



GALT & TAGGART  
CREATING OPPORTUNITIES

# Tbilisi Residential Real Estate

**JUNE 2024 UPDATE**

**Eva Bochorishvili**

Head of Research | [evabochorishvili@gt.ge](mailto:evabochorishvili@gt.ge) | +995 32 2401 111 ext. 8036

**Kakha Samkurashvili**

Head of Sector Research | [ksamkurashvili@gt.ge](mailto:ksamkurashvili@gt.ge) | +995 32 2401 111 ext. 4298

**Zuka Tavkelishvili**

Senior Analyst | [ztavkelishvili@gt.ge](mailto:ztavkelishvili@gt.ge) | +995 32 2401 111 ext. 8973

# Key Figures

Jun-22

Jun-23

Jun-24

## Sales

# of apartments

3,741

3,785

2,957

Primary

1,576

1,928

1,413

Secondary

2,165

1,857

1,544

## Price

US\$ / m<sup>2</sup>

\$933

\$1,138

\$1,271

## Rent

US\$ / m<sup>2</sup>

\$7.9

\$11.6

\$9.9

## Permits

'000 m<sup>2</sup>

217.5

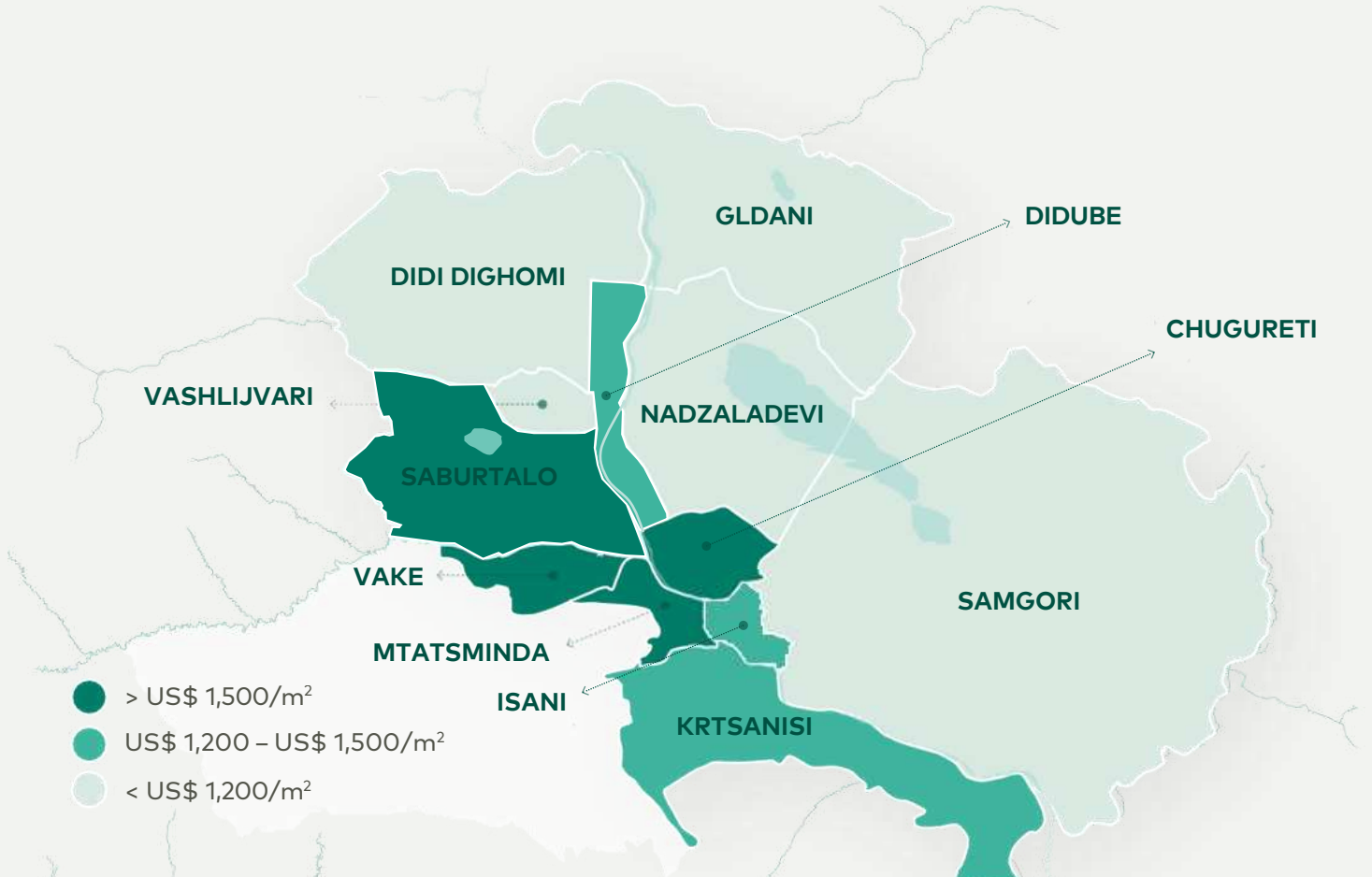
176.4

73.7



**GALT & TAGGART**  
CREATING OPPORTUNITIES

# Real estate sale patterns in June 2024



## MTATSMINDA

Number of sales  
**52 apartments**  
Average price  
**2,689 us\$ / m<sup>2</sup>**  
Average rent  
**14.1 us\$ / m<sup>2</sup>**

## VAKE

Number of sales  
**94 apartments**  
Average price  
**2,346 us\$ / m<sup>2</sup>**  
Average rent  
**16.5 us\$ / m<sup>2</sup>**

## CHUGURETI

Number of sales  
**75 apartments**  
Average price  
**1,563 us\$ / m<sup>2</sup>**  
Average rent  
**11.2 us\$ / m<sup>2</sup>**

## SABURTALO

Number of sales  
**489 apartments**  
Average price  
**1,535 us\$ / m<sup>2</sup>**  
Average rent  
**12.0 us\$ / m<sup>2</sup>**

## KRTSANISI

Number of sales  
**100 apartments**  
Average price  
**1,445 us\$ / m<sup>2</sup>**  
Average rent  
**10.9 us\$ / m<sup>2</sup>**

## ISANI

Number of sales  
**226 apartments**  
Average price  
**1,272 us\$ / m<sup>2</sup>**  
Average rent  
**10.8 us\$ / m<sup>2</sup>**

