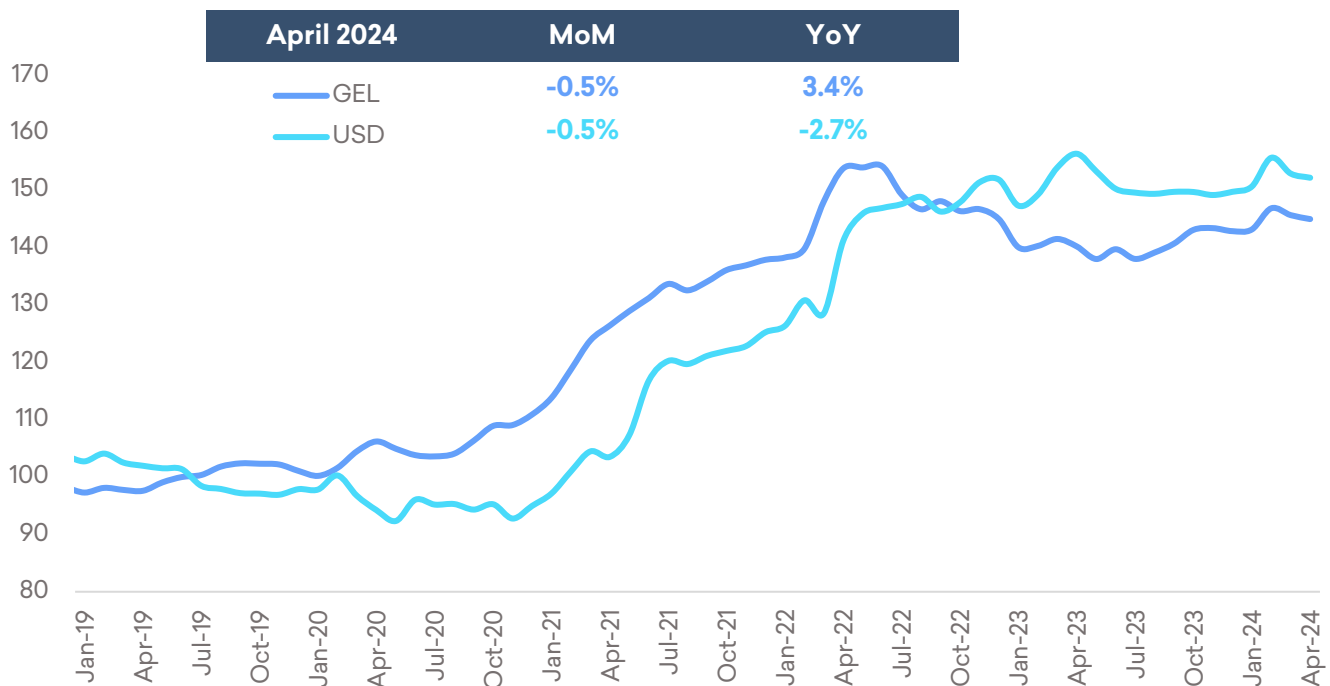
A3. Mortgage rate dynamics in Georgia



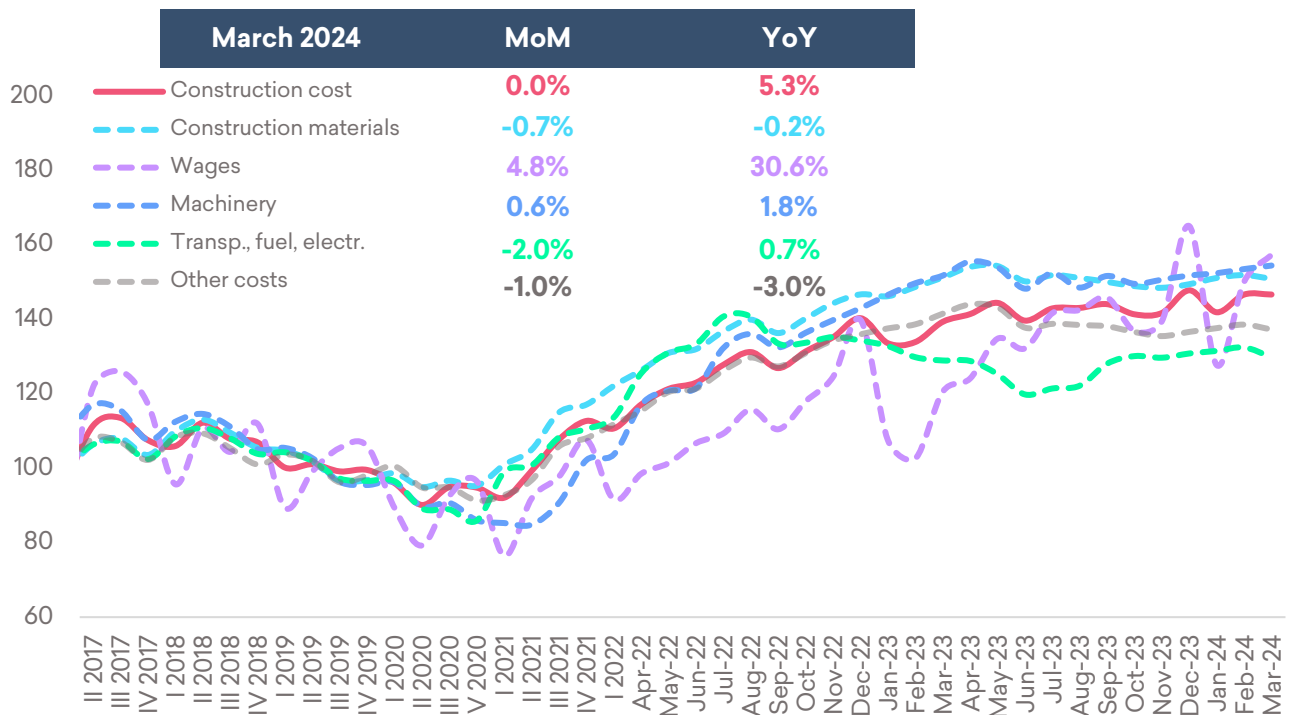
Source: NAPR, NBG, TBC Capital

