



GALT & TAGGART
CREATING OPPORTUNITIES

Tbilisi Residential Real Estate

MARCH 2025 UPDATE

Eva Bochorishvili

Head of Research | evabochorishvili@gt.ge | +995 32 2401 111 ext. 8036

Zuka Tavkelishvili

Research Associate | ztavkelishvili@gt.ge | +995 32 2401 111 ext. 8973

Otar Tsukhishvili

Senior Analyst | otsukhishvili@gt.ge | +995 32 2401 111 ext. 3018

Key Figures

Mar-23

Mar-24

Mar-25

Sales

of apartments

3,439

2,991

3,078

Primary

1,443

1,368

1,502

Secondary

1,996

1,623

1,576

Price

US\$ / m²

\$1,103

\$1,271

\$1,330

Rent

US\$ / m²

\$11.8

\$9.9

\$9.5

Permits

'000 m²

231.2

150.0

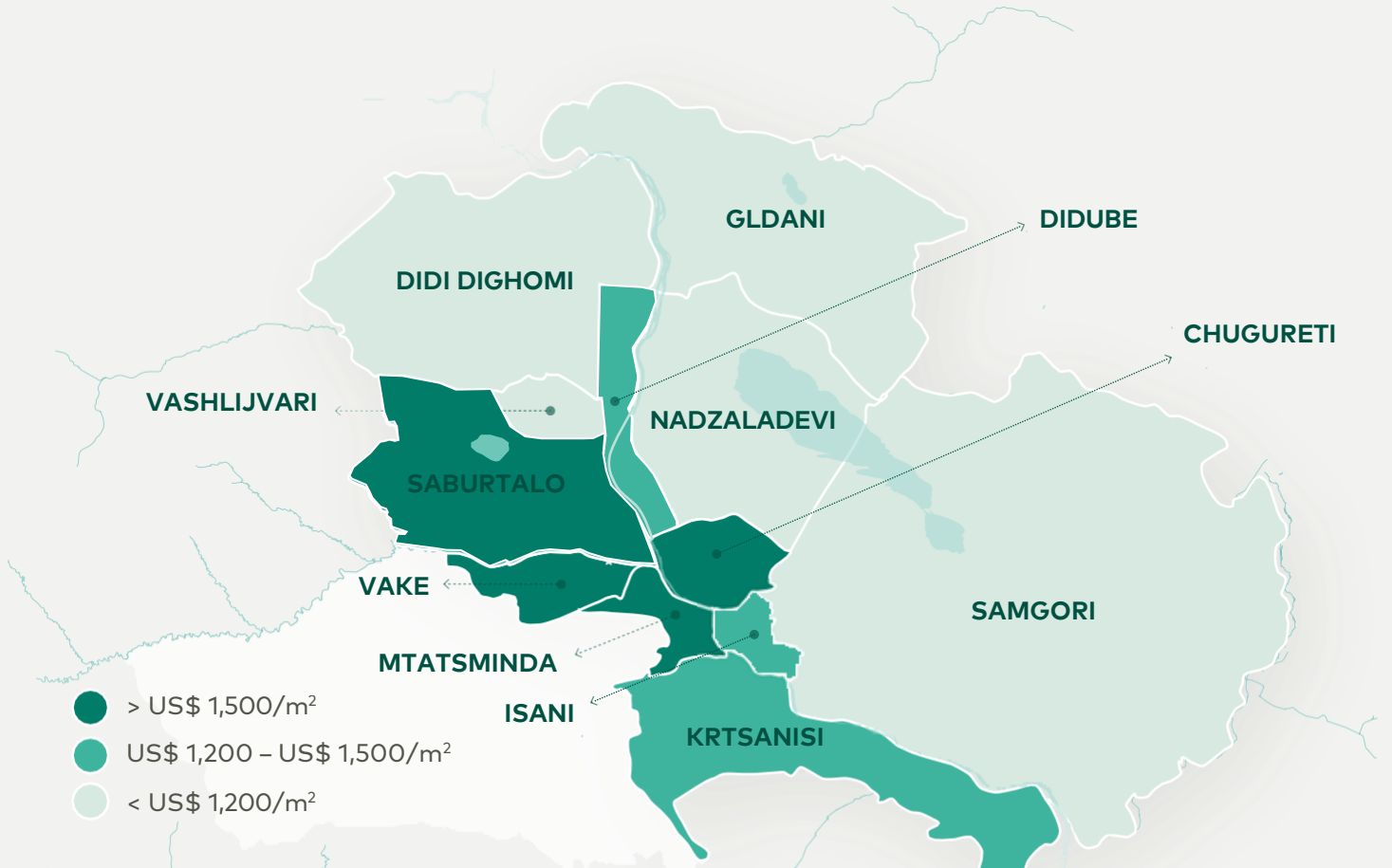
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Note: Prices are given for the primary market white frame apartments