## DIDUBE

Number of sales  
**357 apartments**  
Average price  
**1,208 us\$ / m<sup>2</sup>**  
Average rent  
**9.0 us\$ / m<sup>2</sup>**

## NADZALADEVI

Number of sales  
**259 apartments**  
Average price  
**1,122 us\$ / m<sup>2</sup>**  
Average rent  
**8.8 us\$ / m<sup>2</sup>**

## GLDANI

Number of sales  
**267 apartments**  
Average price  
**1,047 us\$ / m<sup>2</sup>**  
Average rent  
**7.7 us\$ / m<sup>2</sup>**

## SAMGORI

Number of sales  
**460 apartments**  
Average price  
**1,021 us\$ / m<sup>2</sup>**  
Average rent  
**7.5 us\$ / m<sup>2</sup>**

## DIDI DIGHOMI

Number of sales  
**515 apartments**  
Average price  
**965 us\$ / m<sup>2</sup>**  
Average rent  
**7.7 us\$ / m<sup>2</sup>**

## VASHLIJVARI

Number of sales  
**63 apartments**  
Average price  
**916 us\$ / m<sup>2</sup>**  
Average rent  
**8.3 us\$ / m<sup>2</sup>**

Note 1: Prices are given for the primary market white frame apartments  
Note 2: Small sample size for prices in Mtatsminda and Chugureti



---

## June 2024 update

### Presales from developers

In July 2024, we conducted a survey of 14 systematic developers with 67 ongoing projects in Tbilisi.

Based on survey results, In June 2024, the dynamics improved and apartment sales increased by 17.7% compared to the previous month, when the decline was caused by the abundance of holidays and instability in the country. The improvement in sales in June is noteworthy, considering that a substantial portion of population with high disposable income was traveling abroad during EURO 2024 championship (June 18-30). Despite this favourable trend, the number of apartments sold in June is significantly lower than the sales figures recorded in previous months (except for May).

Notably, in 1H24, Georgian citizens made up 76% of total sales, compared to 80% in 2023. Meanwhile, the share of Israeli citizens in sales increased significantly from 4% to 11%, while the share of Russian citizens decreased from 8% to 2%.

### Number of transactions

In Jun-24, the number of sold apartments in Tbilisi stood at 2,957 units, down 21.9% y/y and 7.5% m/m. Notably, sales have decreased in both the primary and secondary markets. It is likely, that potential

---

Note: Apartment sales statistics are based on NAPR data, which has a downside of late registrations of primary sales. To address this issue we conducted a survey of selected developers (see page 9).

y/y means year-over-year change



---

homebuyers remain hesitant to make purchases, seeking a more stable environment.

Cumulatively, in 1H24, 18,877 apartments were sold in Tbilisi, reflecting a 3.6% y/y decrease. This decline was solely driven by the secondary market (-7.1% y/y), while the primary market experienced a slight 0.6% y/y growth.

In Jun-24, increase in transactions was only recorded in Vashlijvari district, while sales decreased annually in every other district of Tbilisi. The largest portion of transactions on the primary market, accounting for 20.5% of total primary sales, was recorded in Didi Dighomi.

Other noteworthy features of the market remained unchanged, such as the dominance of medium-sized apartments (51-80 m<sup>2</sup>), due to affordability and the ease of renting, and falling share of sold apartments in the budget segment (<\$1,000/m<sup>2</sup>), driven by rising prices.

## Prices

In Jun-24, monthly price increase on the primary market was only 0.1%, which is the lowest increase in the last 30 months. The slowdown in the price growth pace is slightly more noticeable in the premium segment projects. Should the demand remain weak, prices are anticipated to remain stable in the upcoming months.

---

Note: Apartment sales statistics are based on NAPR data, which has a downside of late registrations of primary sales. To address this issue we conducted a survey of selected developers (see page 9).

y/y means year-over-year change



## Market size

In Jun-24, the total market value of apartments sold in Tbilisi stood at US\$ 228.4mn, down by 17.6% y/y, due to decreased sales during the month. Cumulatively in 1H24, Tbilisi real estate market size was up slightly by 1.2% y/y to US\$ 1,438.1mn.

## Rent

Price for renting an average apartment (50-60 m<sup>2</sup>) in Tbilisi remained flat (US\$ 9.9 per m<sup>2</sup>). Notably, rents have a downward trajectory in suburbs, while in central districts they stay elevated.

## Construction permits

In Jun-24, the living area of issued construction permits has declined to its lowest level in the past 18 months. This decline can be attributed to seasonality. If this trend persists, short-term decrease in supply will help balance the weakening demand.



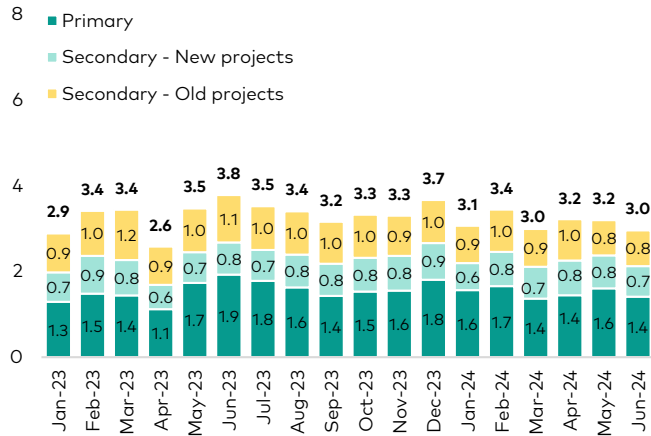
# Real Estate Sales

**Methodological note** - we divide real estate sales into three categories:

- 1) Primary sales** – real estate sold directly by construction companies/developers
- 2) Secondary sales in new projects** – real estate sold by an individual owner in projects built by construction permits issued after 2013
- 3) Secondary sales in old projects** – real estate sold by an individual owner in projects built by construction permits issued before 2013