Annex: Construction costs

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



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

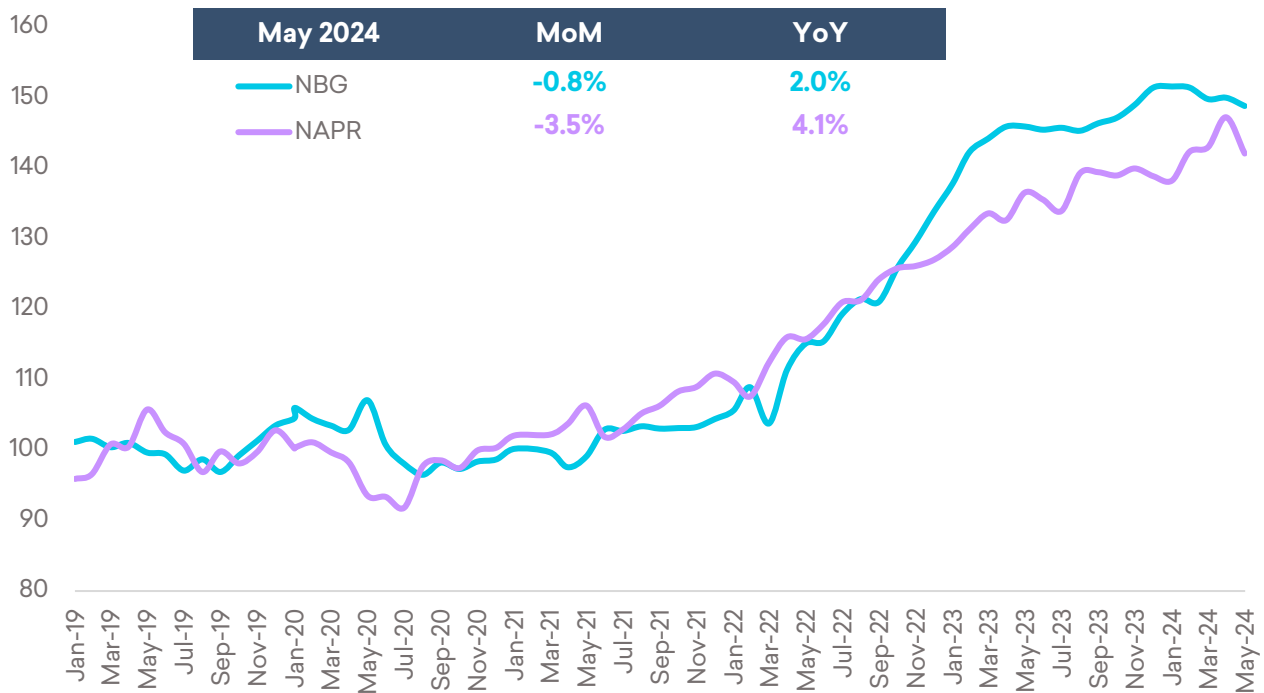