Real estate sale patterns in March 2025



MTATSMINDA

Number of sales
57 apartments
Average price
2,900 us\$ / m²
Average rent
11.9 us\$ / m²

VAKE

Number of sales
128 apartments
Average price
2,544 us\$ / m²
Average rent
14.3 us\$ / m²

CHUGURETI

Number of sales
95 apartments
Average price
1,766 us\$ / m²
Average rent
9.1 us\$ / m²

SABURTALO

Number of sales
514 apartments
Average price
1,545 us\$ / m²
Average rent
11.1 us\$ / m²

KRTSANISI

Number of sales
177 apartments
Average price
1,475 us\$ / m²
Average rent
9.3 us\$ / m²

DIDUBE

Number of sales
248 apartments
Average price
1,453 us\$ / m²
Average rent
9.1 us\$ / m²

ISANI

Number of sales
215 apartments
Average price
1,383 us\$ / m²
Average rent
9.4 us\$ / m²

NADZALADEVI

Number of sales
248 apartments
Average price
1,159 us\$ / m²
Average rent
8.9 us\$ / m²

SAMGORI

Number of sales
428 apartments
Average price
1,073 us\$ / m²
Average rent
7.8 us\$ / m²

DIDI DIGHOMI

Number of sales
622 apartments
Average price
1,048 us\$ / m²
Average rent
8.3 us\$ / m²

GLDANI

Number of sales
290 apartments
Average price
1,042 us\$ / m²
Average rent
8.1 us\$ / m²

VASHLIJVARI

Number of sales
56 apartments
Average price
1,024 us\$ / m²
Average rent
8.4 us\$ / m²



March 2025 overview

Summary

Demand in Tbilisi residential real estate market remained sluggish, suggesting reserved buyer sentiment. On the supply side, construction permit issuance moderated in 1Q25. While prices continue to rise on the primary market, the pace of growth has slowed in recent months compared to 2024.

Demand

In Mar-25, the number of sold apartments in Tbilisi, according to the Public Registry, stood at 3,078 units, up by 2.9% y/y, of which:

- Sales on the secondary market, which show real-time dynamics, fell by 2.9% y/y.
- Sales on the primary market, where data are impacted by delayed registrations, increased by 9.8% y/y, reflecting a one-off effect from the late registrations of previously sold apartments in several projects.

Our real-time survey of developers, which captures current trends on primary market, mirrors the secondary market trend, showing a 11.3% y/y reduction in the number of sold apartments in Mar-25.

In total, 9,286 apartments were sold in Tbilisi in 1Q25, bringing the residential market value to US\$ 671.7mn (-1.1% y/y).

Supply

Permit issuance has regained momentum following the Jan-25 slowdown. In Mar-25, 17 residential construction permits were issued, with total living area reaching 160,975 m² (+7.3% y/y). Overall, permit issuance in 1Q25 was down 7.4% y/y, yet still elevated compared to levels recorded before 2023.

Prices

In Mar-25, the primary market average price per square meter rose by 0.4% m/m, reaching US\$1,330. In contrast, the average price on the secondary market (for new buildings built with permits issued after 2013) declined for the 2nd month in a row, falling by 1.9% m/m to US\$1,220.

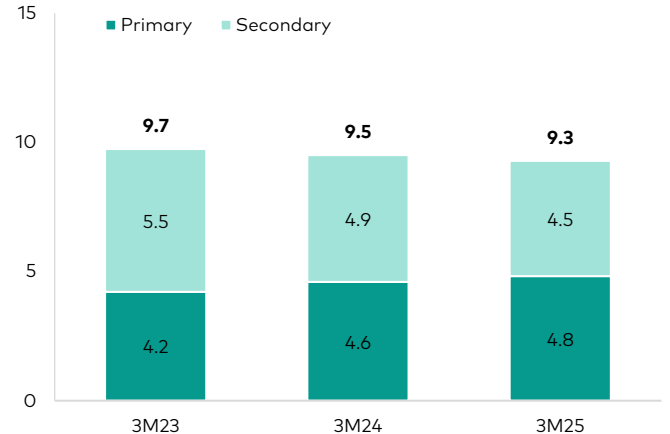
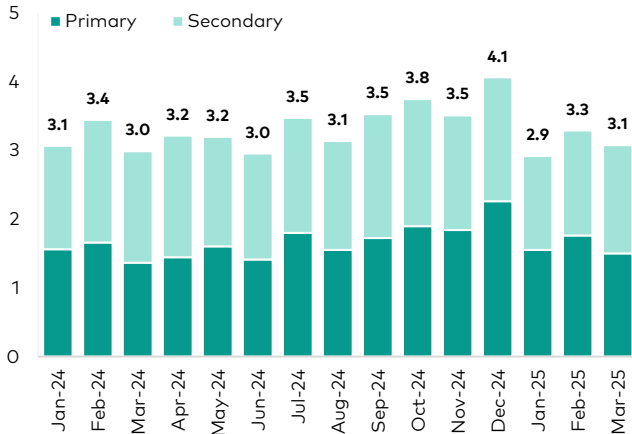
Rents

In Mar-25, price for renting an average apartment (50-60 m²) in Tbilisi decreased slightly by 0.3% m/m to US\$ 9.5 per m². Rental yield was 8.6%.