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

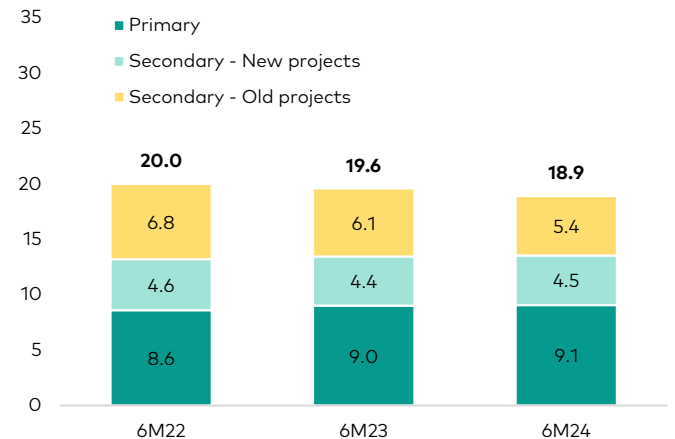
In Jun-24, real estate transactions were down 21.9% y/y and 7.5% m/m



Source: NAPR, Galt & Taggart

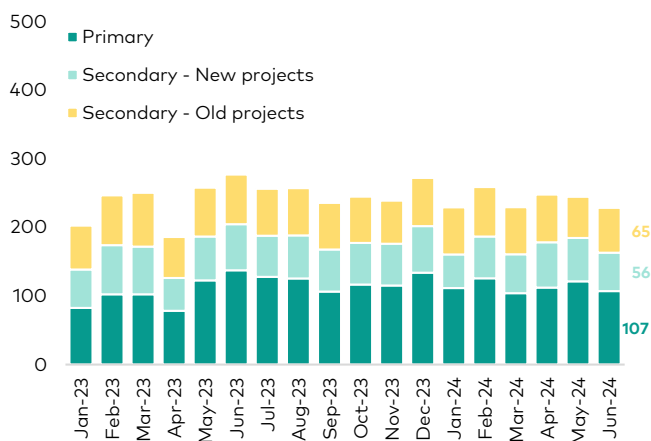
**Figure 2: Number of sold apartments by year, '000**

In 6M24, sales were down 3.6% y/y, attributed to decrease on the secondary market old projects



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

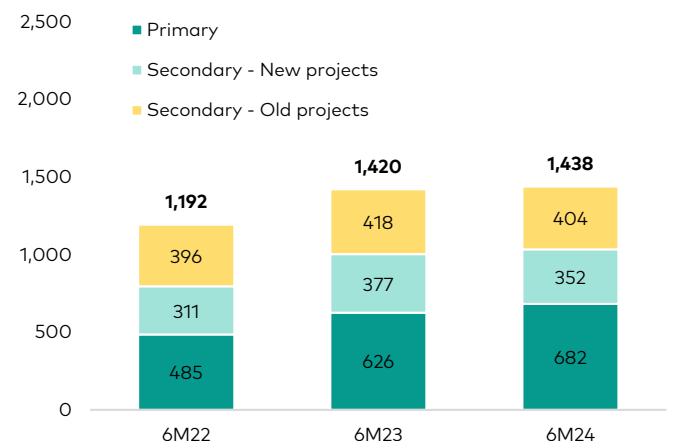
In Jun-24, real estate market size was down 17.6% y/y and 6.6% m/m



Source: NAPR, Galt & Taggart

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

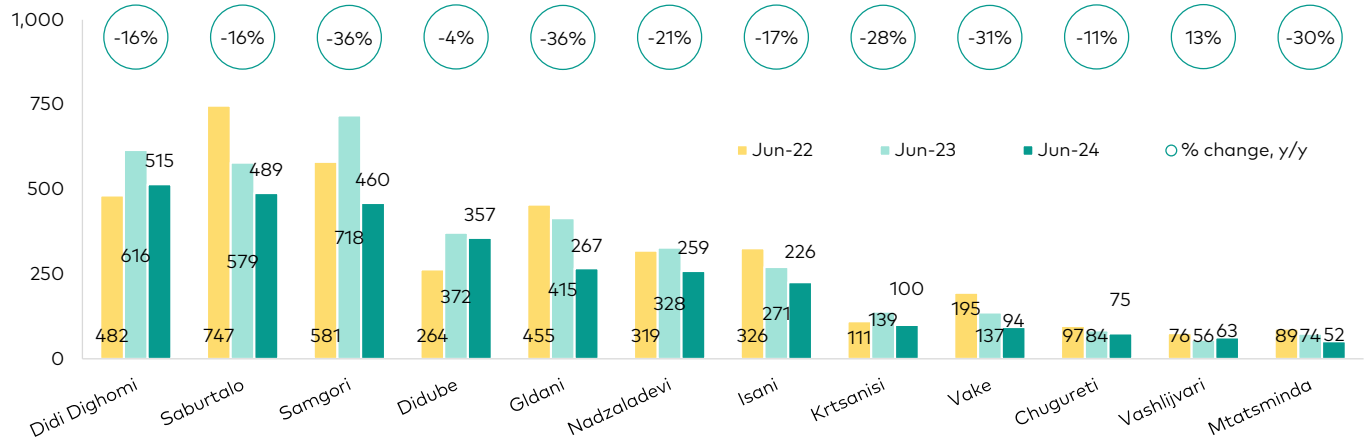
In 6M24, market size is slightly up 1.2% y/y, attributed to growth on the primary market





**Figure 5: Number of sold apartments by districts (primary and secondary markets combined)**

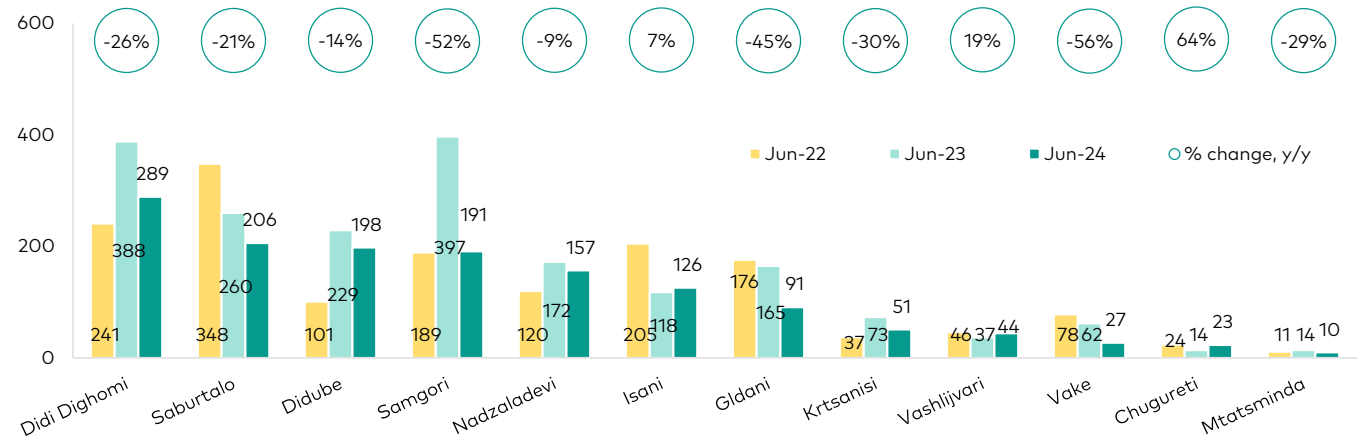
Increase in transactions was only recorded in Vashlijvari district