Source: Geostat, TBC Capital

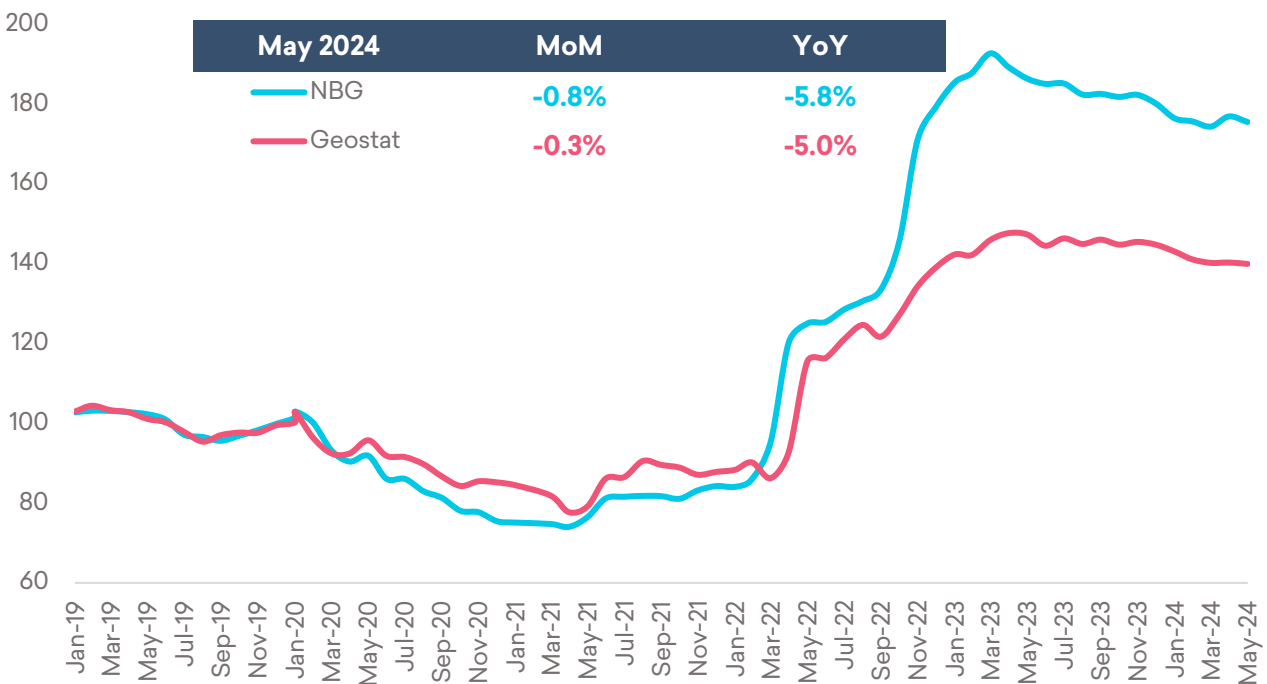
Note: Q1 2022 data is used for YoY change figures in construction cost index

