



TBC CAPITAL

RESIDENTIAL REAL ESTATE IN TBILISI

JUNE 2024
Monthly Watch

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RESIDENTIAL REAL ESTATE IN TBILISI

June 2024 vs June 2023

-20%



2,903

Number of
transactions

+1%



1,178\$

Average asking sale
price per SQM

-8%



11.6\$

Average asking rent
price per SQM

Transactions, price and yield

In June 2024, Tbilisi residential real estate market experienced a significant slowdown, with the **number of transactions** standing at 2,903, marking a 20% decrease relative to June 2023. This was the second consecutive month of decline, possibly due to postponed demand, a trend that might continue in the pre-election period, as some individuals might be more reluctant to buy property and choose to postpone their purchases. On a monthly basis, there was an 8% decline observed. Overall, transactions in the first 6 months of 2024 stand 3% lower compared to the same period of 2023.

In June, the asking **sale price** stood at \$1,178, posting a 1% annual growth (-1% MoM). In the same period, the **market size** was valued at \$222 Mln, decreasing by 21% annually.

As expected, the **rent price** posted a more noticeable decline in June 2024, standing at \$11.6, 3% below the figure in the previous month and 8% lower than in the same period of last year.

The **rental yield** in Tbilisi amounted to 10.4%, declining by 0.9 percentage points relative to June 2023.

In terms of new constructions, in 6M 2024, permits were issued for residential area of 722 thousand SQM, which is 7% higher than in 6M 2023 (see Annex).

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

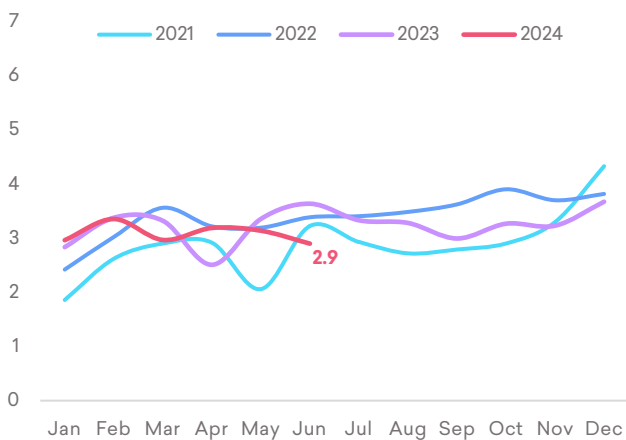


Figure 2. Average asking sale price (\$/SQM)

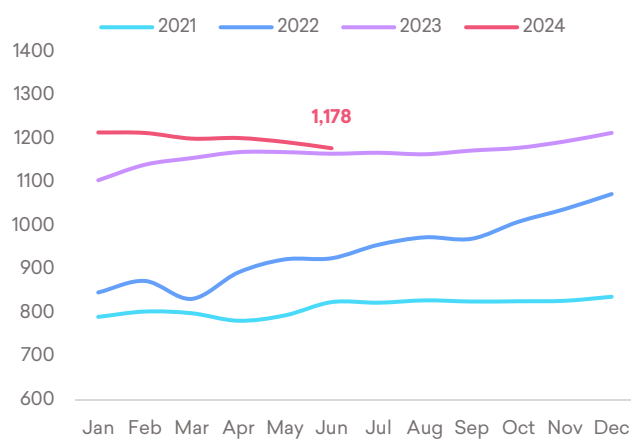


Figure 3. Average asking rent price (\$/SQM)

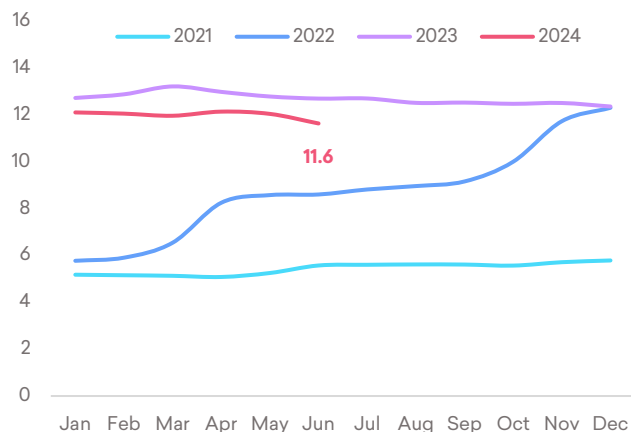
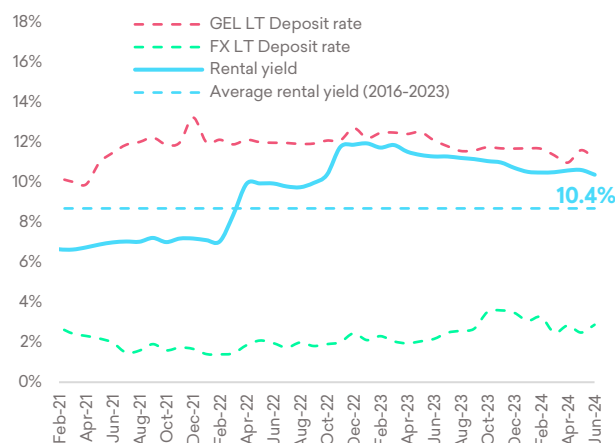


Figure 4. Rental yield and deposit rate dynamics



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 June 2024, 621 **new** apartments were sold, decreasing by 22% compared to June 2023. As for **old** apartments, a total of 2,282 transactions were made, marking a 20% annual decline. Since sales of new apartments decreased more, their share in total sales went down to 21%.

The average sales price for new apartments decreased by 1.8% annually, however the price for old apartments increased by 1.5%. Compared to May 2024, the average sale prices remained basically unchanged.