Source: NAPR, Galt & Taggart

**Figure 6: Number of sold apartments on the primary market by districts**

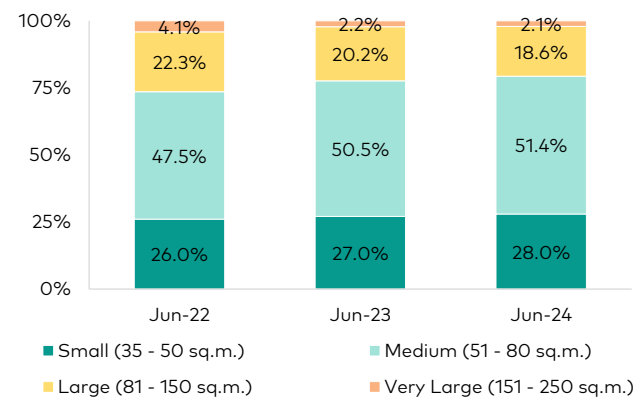
Transactions on the primary market are the highest in Didi Dighomi



Source: NAPR, Galt & Taggart

**Figure 7: Real estate sales by size, (% of total apartments sold)**

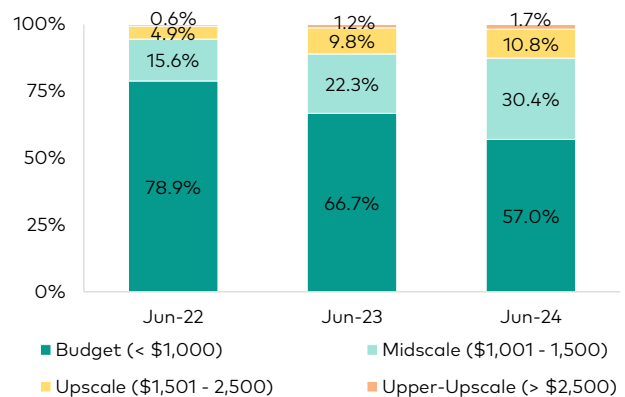
Medium-sized (51-80 m<sup>2</sup>) apartments remained the most prevalent



Source: NAPR, Galt & Taggart

**Figure 8: Real estate sales by segments, (% of total apartments sold)**

The trend towards a decreasing share of apartment sales in the budget segment persists







# Presales from developers

## Box 1: Results of Galt & Taggart survey of systematic developers

In July 2024, we conducted a survey of 14 systematic developers with 67 ongoing construction projects in Tbilisi.

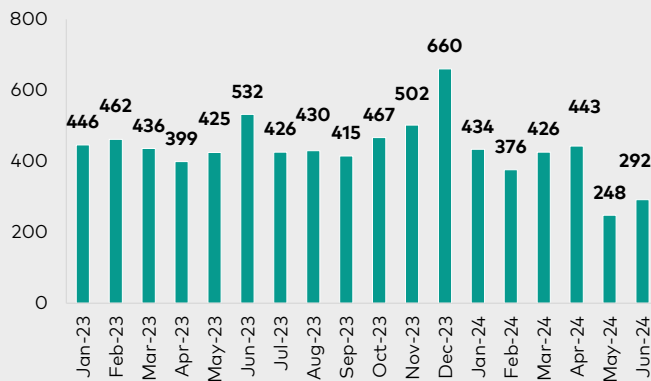
Based on survey results, In June 2024, the dynamics improved and apartment sales increased by 17.7% compared to the previous month, when the decline was caused by the abundance of holidays and instability in the country. The improvement in sales in June is noteworthy, considering that a substantial portion of population with high disposable income was traveling abroad during the Euro 2024 championship (June 18-30). Despite this favourable trend, the number of apartments sold in June is significantly lower than the sales figures recorded in previous months (except for May).

In 1H24, Georgian citizens made up 76% of total sales, compared to 80% in 2023. Meanwhile, the share of Israeli citizens in sales increased significantly from 4% to 11%, while the share of Russian citizens decreased from 8% to 2%.

Notably, over 84% of apartments in the projects finishing this year are sold out.

The data will be updated quarterly.

Figure 9: Number of sold apartments in the projects of selected developers in Tbilisi by months



Source: Galt & Taggart survey of selected developers, NAPR

Figure 10: Number of sold apartments in the projects of selected developers in Tbilisi by quarters

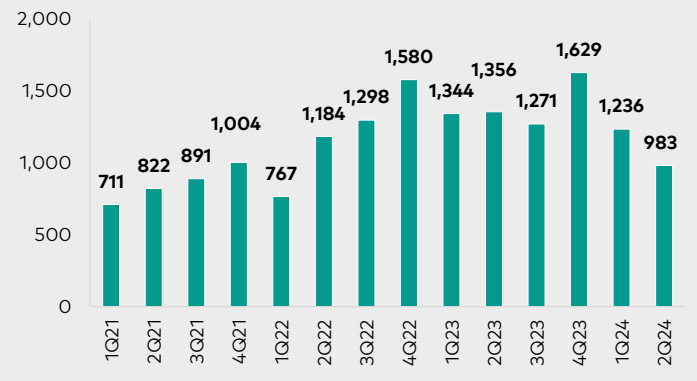
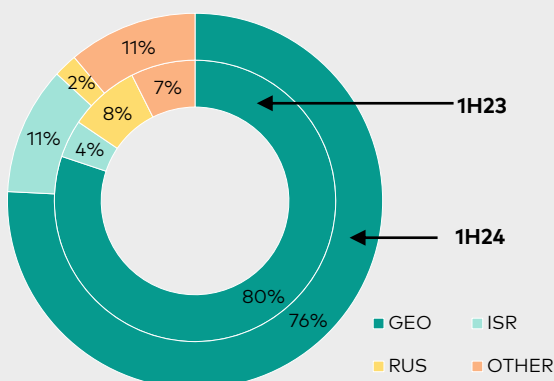
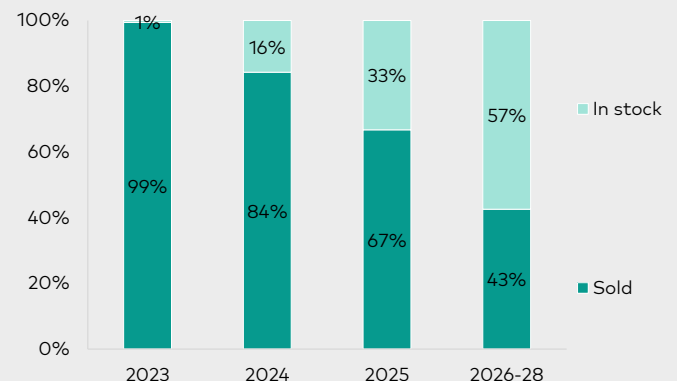