Real estate demand

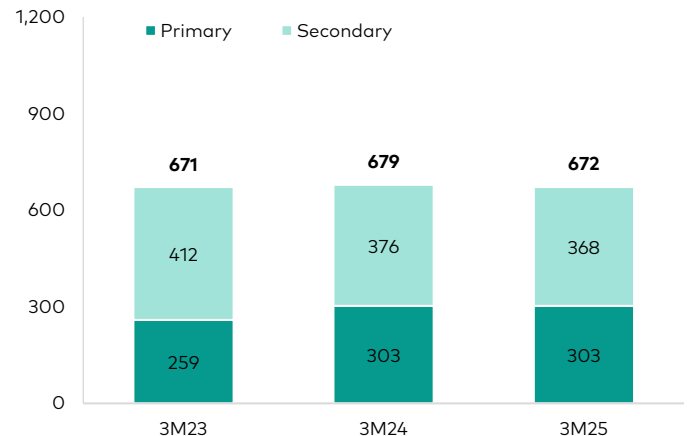
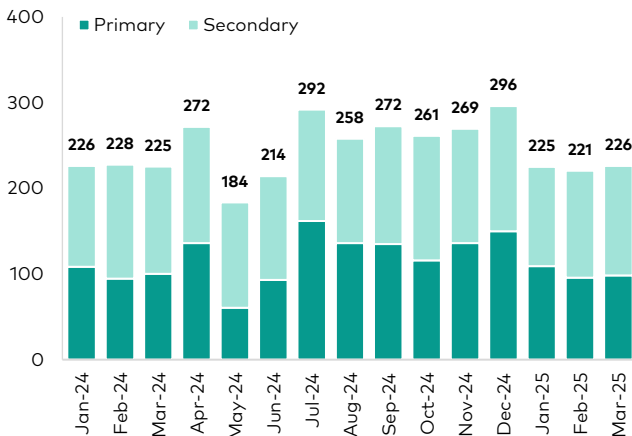
Figure 1: Number of sold apartments by month, '000 **Figure 2: Number of sold apartments by year, '000**



Source: NAPR, Galt & Taggart

Note: Primary market transactions are lagged indicator; real time data is reflected in our developer's survey (see next page for details)

Figure 3: Real estate market size by month, US\$ mn **Figure 4: Real estate market size by year, US\$ mn**



Source: NAPR, Galt & Taggart

Note: Due to issue of lagged transactions on the primary market in NAPR data, primary market size is calculated taking into account real-time trends

Primary market - real estate sales made directly between buyers and developers

Secondary market - real estate sales made between individuals

Apartment sales statistics based on NAPR data has the drawback of late registrations of primary sales, which impacts the accuracy of both number of sales and market size statistics. To address this issue, we systematically conduct surveys of selected systematic developers and monitor real-time market dynamics.



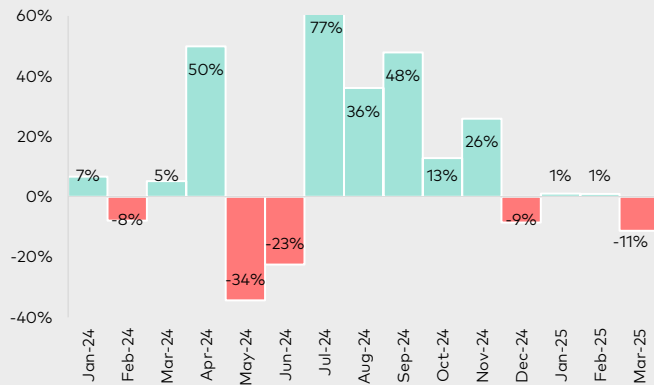
Survey of systematic developers by Galt & Taggart

In April 2025, we expanded number of surveyed companies and conducted a survey of 20 systematic developers with over 90 residential construction projects in Tbilisi (c. 40% of total primary market).

Based on survey results:

- In March 2025, apartment sales declined, with the number of sold apartments down by 11.3% y/y and the area of sold apartments decreasing by 6.3% y/y. This downturn is primarily driven by deteriorated market sentiments, as domestic political instability has prompted buyers to delay their purchase decisions.
- Notably, 79% of apartments are already sold in the projects finishing in 2025. Importantly, the majority of these sales are facilitated through inner instalment schemes offered by developers.
- The share of buyers from Israel has been on the rise, accounting for 13% of total sales in 1Q25. This trend is largely fueled by the investment appeal of Tbilisi's residential real estate market.