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

In the same period, the share of high price apartments (>1500 \$/SQM) in total property sales reached 22% (+5pp, YoY)

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

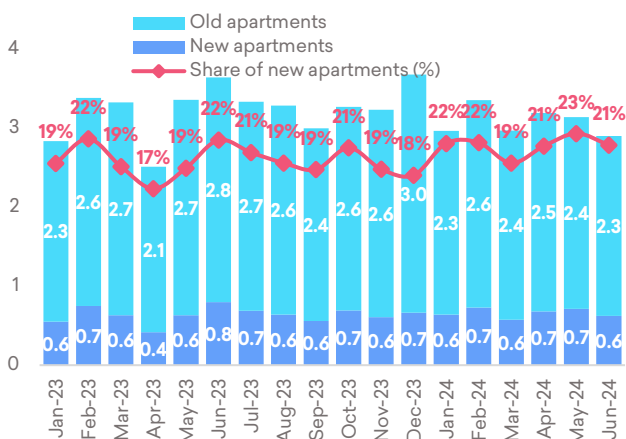


Figure 6. Average asking sale price, New vs Old (\$/SQM)

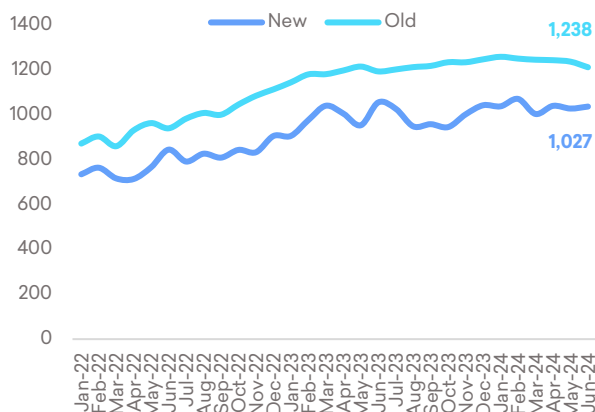


Figure 7. Distribution of sold properties by size (SQM), Tbilisi

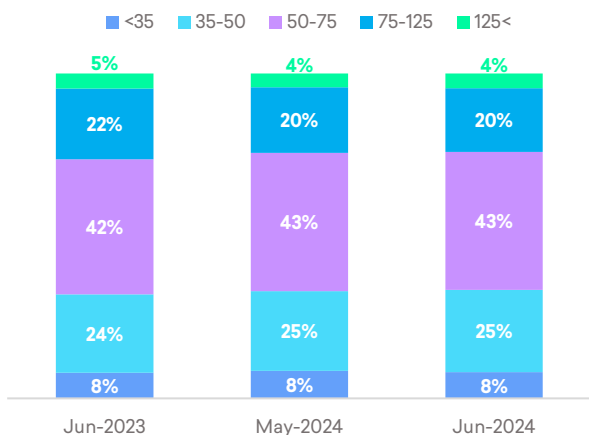
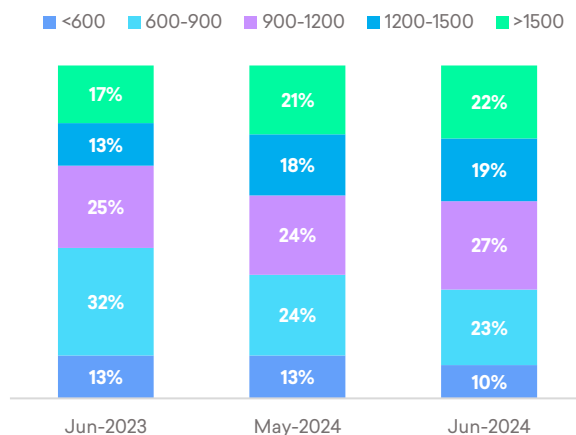


Figure 8. Distribution of sold properties by price categories (\$/SQM), Tbilisi



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 June 2024, Didi Dighomi (20% share in total sales) stayed at the top as the district with the highest number of sold residential properties in Tbilisi, followed by Saburtalo (16% share).

In terms of new apartments sales only Isani posted annual growth. The highest number of new apartments were sold in Didi Dighomi. In case of old apartment sales, only Didube showed positive annual growth. The largest number of old apartments were sold in Saburtalo, followed by Didi Dighomi.

In June 2024, the average price per SQM in Mtatsminda and Vake stood a bit below \$2,000. There was a significant decline observed for new apartment prices in Krtsanisi, Vake and Chughureti.

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

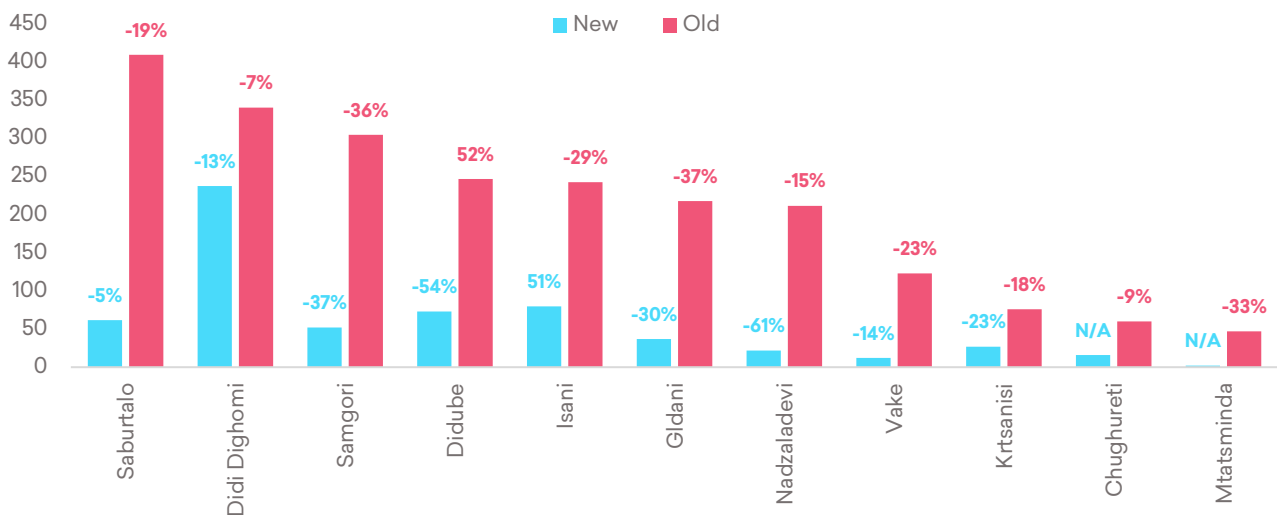
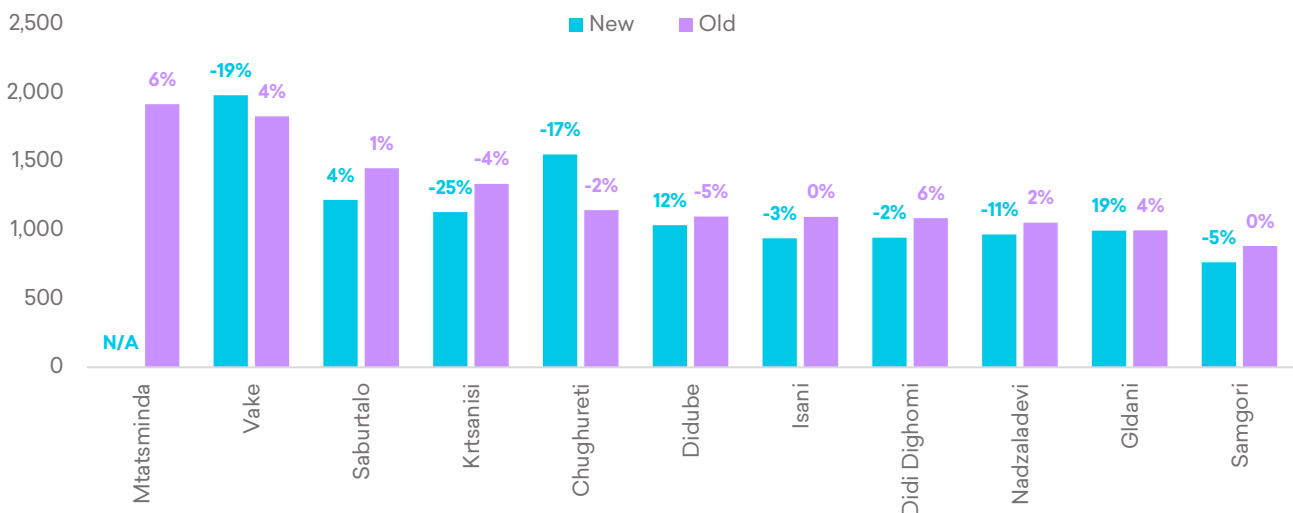