Figure 11: Real estate sales by citizenship in Tbilisi, 1H23 vs 1H24



Source: Galt & Taggart survey of selected developers

Figure 12: Distribution of the housing stock by project completion year and status in Tbilisi

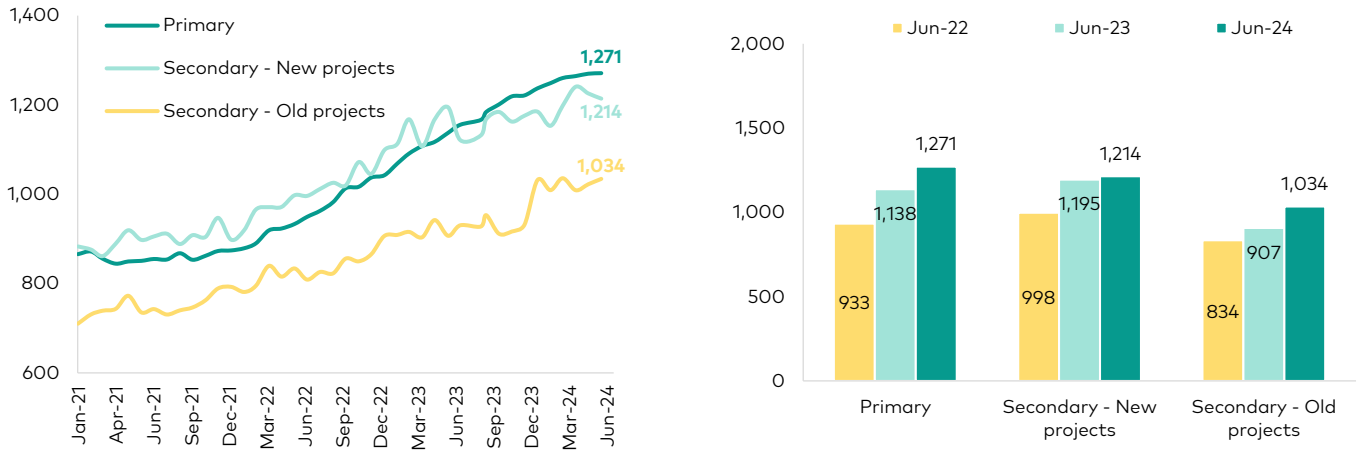




# Real Estate Prices

**Figure 13: Real estate weighted average prices by type, US\$/m<sup>2</sup>**

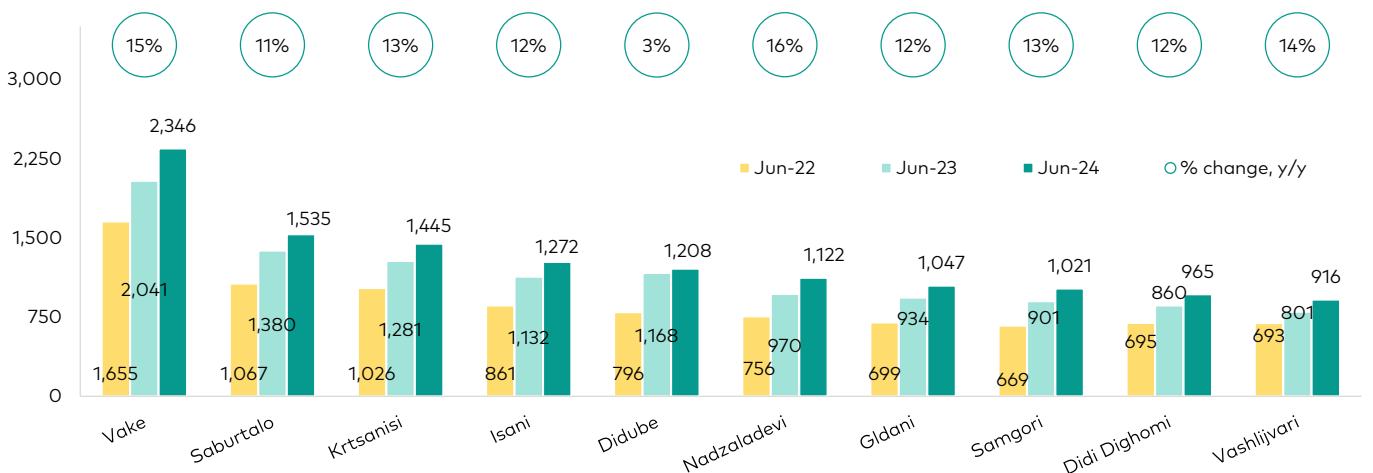
Monthly price increase on the primary market is only 0.1%, which is the lowest increase in the last 30 months.