Figure 5: Number of sold apartments in projects of selected developers, % change y/y



Source: Galt & Taggart survey of selected developers

Figure 6: Area of sold apartments in projects of selected developers, % change y/y

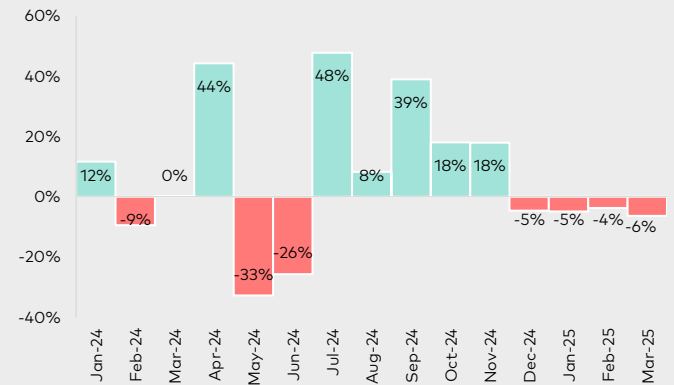
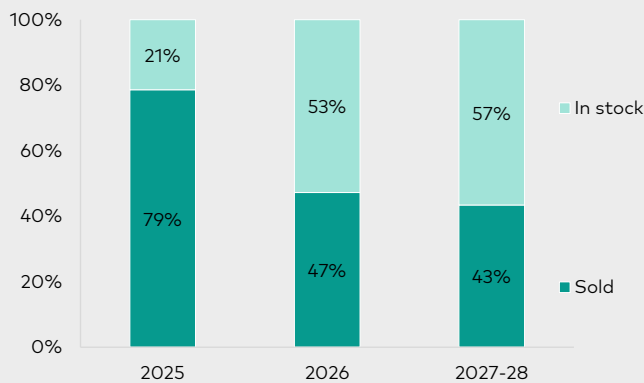


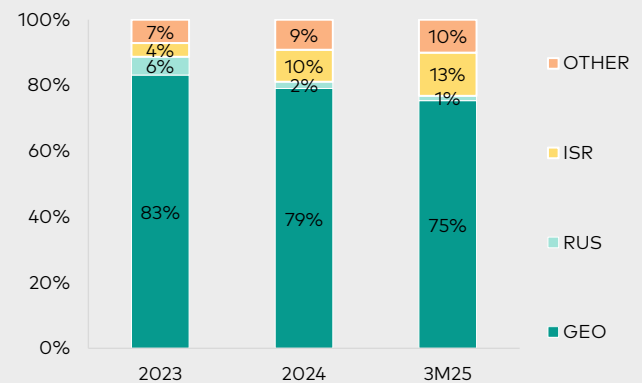
Figure 7: Distribution of the housing stock by project completion year and status



Source: Galt & Taggart survey of selected developers

Note: These calculations are based on number of sold apartments.

Figure 8: Real estate sales by citizenship





Real estate supply

Figure 9: Area of construction permits issued for residential real estate in Tbilisi, '000 m²

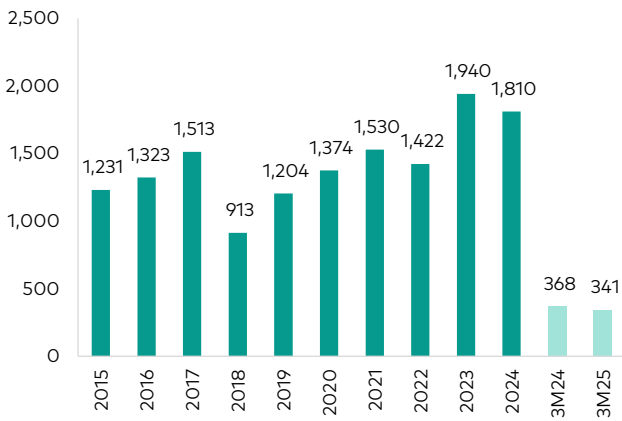
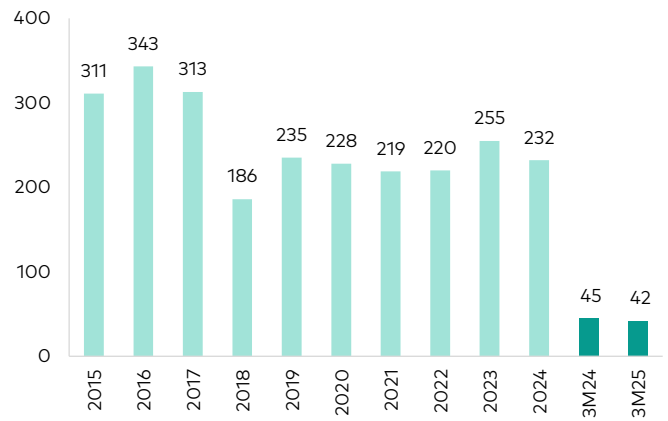


