



TBC CAPITAL

RESIDENTIAL REAL ESTATE IN TBILISI

APRIL 2024
Monthly Watch

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RESIDENTIAL REAL ESTATE IN TBILISI

April 2024 vs April 2023

+27%



3,193

Number of
transactions

+3%



1,202\$

Average asking sale
price per SQM

-7%



12.1\$

Average asking rent
price per SQM

Transactions, price and yield

In April 2024, as expected based on the preliminary data, the activity on Tbilisi residential real estate market improved. The **number of transactions** reached 3,193, marking a quite high 27% increase compared to the same period of the previous year. This could be mainly explained by the low base effect. Furthermore, in April the MoM growth amounted to 7%. It appears that the decline in March was attributed to the change in the law of the National Agency of Public Registry regarding the registration of property rights, on March 26. Transactions in the first 4 months of 2024 are almost exactly at the same level as in 2022, when the demand was more elevated.

In the same period, the asking **sale price** amounted to \$1,202, posting a 3% growth relative to April 2023. The **market size** stood at \$254 Mln, increasing by 28% annually.

Rent price stayed close to the previous month's level and amounted to \$12.1, standing 7% below compared to the same period of the previous year.

The **rental yield** in Tbilisi remained almost unchanged as well, at 10.6%, decreasing by 0.9 percentage points relative to April 2023.

In terms of new constructions, in 4M 2024, permits were issued for residential area of about 460 thousand SQM, which is 25% higher than in 4M 2023 (see Annex).

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

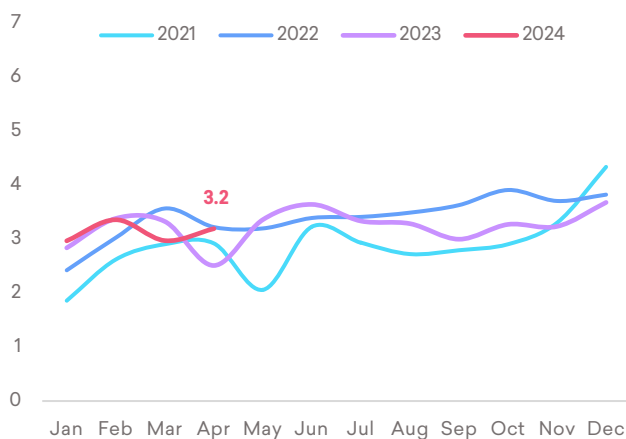


Figure 2. Average asking sale price (\$/SQM)

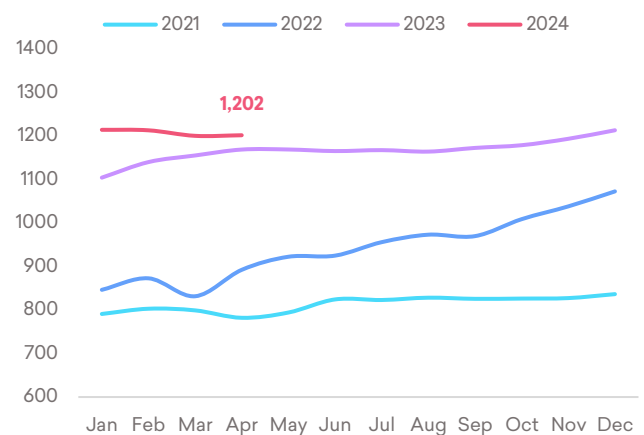


Figure 3. Average asking rent price (\$/SQM)