Source: NAPR, Galt & Taggart

**Figure 14: Real estate prices on primary market for white frame apartments by districts, US\$/m<sup>2</sup>**

Price increase persists across all districts of Tbilisi's primary real estate market, but the pace has slowed down



Source: Galt & Taggart

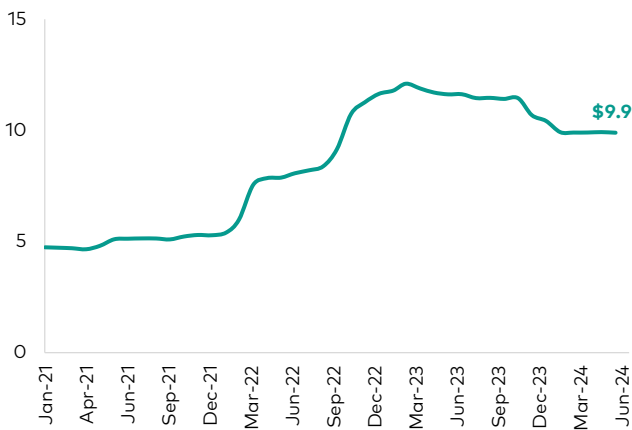
Note: Mtatsminda and Chugureti are excluded from primary market prices due to small sizes of samples



# Real Estate Rents

**Figure 15: Real estate weighted average rent price in Tbilisi, US\$/m<sup>2</sup>**

Rents remained flat m/m

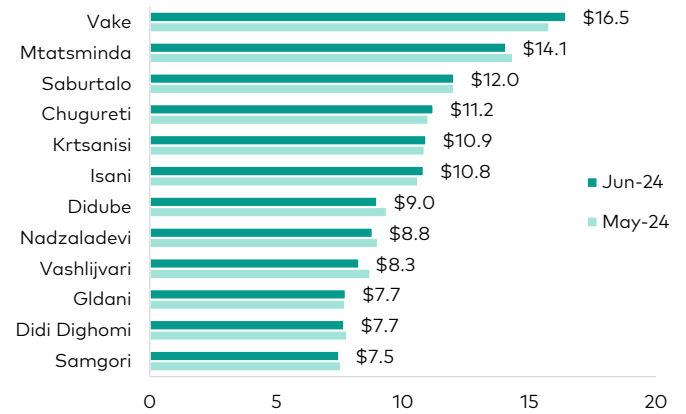


Source: NBG, Galt & Taggart

Note: Rents displayed are for 50-60 m<sup>2</sup> new apartments in Tbilisi

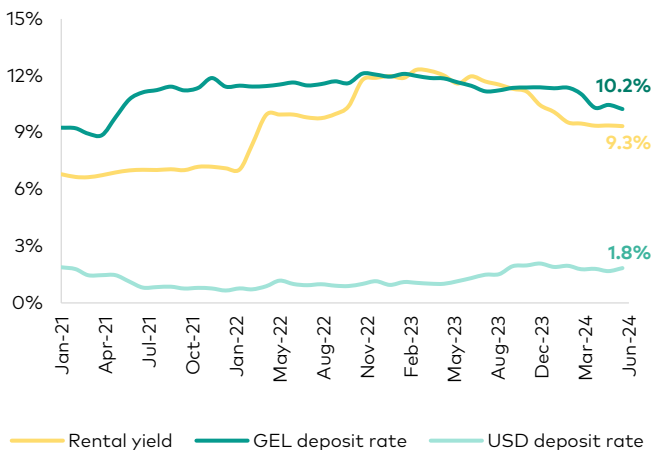
**Figure 16: Real estate weighted average rent prices by districts, US\$/m<sup>2</sup>**

Rents have a downward trajectory in suburbs, while in central districts they stay elevated



**Figure 17: Real estate rental yield and deposit rates**

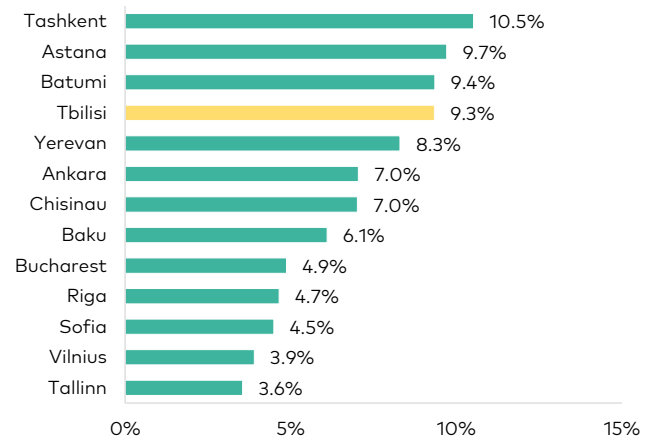
Rental yield still looks attractive compared to alternative investments



Source: NBG, Numbeo

**Figure 18: Rental yield outside city center, Jun-24**

Cities that had the largest influx of migrants after Russia-Ukraine war still have the highest rental yields

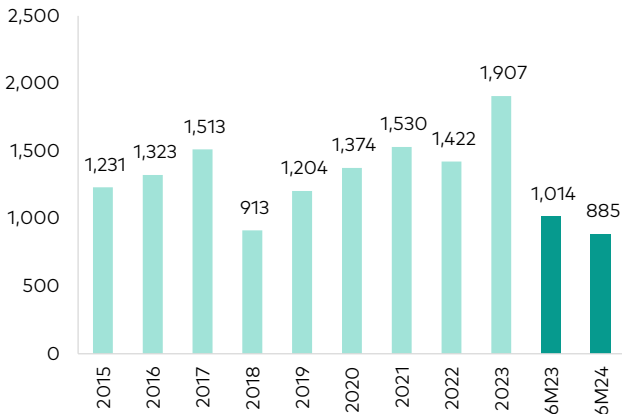




## Construction permits

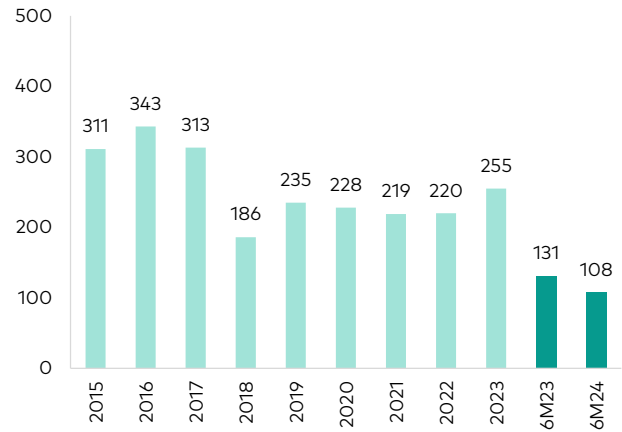
**Figure 19: Area of construction permits issued for residential real estate in Tbilisi, '000 m<sup>2</sup>**

Permitted living area in 6M24 has slowed down by 12.7% y/y, after a record-high 2023