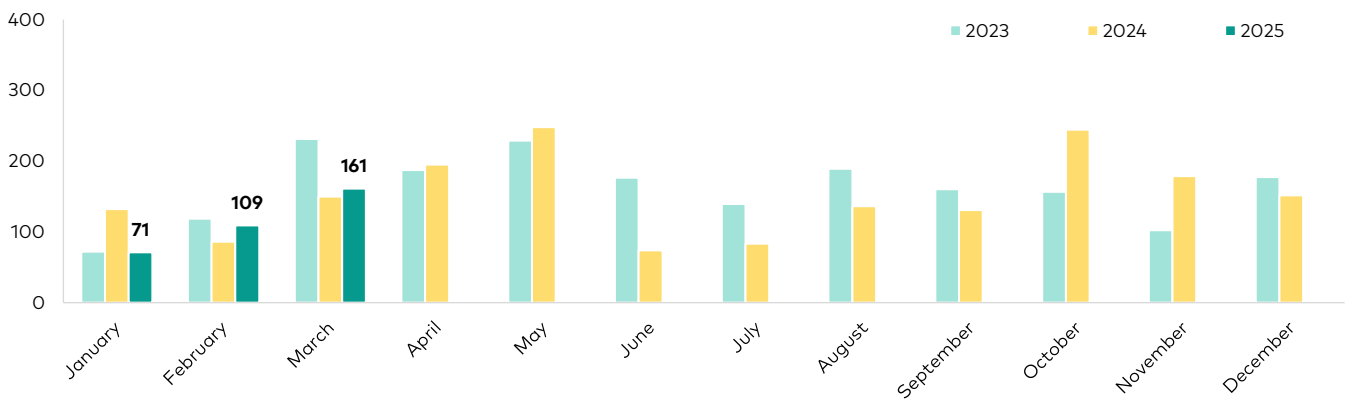
Figure 10: Number of construction permits issued for residential real estate in Tbilisi



Source: TAS, Galt & Taggart

Note: Area of construction permits includes: 1) residential and balcony areas; 2) Only III and IV class multiapartment/multifunctional buildings

Figure 11: Area of construction permits issued for residential real estate by months in Tbilisi, '000 m²



Source: TAS, Galt & Taggart

Note: Area of construction permits includes: 1) residential and balcony areas; 2) Only III and IV class multiapartment/multifunctional buildings



Prices & rents

Figure 12: Real estate weighted average prices by type, US\$/m²

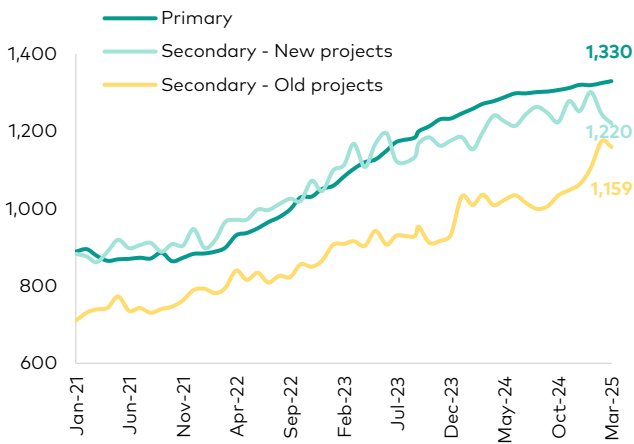
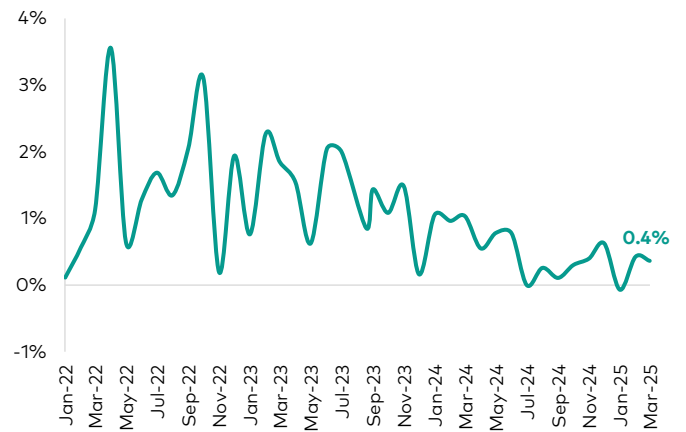


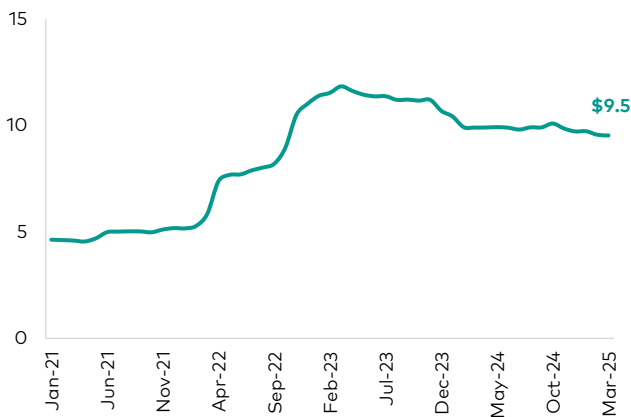
Figure 13: Monthly price change on the primary market, % change m/m