Figure 10. Weighted average sale price (\$/SQM) and YoY change (%), New vs Old apartments, June 2024



Source: NAPR, TBC Capital

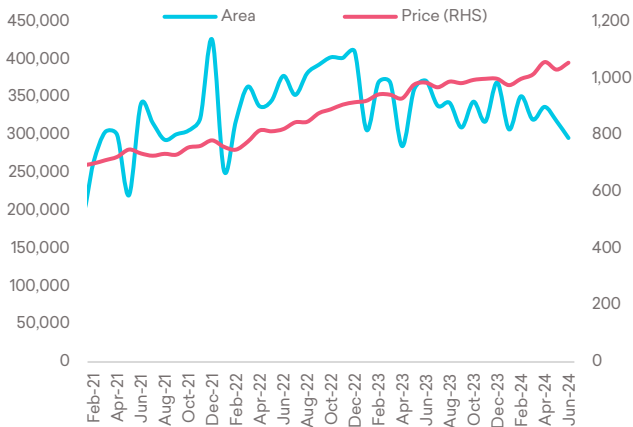
Note I: indicators are not calculated for districts that had less than 10 transactions in the specified period and are shown as N/A

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

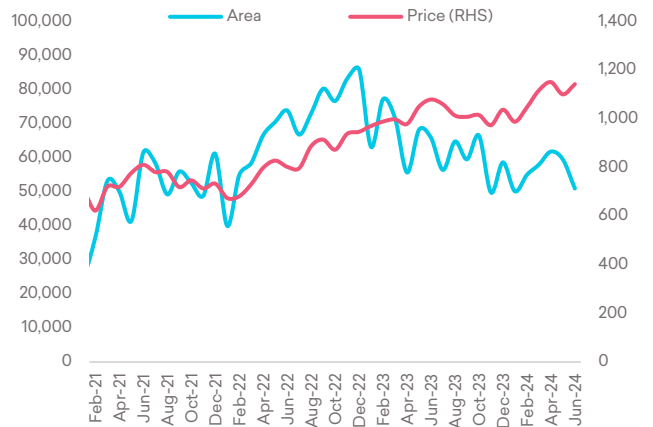
Annex: Georgia

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

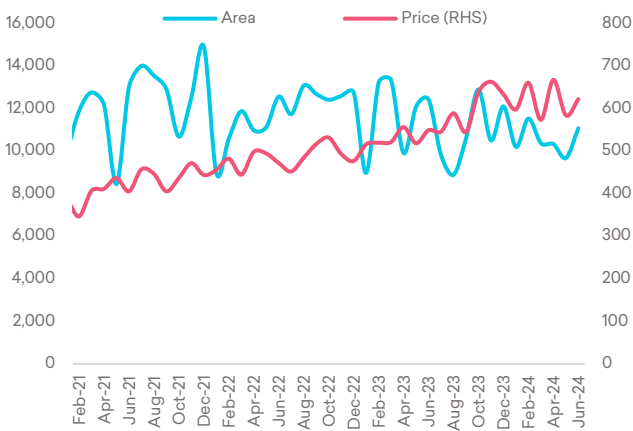
Georgia



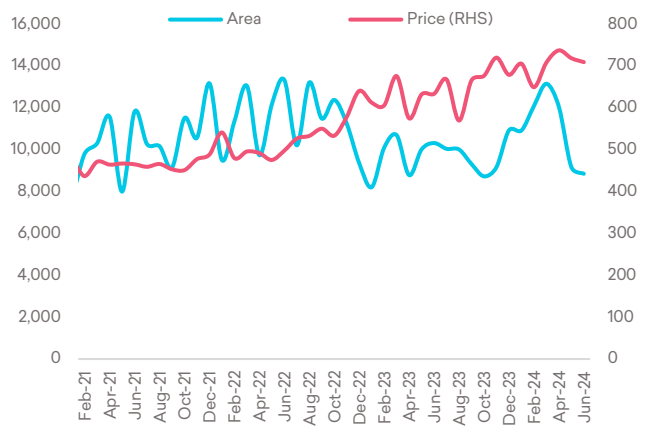
Batumi



Kutaisi



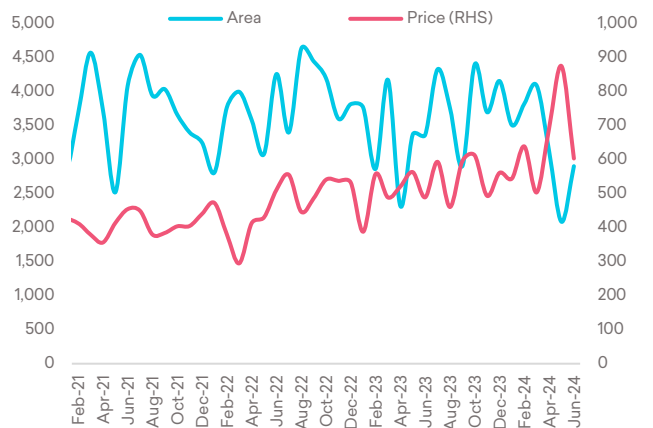
Rustavi



Borjomi



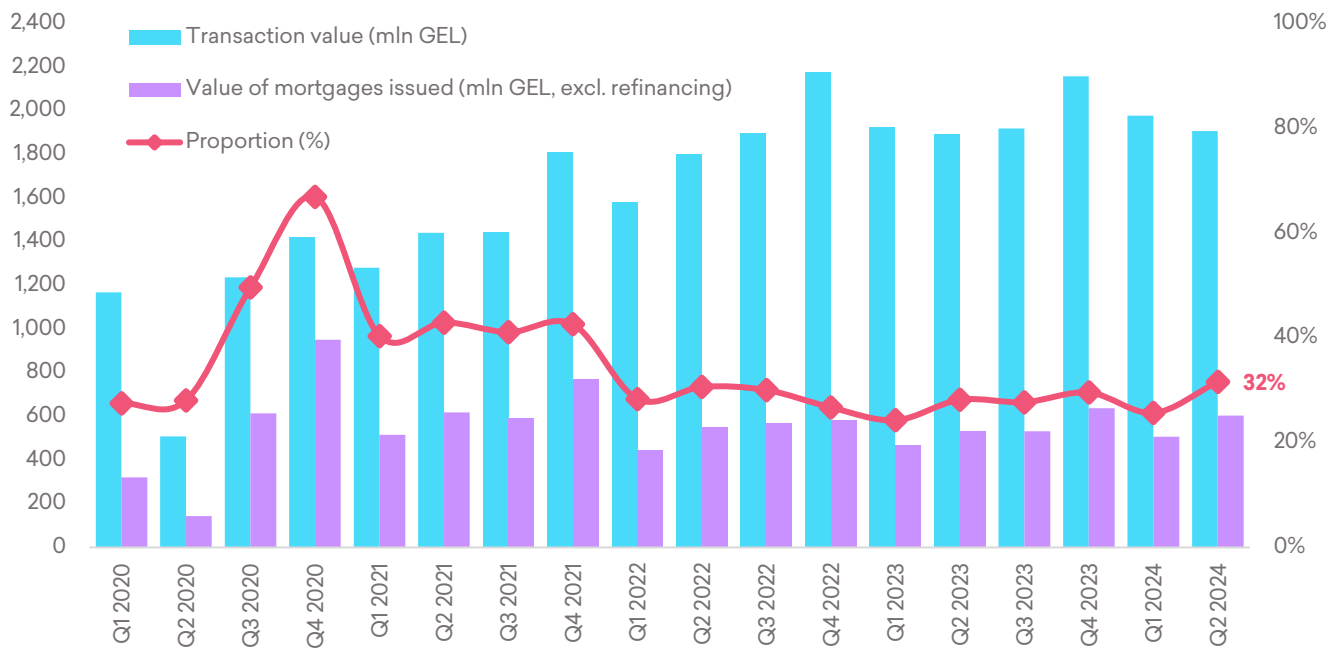
Gori



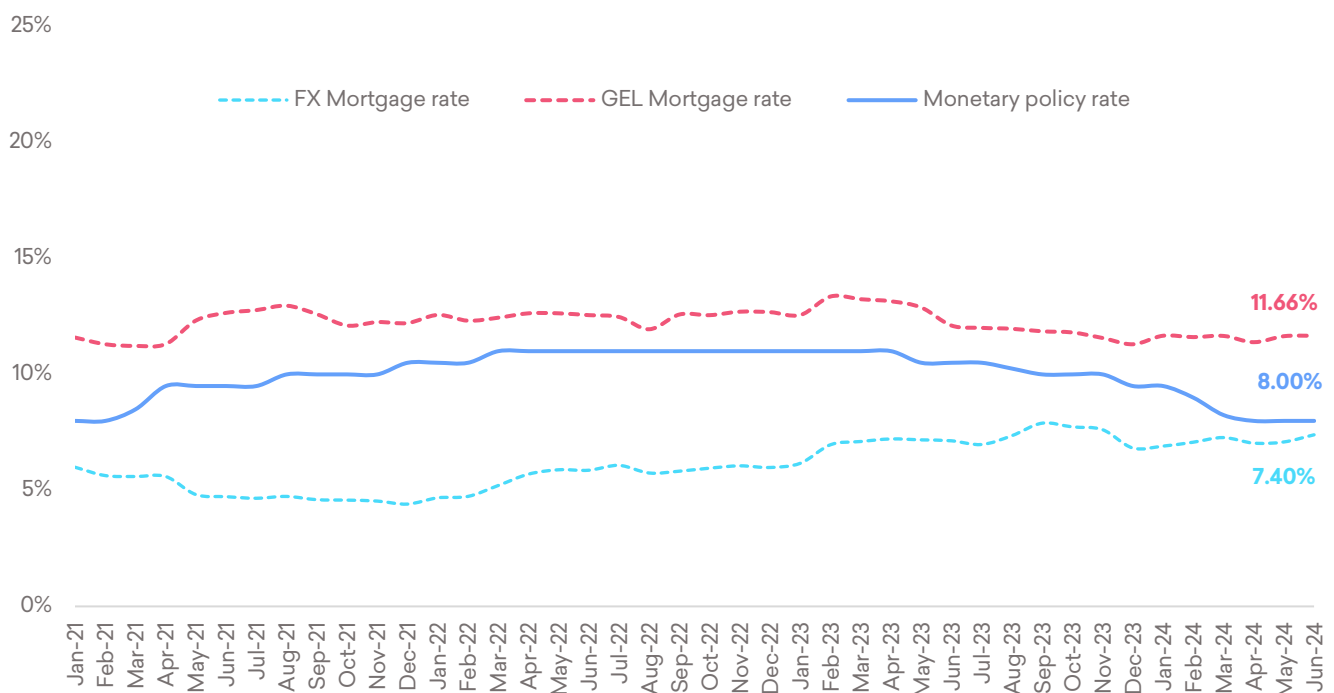