Annex: Price indices

A6. Sale price indices (2019 average = 100)



A7. Rent price indices (2019 average = 100)

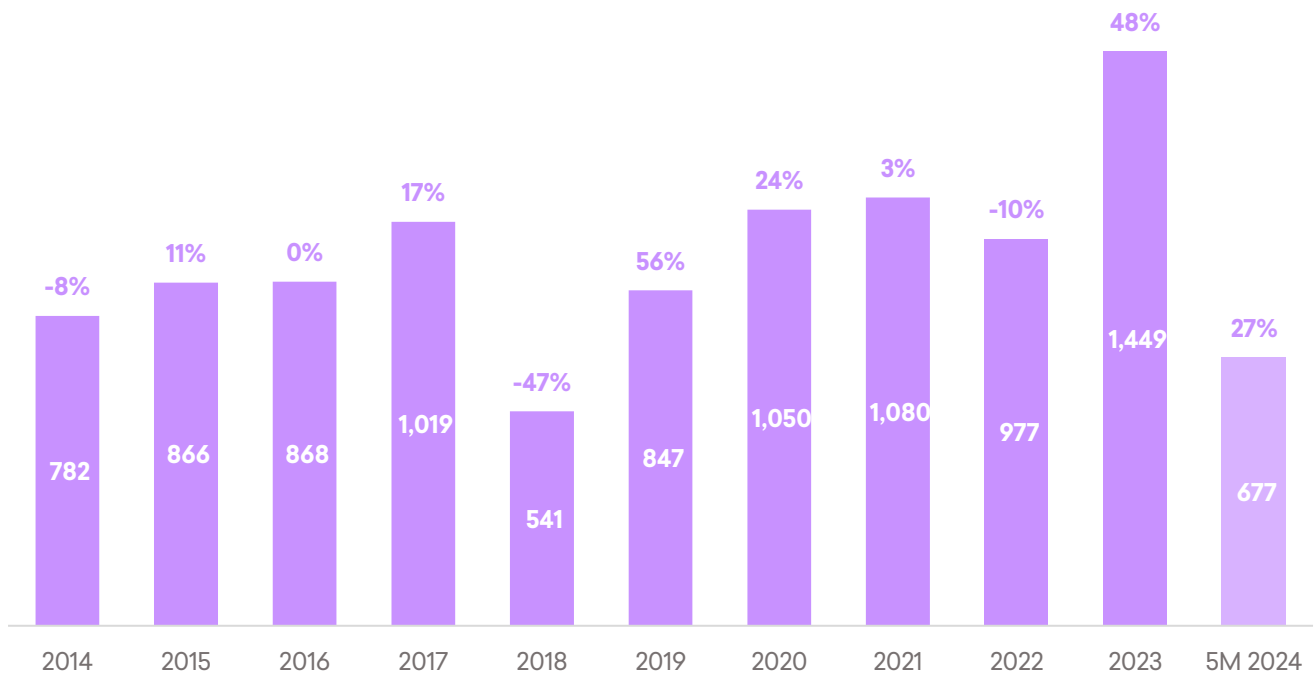