Source: NAPR, Galt & Taggart

Note: 1) Secondary new projects include buildings built with construction permits issued after 2013;
2) Secondary old projects include buildings built with construction permits issued before 2013

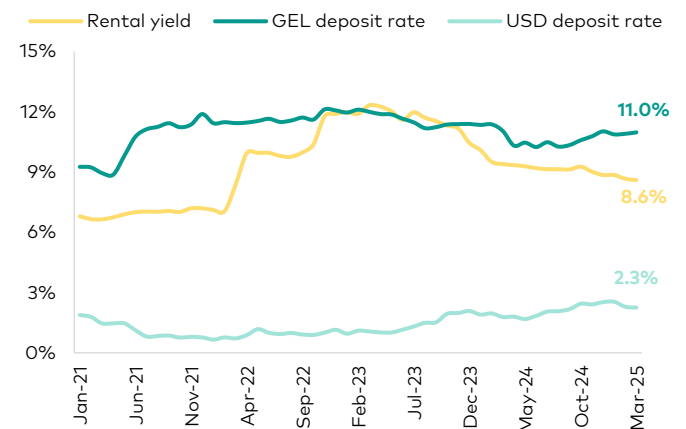
Figure 14: Real estate weighted average rent price in Tbilisi, US\$/m²



Source: NBG, Galt & Taggart

Note: Rents displayed are for 50-60 m² new apartments in Tbilisi

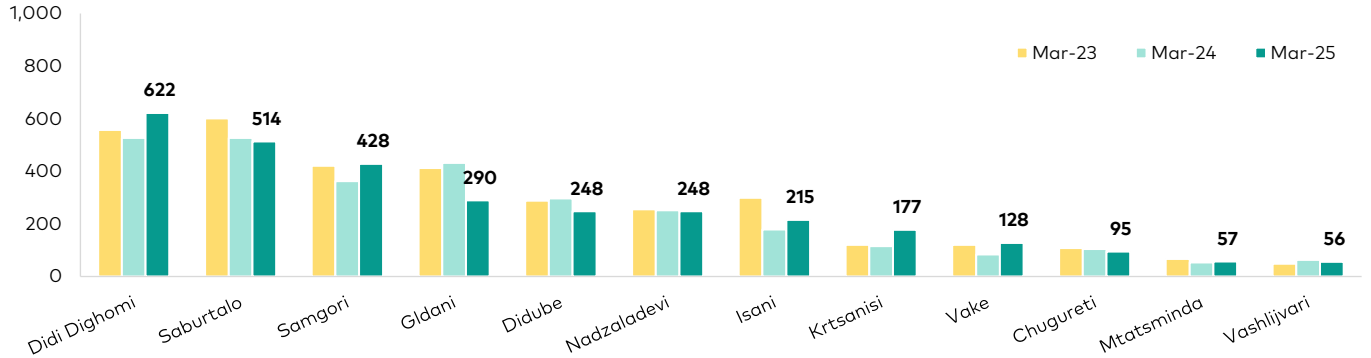
Figure 15: Real estate rental yield and deposit rates





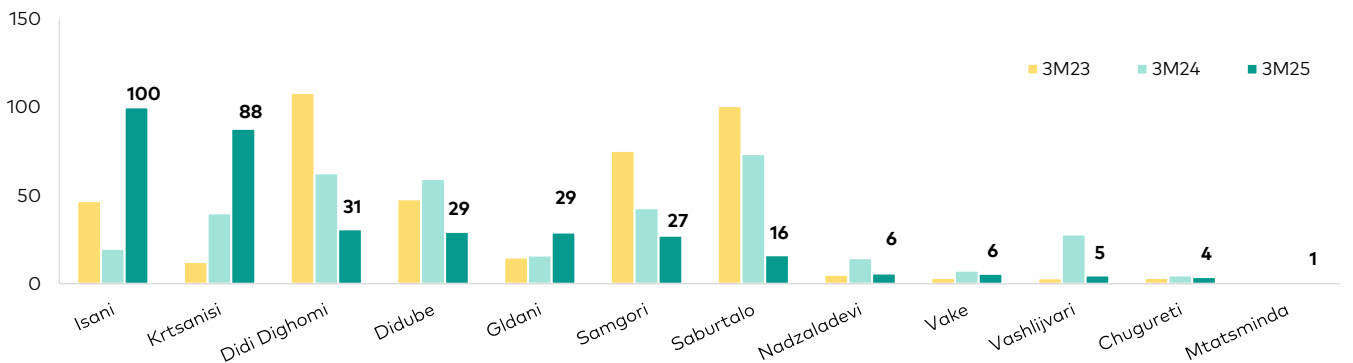
Districts in Tbilisi

Figure 16: Number of sold apartments by districts (primary and secondary markets combined)