Source: NAPR, TBC Capital

Annex: Mortgage

A2. Value of issued mortgages to transaction value, Tbilisi



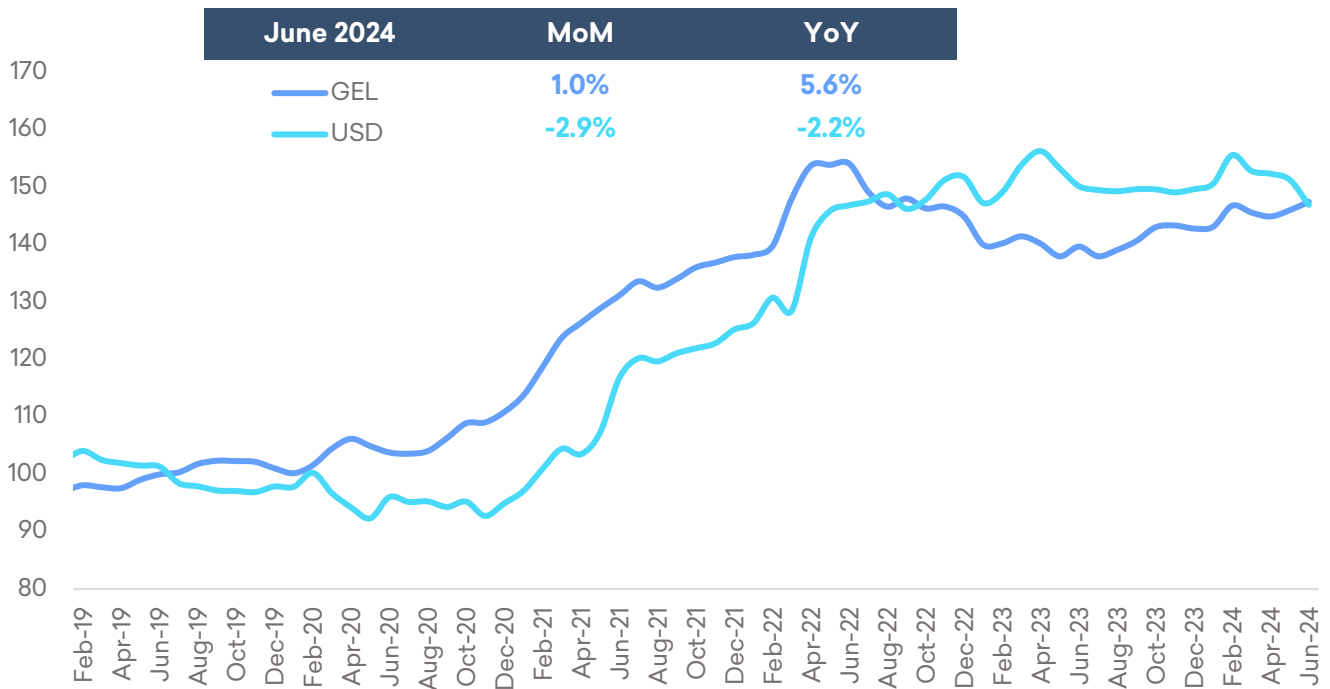
A3. Mortgage rate dynamics in Georgia



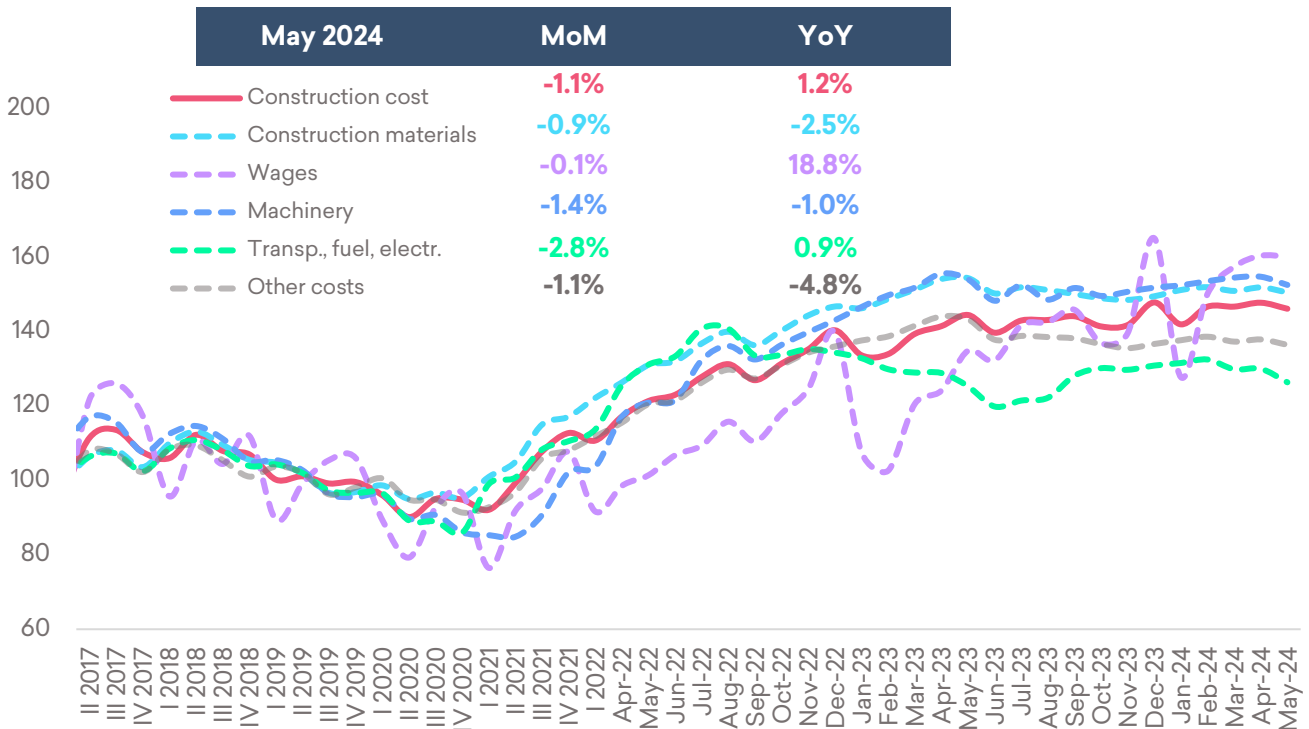
Source: NAPR, NBG, TBC Capital

Annex: Construction costs

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