Source: Geostat, NBG, NAPR, TBC Capital

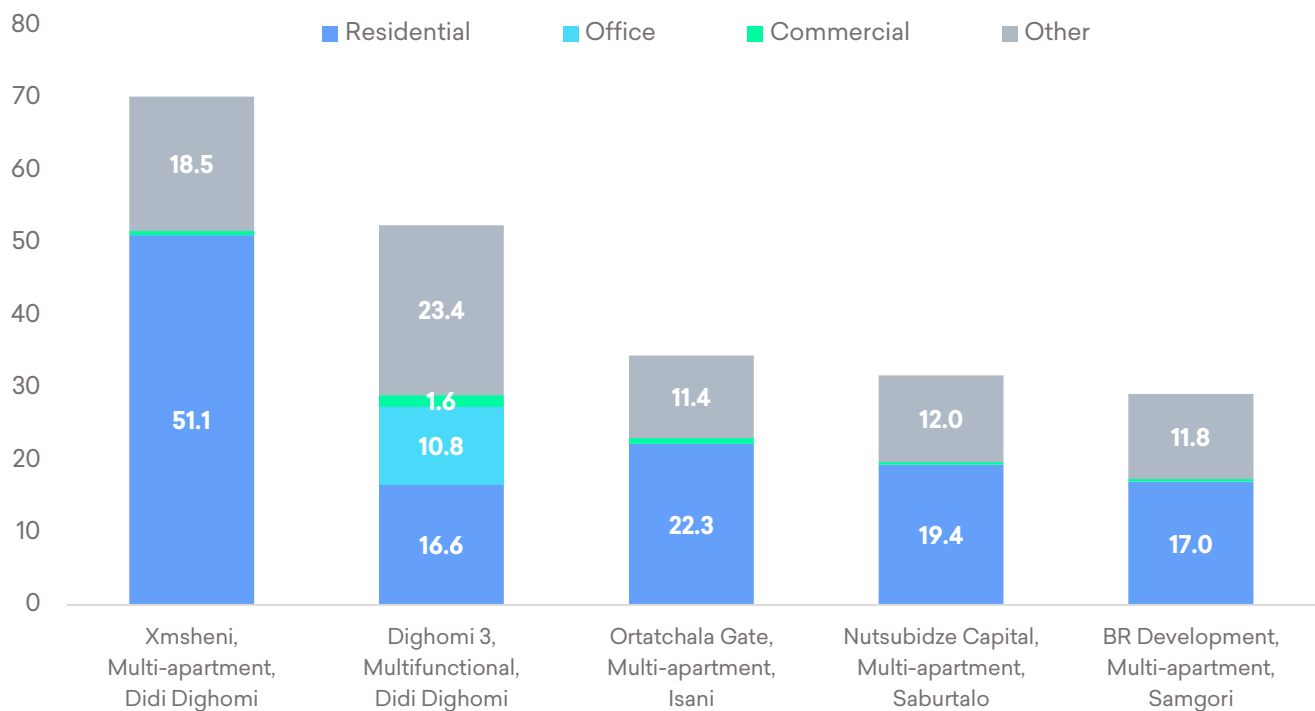
Note: index calculated using NAPR data shows change in average weighted prices recorded in RRE transactions