Source: NAPR, Galt & Taggart

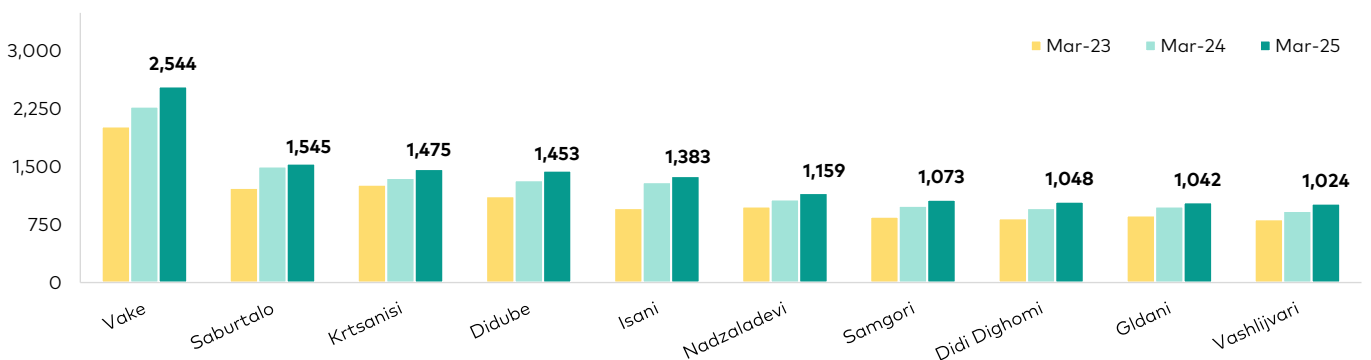
Figure 17: Area of construction permits issued for residential real estate by districts, '000 m²



Source: TAS, Galt & Taggart

Note: 1) Includes residential and balcony areas
2) Only III and IV class multiapartment/multifunctional buildings

Figure 18: Real estate prices on primary market for white frame apartments by districts, US\$/m²



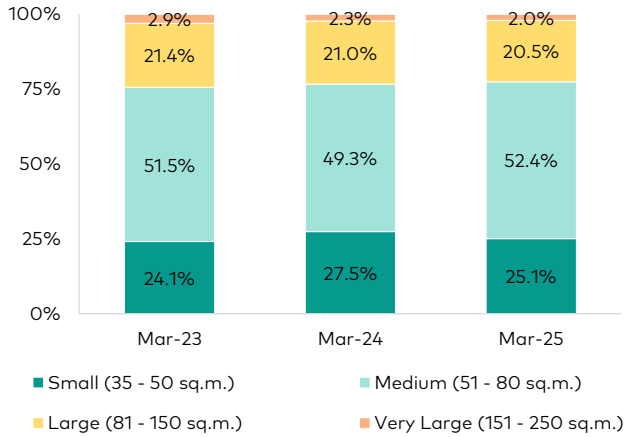
Source: Galt & Taggart

Note: Mtatsminda and Chugureti are excluded from primary market prices due to small sizes of samples



Real estate characteristics

Figure 19: Real estate sales by size, (% of total apartments sold)



Source: NAPR, Galt & Taggart

Figure 20: Real estate sales by segments, (% of total apartments sold)

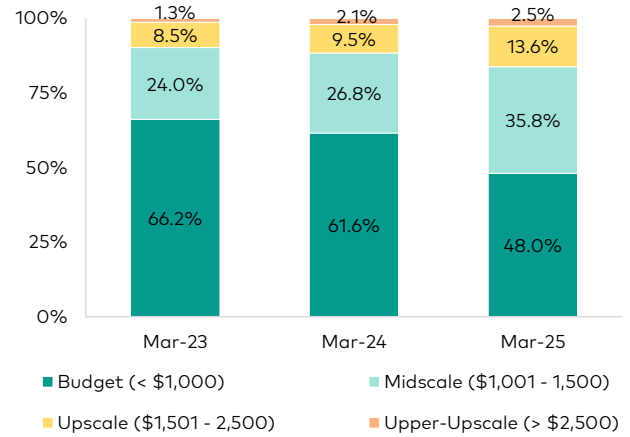
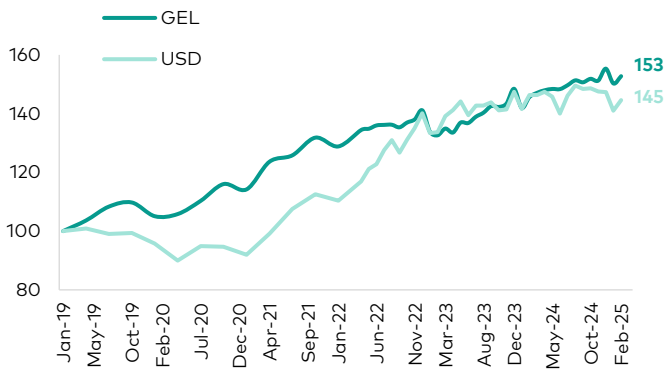