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

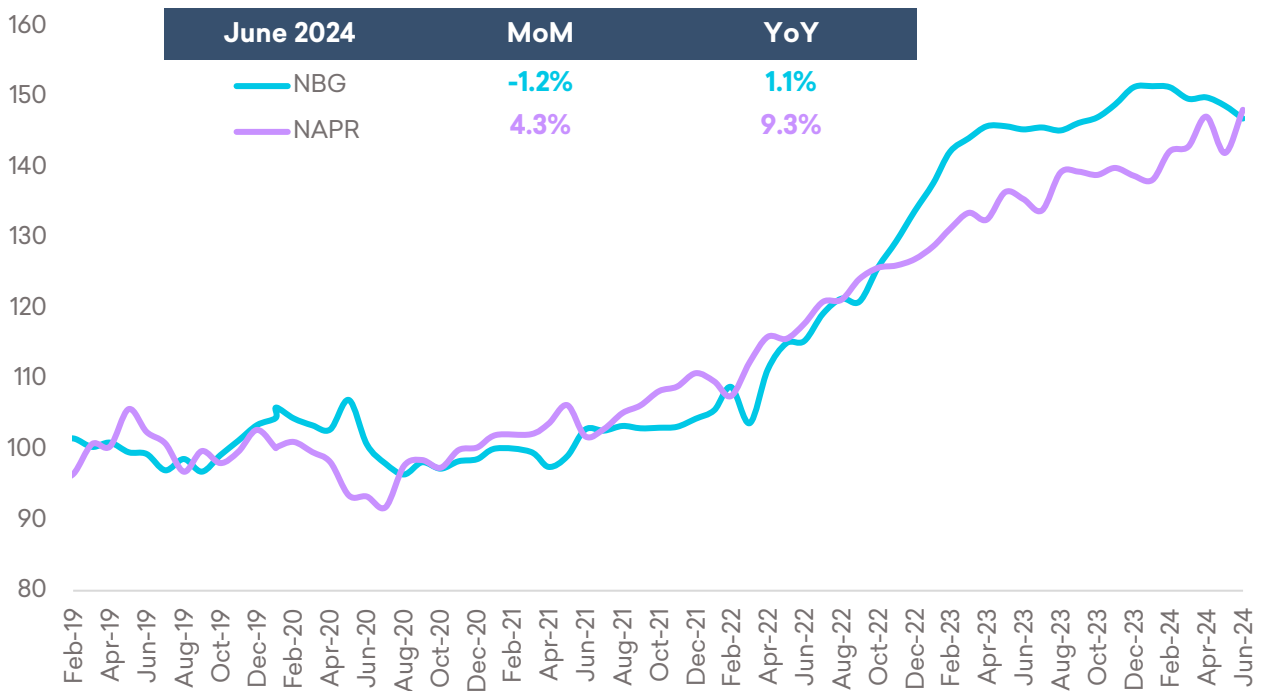


Source: Geostat, TBC Capital

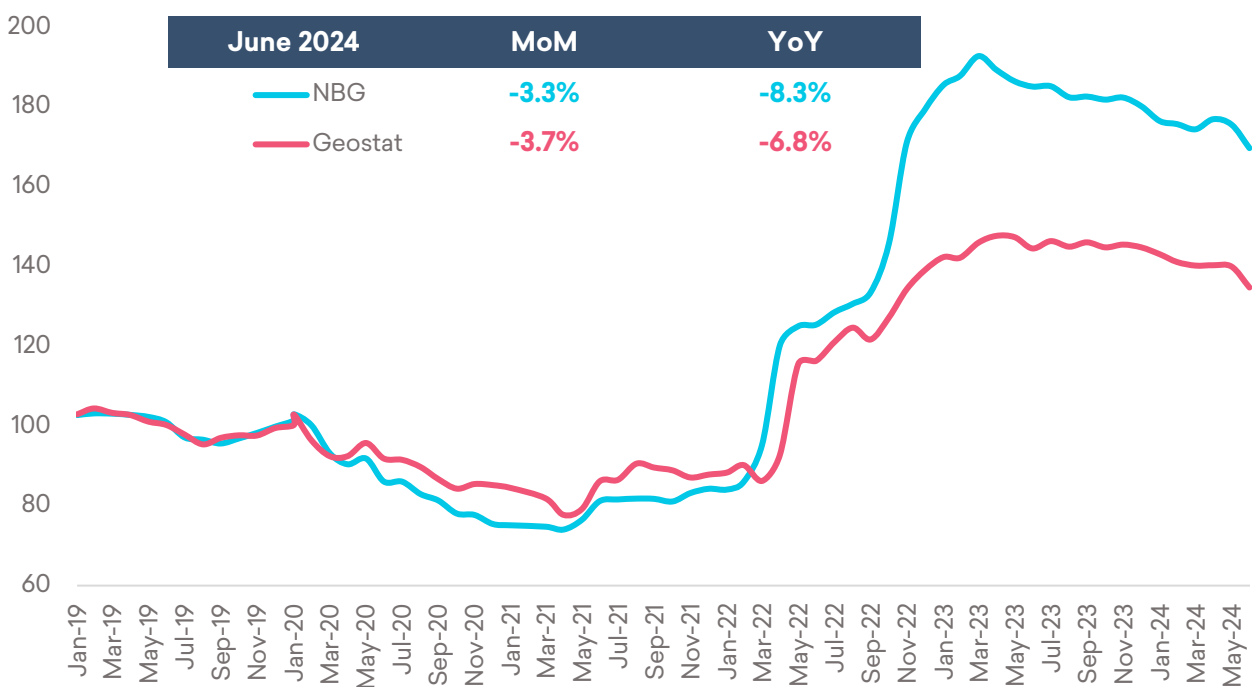
Note: Q1 2022 data is used for YoY change figures in construction cost index

Annex: Price indices

A6. Sale price indices (2019 average = 100)



A7. Rent price indices (2019 average = 100)