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), May 2024

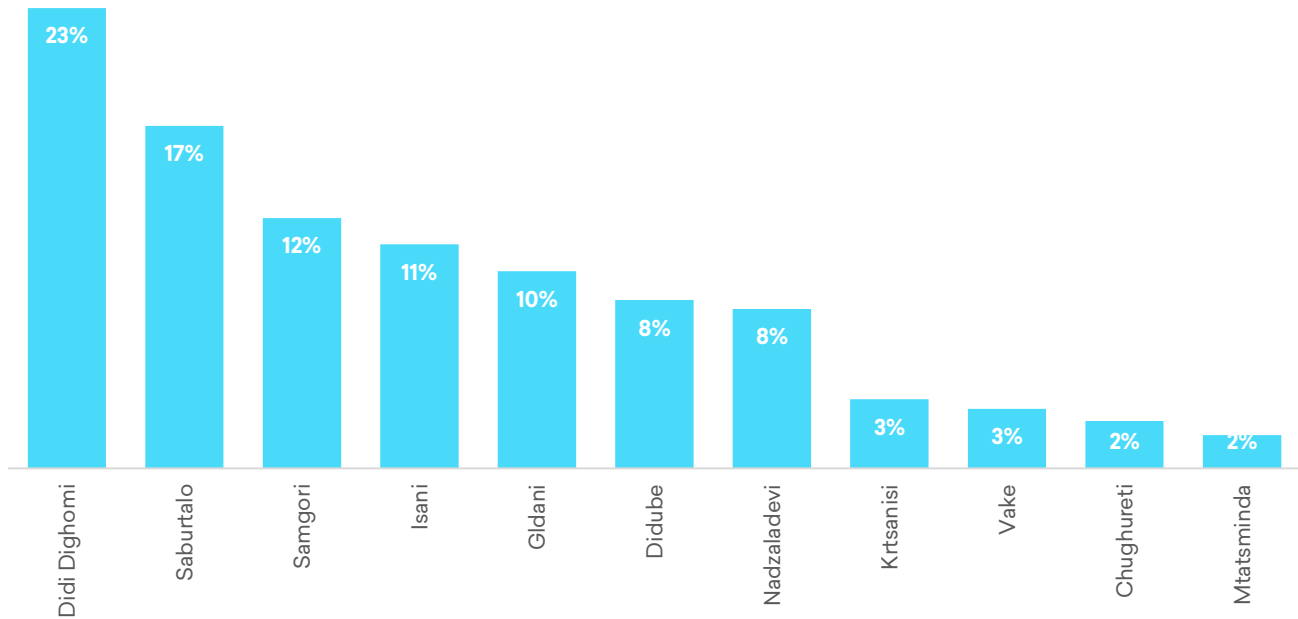


Source: TAS, TBC Capital

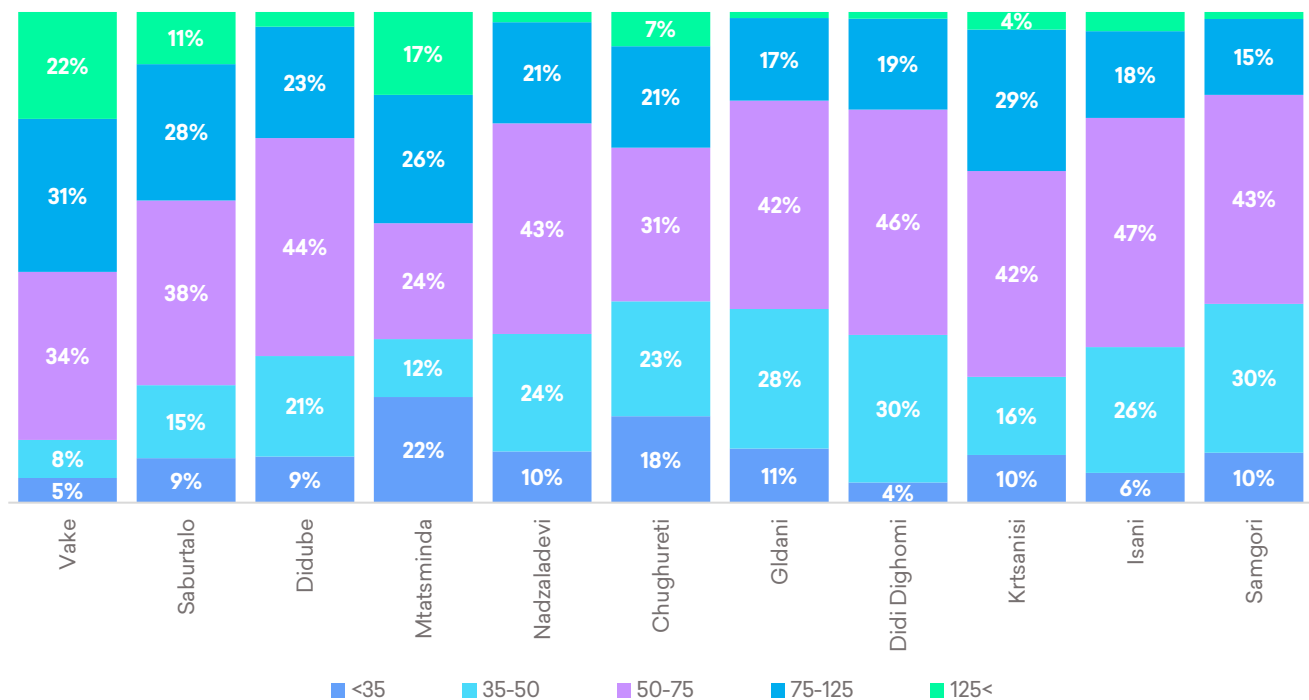
Note: residential area in class III and IV multi-apartment and multifunctional buildings