Figure 21: Construction cost index, 1Q19=100



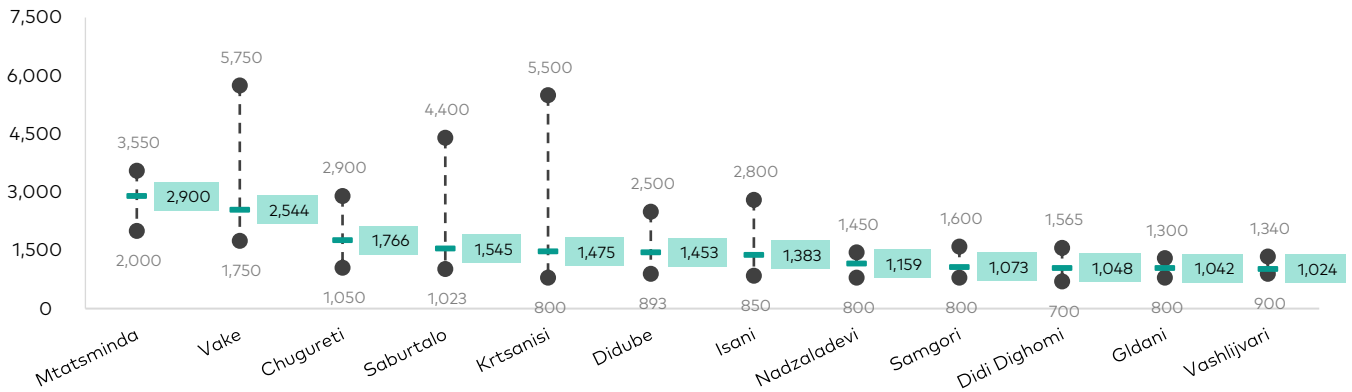
Source: Geostat, Galt & Taggart

	y/y growth Feb-25, US\$	m/m growth Feb-25, US\$
Total construction cost	-1.2%	2.6%
<i>Construction materials</i>	-2.9%	0.1%
<i>Wages</i>	9.0%	11.4%
<i>Machinery</i>	3.7%	1.1%
<i>Transportation, fuel and electricity</i>	-7.9%	1.2%
<i>Other costs</i>	-3.4%	1.3%



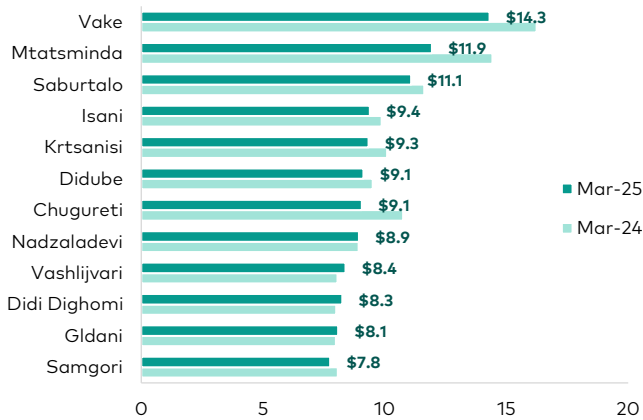
Annex

Figure 22: Real estate price ranges on primary market by districts in Mar-25, US\$/m²



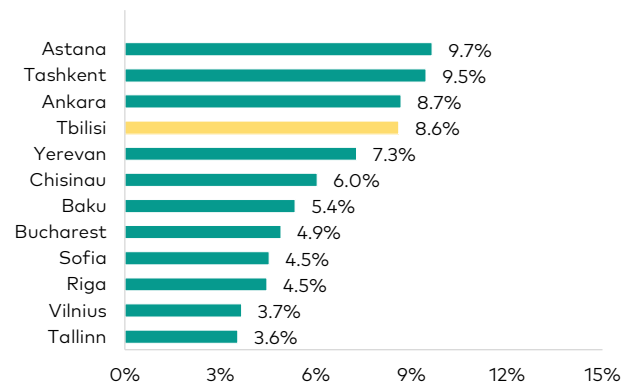
Source: Galt & Taggart

Figure 23: Real estate weighted average rent prices by districts, US\$/m²



Source: NBG, Numbeo, Galt & Taggart

Figure 24: Rental yield by cities, Mar-25





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Head of Research

Eva Bochorishvili | evabochorishvili@gt.ge

Research Associate

Zuka Tavkelishvili | ztavkelishvili@gt.ge

Senior Analyst

Otar Tsukhishvili | otsukhishvili@gt.ge

Address: 3 Pushkin Street, Tbilisi 0105, Georgia

Tel: + (995) 32 2401 111

Email: research@gt.ge