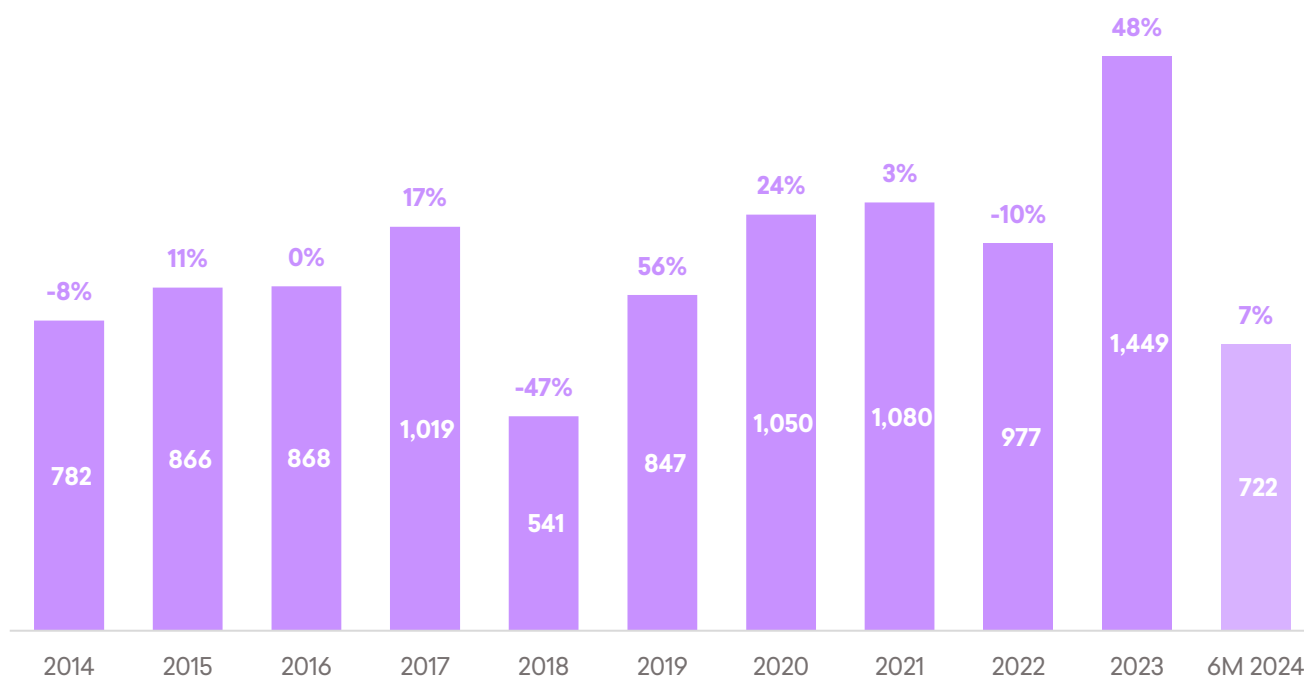


Source: Geostat, NBG, NAPR, TBC Capital

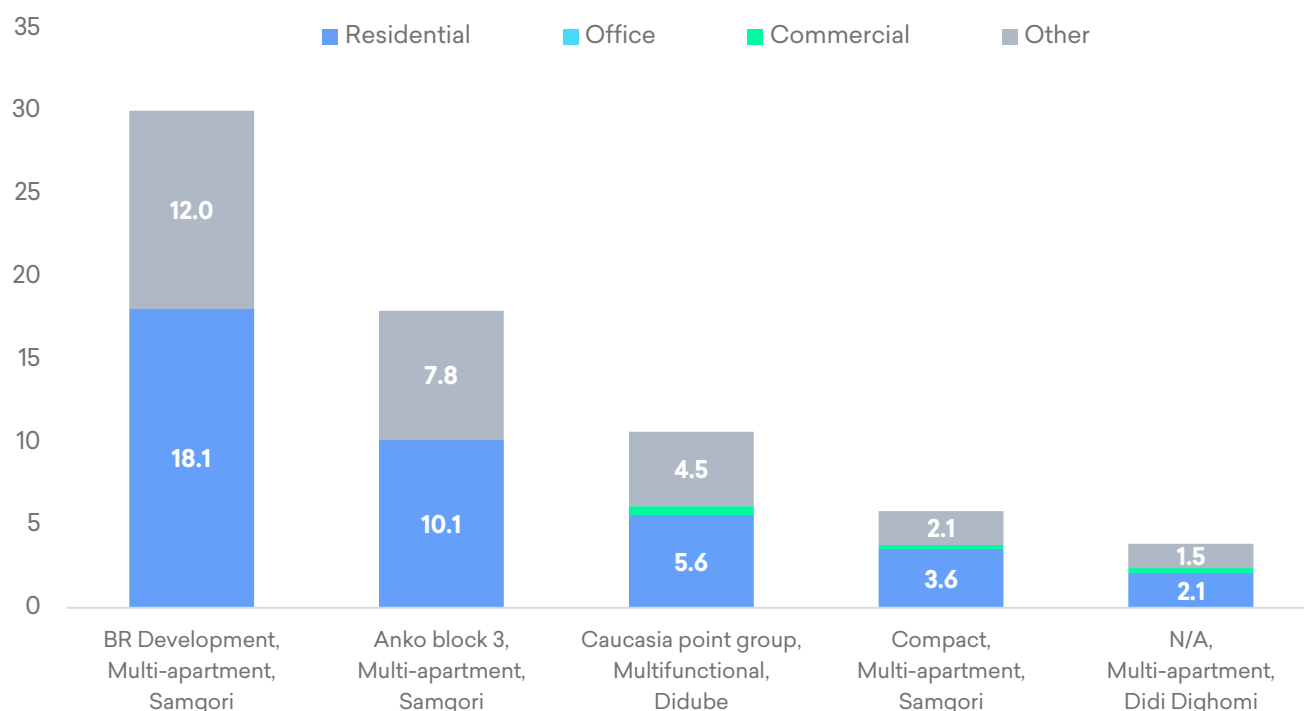
Note: index calculated using NAPR data shows change in average weighted prices recorded in RRE transactions