Annex: Tbilisi districts

A10. Transaction distribution by districts, May 2024



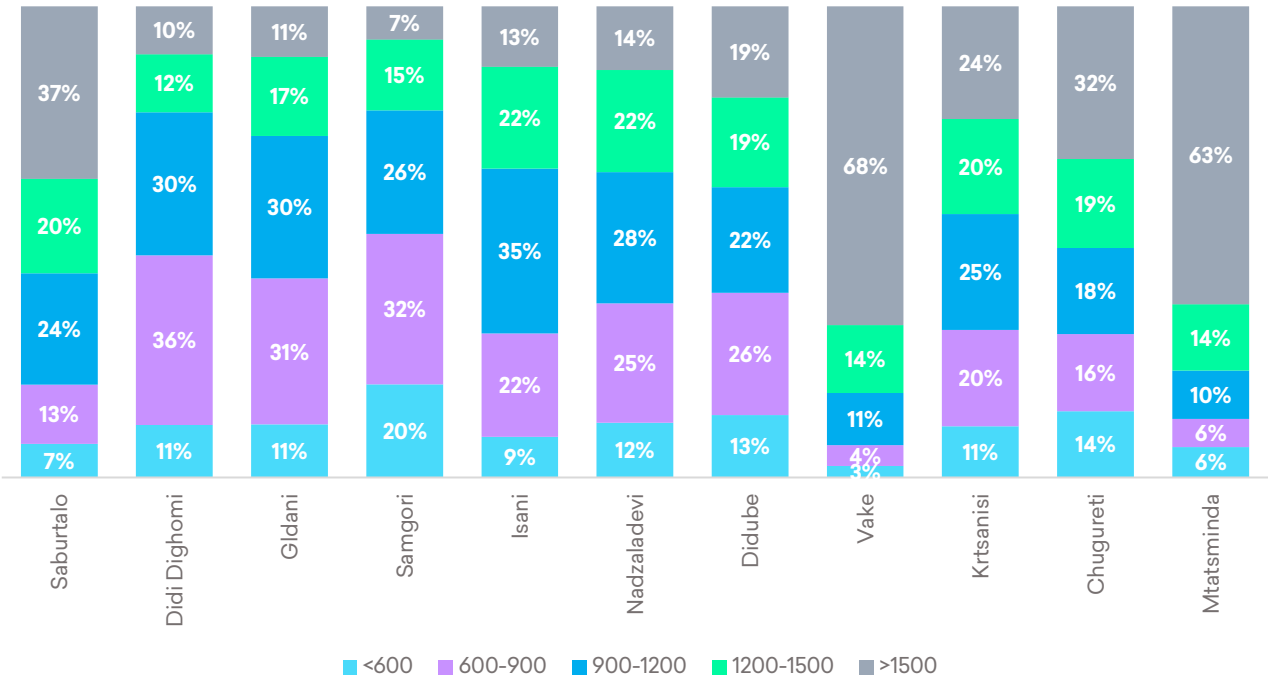
A11. Distribution of transactions by size (SQM) and districts, 2024 YTD



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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