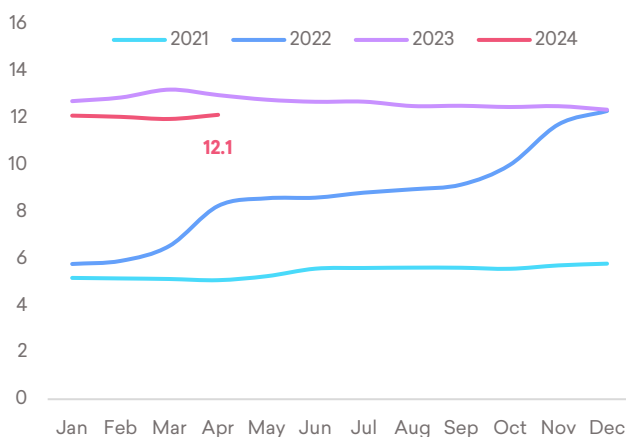
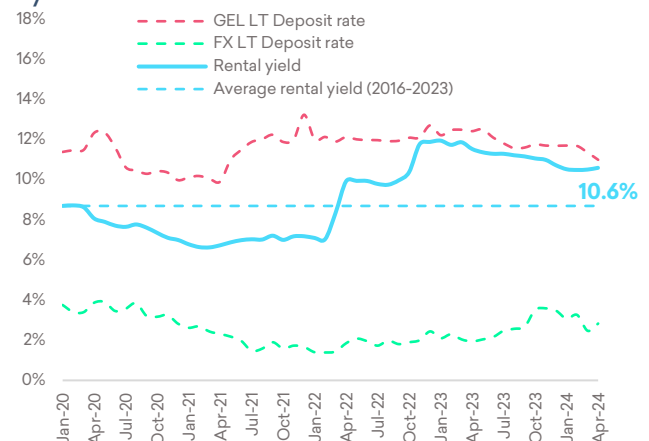


Figure 4. Rental yield and deposit rate dynamics



Source: NAPR, NBG, TBC Capital

Note: changes in sale and rent prices are calculated using NBG data, while absolute values are based on preliminary data.

New vs old apartments

In April 2024, 679 **new** apartments were sold, increasing by 63% relative to April 2023 (mostly low base effect). As for **old** apartments, a total of 2,514 transactions were made, posting a 20% annual growth. Since sales of new apartments increased considerably, their share in total sales went up to 21%.

The average sales price increased for old apartments (3.8%) as well as new ones (3.4%) compared to the same period of the previous year.

In comparison to March 2024, the average sales price increased for new apartments by 3.6%. In case of old apartments the prices stayed basically the same (-0.2% MoM).

Apartments ranging from 50 to 75 SQM took the biggest portion (42%) of the total apartments sold in April 2024, which is a 3pp increase compared to the same period of last year and a 1pp increase compared to March 2024. The flats above 125 SQM remained at 5%.

In April 2024 the share of high price apartments (>1500 \$/SQM) in total property sales reached 21%, continuing the increasing trend. There was a 5pp increase over the year and a 2pp increase compared to March 2024.

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

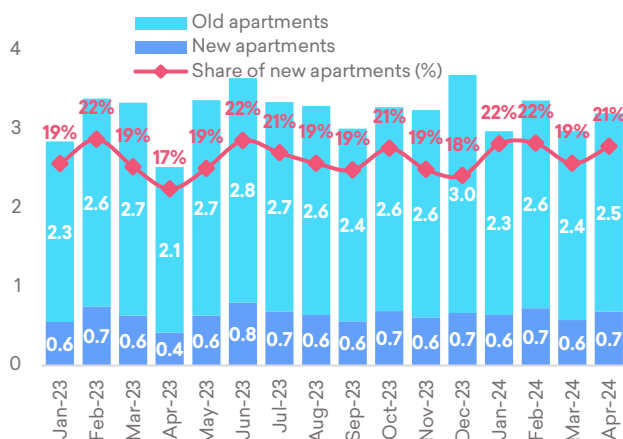


Figure 6. Average asking sale price, New vs Old (\$/SQM)