**Figure 20: Number of construction permits issued for residential real estate in Tbilisi**

In 6M24, 108 new residential construction permits were issued (-17.6% y/y)

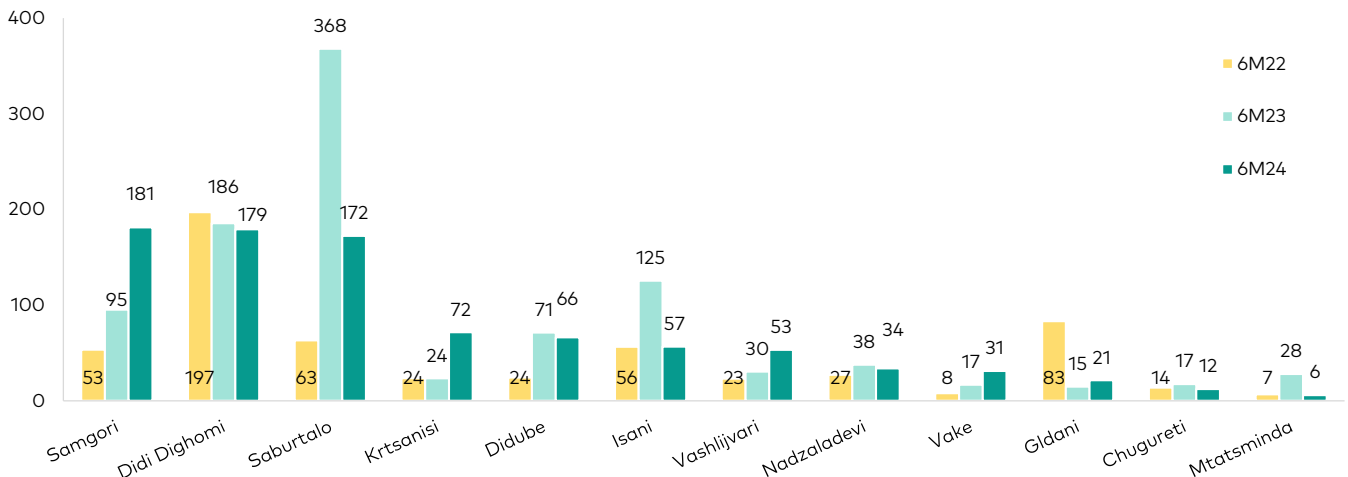


Source: TAS, Galt & Taggart

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

**Figure 21: Area of construction permits issued for residential real estate by districts, '000 m<sup>2</sup>**

Most of the permits were issued in Samgori (20% of total), followed by Didi Dighomi (20%) and Saburtalo (19%)



Source: TAS, Galt & Taggart

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



## Annex

**Table 1: Real estate sales by districts – value, number and area, 6M24**

| District     | Value (mn US\$) | Number | Area ('000 m <sup>2</sup> ) |
|--------------|-----------------|--------|-----------------------------|
| Saburtalo    | 332.5           | 3,075  | 240.6                       |
| Didi Dighomi | 216.6           | 3,521  | 217.0                       |
| Samgori      | 154.7           | 2,730  | 170.6                       |
| Didube       | 150.3           | 2,072  | 140.1                       |
| Nadzaladevi  | 117.8           | 1,744  | 110.5                       |
| Gldani       | 116.7           | 2,080  | 128.1                       |
| Vake         | 96.5            | 559    | 54.9                        |
| Isani        | 92.3            | 1,302  | 84.5                        |
| Krtsanisi    | 54.9            | 616    | 43.5                        |
| Mtatsminda   | 45.5            | 299    | 27.6                        |
| Chugureti    | 41.6            | 511    | 37.8                        |
| Vashlijvari  | 26.6            | 372    | 27.8                        |

Source: NAPR, Galt & Taggart

**Table 2: Real estate weighted average prices by districts in Jun-24, US\$/m<sup>2</sup>**

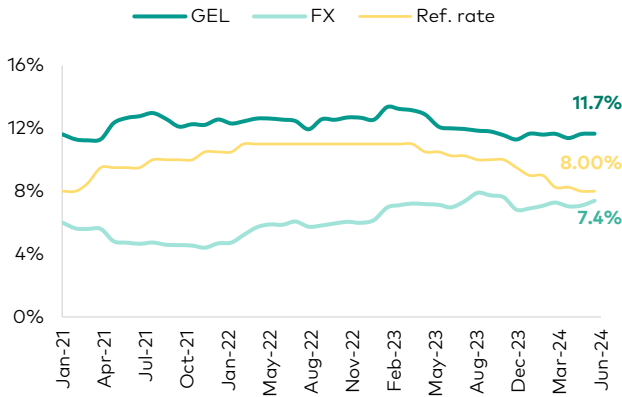
| District     | Primary market | Secondary market<br>New projects | Secondary market<br>Old projects |
|--------------|----------------|----------------------------------|----------------------------------|
| Mtatsminda   | 2,689          | 1,415                            |                                  |
| Vake         | 2,346          | 2,045                            | 1,373                            |
| Chugureti    | 1,563          | 975                              | 848                              |
| Saburtalo    | 1,535          | 1,505                            | 1,103                            |
| Krtsanisi    | 1,445          | 1,176                            | 900                              |
| Isani        | 1,272          | 1,600                            | 1,530                            |
| Didube       | 1,208          | 1,270                            | 986                              |
| Nadzaladevi  | 1,122          | 1,170                            | 985                              |
| Gldani       | 1,047          | 1,027                            | 827                              |
| Samgori      | 1,021          | 1,096                            | 1,031                            |
| Didi Dighomi | 965            | 1,325                            | 971                              |
| Vashlijvari  | 916            | 1,034                            | 877                              |