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), June 2024

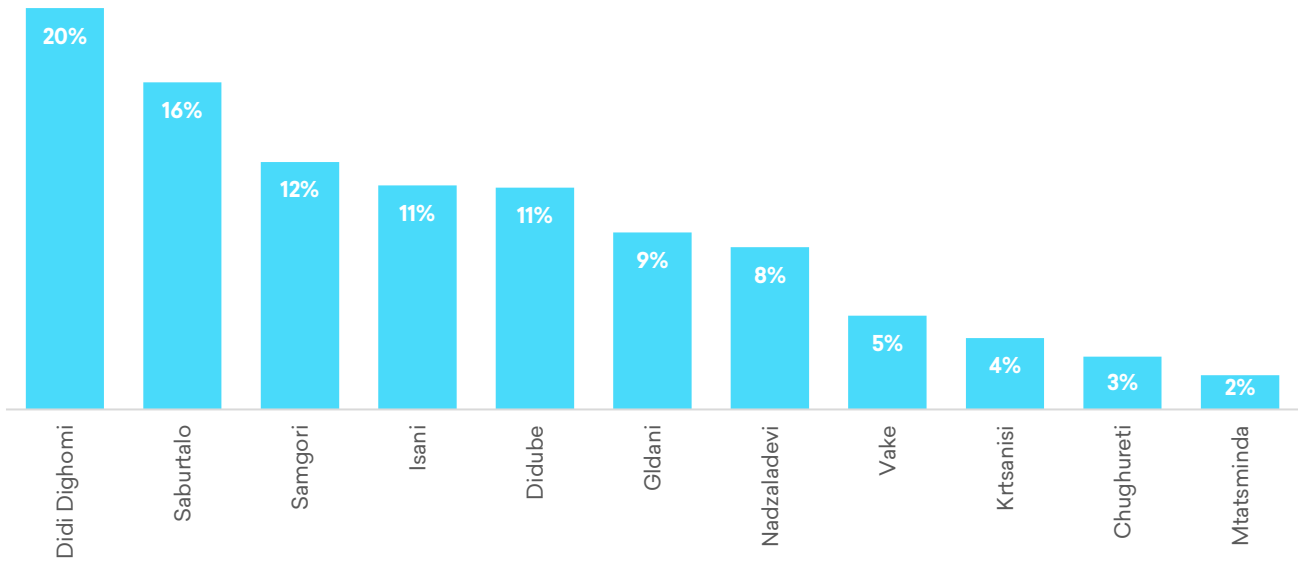


Source: TAS, TBC Capital

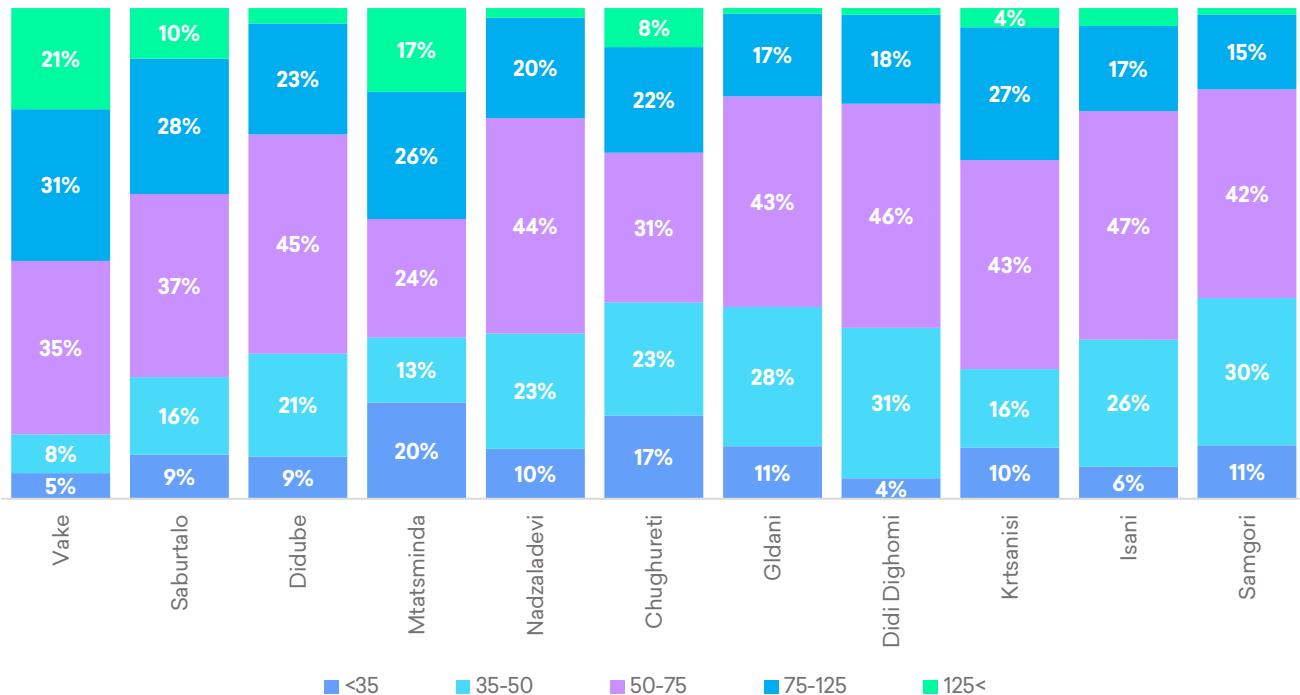
Note: residential area in class III and IV multi-apartment and multifunctional buildings

Annex: Tbilisi districts

A10. Transaction distribution by districts, June 2024



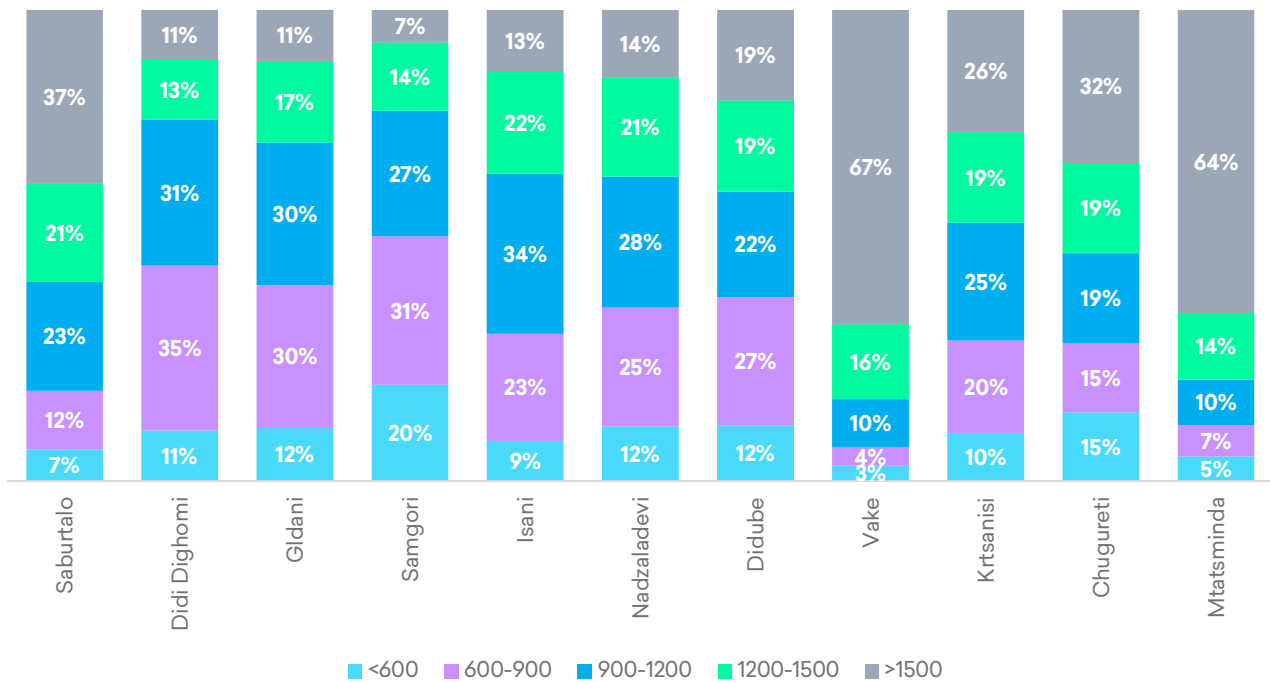
A11. Distribution of transactions by size (SQM) and districts, 2024 YTD



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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