Source: NAPR, Galt & Taggart



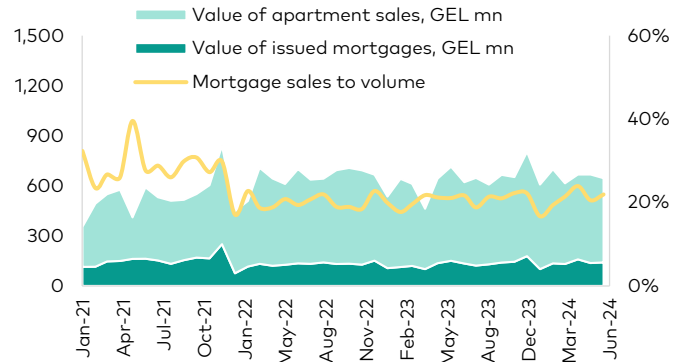
# Annex

**Figure 22: Mortgage interest rates, %**  
Mortgage interest rates continue increasing m/m



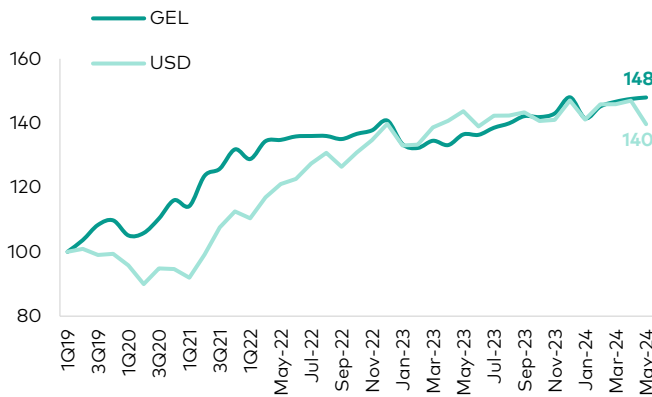
Source: NBS, Galt & Taggart

**Figure 23: Share of mortgages in total sales value**  
Mortgages accounted for 21.9% of sales value in Jun-24, as majority of sales were financed by popular inner instalment schemes



**Figure 24: Construction cost index, 1Q19=100**

There was a decrease in construction costs in USD due to GEL depreciation. However, in local currency construction materials prices and wages increased slightly, 0.6% m/m and 1.3% m/m, respectively



|   | y/y growth<br>May-24, US\$ | m/m growth<br>May-24, US\$ |
|---|----------------------------|----------------------------|
| <b>Total construction cost</b>              | <b>-2.8%</b>               | <b>-5.0%</b>               |
| <i>Construction materials</i>               | -6.1%                      | -4.7%                      |
| <i>Wages</i>                                | 14.4%                      | -4.0%                      |
| <i>Machinery</i>                            | -4.9%                      | -5.2%                      |
| <i>Transportation, fuel and electricity</i> | -3.1%                      | -6.6%                      |
| <i>Other costs</i>                          | -8.5%                      | -4.9%                      |

Source: Geostat, Galt & Taggart

Note: Construction cost index is available by quarter over 2019-22; monthly statistics is available from Mar-22



## Disclaimer

This document is the property of and has been prepared by JSC Galt & Taggart ("Galt & Taggart"), a member of Bank of Georgia group PLC ("Group") solely for informational purposes and independently of the respective companies mentioned herein. This document does not constitute or form part of, and should not be construed as, an offer or solicitation or invitation of an offer to buy, sell or subscribe for any securities or assets and nothing contained herein shall form the basis of any contract or commitment whatsoever or shall be considered as a recommendation to take any such actions.

Galt & Taggart is authorized to perform professional activities on the Georgian market. The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by Galt & Taggart to inform themselves about and to observe any and all restrictions applicable to them. This document is not directed to, or intended for distribution, directly or indirectly, to, or use by, any person or entity that is a citizen or resident located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

Investments (or any short-term transactions) in emerging markets involve significant risk and volatility and may not be suitable for everyone. The recipients of this document must make their own investment decisions as they believe appropriate based on their specific objectives and financial situation. When doing so, such recipients should be sure to make their own assessment of the risks inherent in emerging market investments, including potential political and economic instability, other political risks including without limitation changes to laws and tariffs, and nationalization of assets, and currency exchange risk.

No representation, warranty or undertaking, express or implied, is or will be made by Galt & Taggart or any other member of the Group or their respective directors, employees, affiliates, advisers or agents or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this document and the information contained herein (and whether any information has been omitted from this document) and no reliance should be placed on it. This document should not be considered as a complete description of the markets, industries and/or companies referred to herein. Nothing contained in this document is, is to be construed as, or shall be relied on as legal, investment, business or tax advice, whether relating to the past or the future, by Galt & Taggart any other member of the Group or any of their respective directors, employees, affiliates, advisers or agents in any respect. Recipients are required to make their own independent investigation and appraisal of the matters discussed herein. Any investment decision should be made at the investor's sole discretion. To the extent permitted by law, Galt & Taggart, any other member of the Group and their respective directors, employees, affiliates, advisers and agents disclaim all liability whatsoever (in negligence or otherwise) for any loss or damages however arising, directly or indirectly, from any use of this document or its contents or otherwise arising in connection with this document, or for any act, or failure to act, by any party, on the basis of this document.

The information in this document is subject to verification, completion and change without notice and Galt & Taggart is not under any obligation to update or keep current the information contained herein. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the information since the date hereof or the date upon which this document has been most recently updated, or that the information contained in this document is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. No representation or warranty, expressed or implied, is made by Galt & Taggart or any other member of the Group, or any of their respective directors, employees, affiliates, advisers or agents with respect to the accuracy or completeness of such information.

The information provided and opinions expressed in this document are based on the information available as of the issue date and are solely those of Galt & Taggart as part of its internal research coverage. Opinions, forecasts and estimates contained herein are based on information obtained from third party sources believed to be reliable and in good faith, and may change without notice. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Accordingly, undue reliance should not be placed on any such data contained in this document. Neither Galt & Taggart, any other member of the Group, nor their respective directors, employees, affiliates, advisers or agents make any representation or warranty, express or implied, of this document's usefulness in predicting the future performance, or in estimating the current or future value, of any security or asset.

Galt & Taggart does, and seeks to do, and any other member of the Group may or seek to do business with companies covered in its research. As a result, investors should be aware of a potential conflict of interest that may affect the objectivity of the information contained in this document.

Unauthorized copying, distribution, publication or retransmission of all or any part of this document by any medium or in any form for any purpose is strictly prohibited.

The recipients of this document are responsible for protecting against viruses and other destructive items. Receipt of the electronic transmission is at risk of the recipient and it is his/her responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

### Head of Research

Eva Bochorishvili | evabochorishvili@gt.ge

### Head of Sector Research

Kakha Samkurashvili | ksamkurashvili@gt.ge

### Senior Analyst

Zuka Tavkelishvili | ztavkelishvili@gt.ge

**Address:** 3 Pushkin Street, Tbilisi 0105, Georgia

**Tel:** + (995) 32 2401 111

**Email:** research@gt.ge