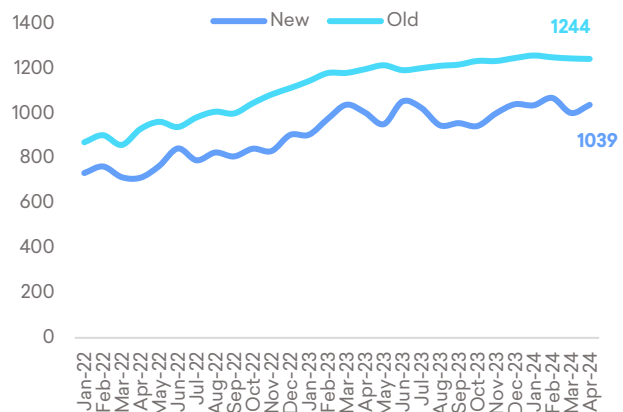


Figure 7. Distribution of sold properties by size (SQM), Tbilisi

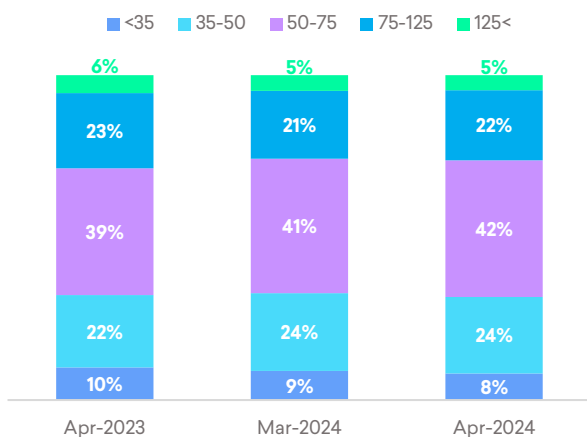
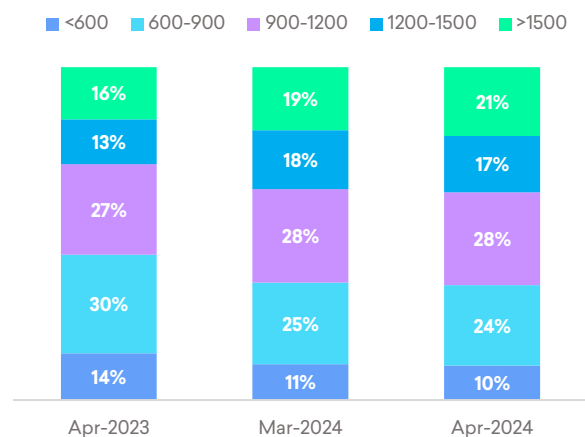


Figure 8. Distribution of sold properties by price categories (\$/SQM), Tbilisi



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 April 2024, Didi Dighomi (22% 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: Samgori, Chugureti, Gldani and Didi Dighomi showed significant annual growth. The highest number of new apartments were sold in Didi Dighomi. In case of old apartment sales: Chugureti, Didi Dighomi and Nadzaladevi posted top three annual growths. Whereas, the greatest number of old apartments were sold in Saburtalo, closely followed by Didi Dighomi.

In April 2024, the average price per SQM in Mtatsminda 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 Didube and Isani.

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

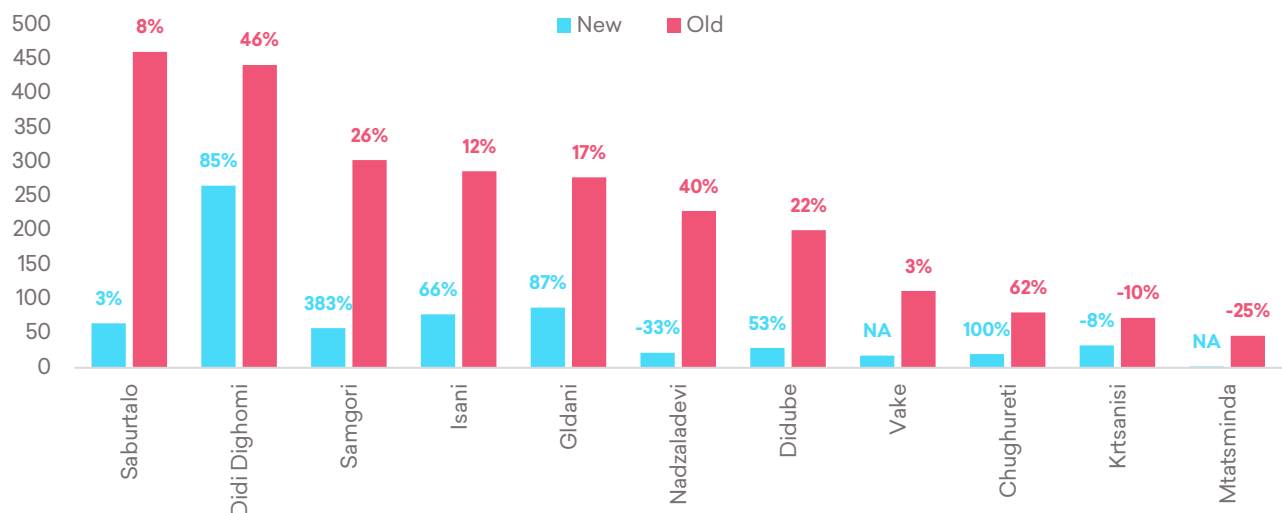
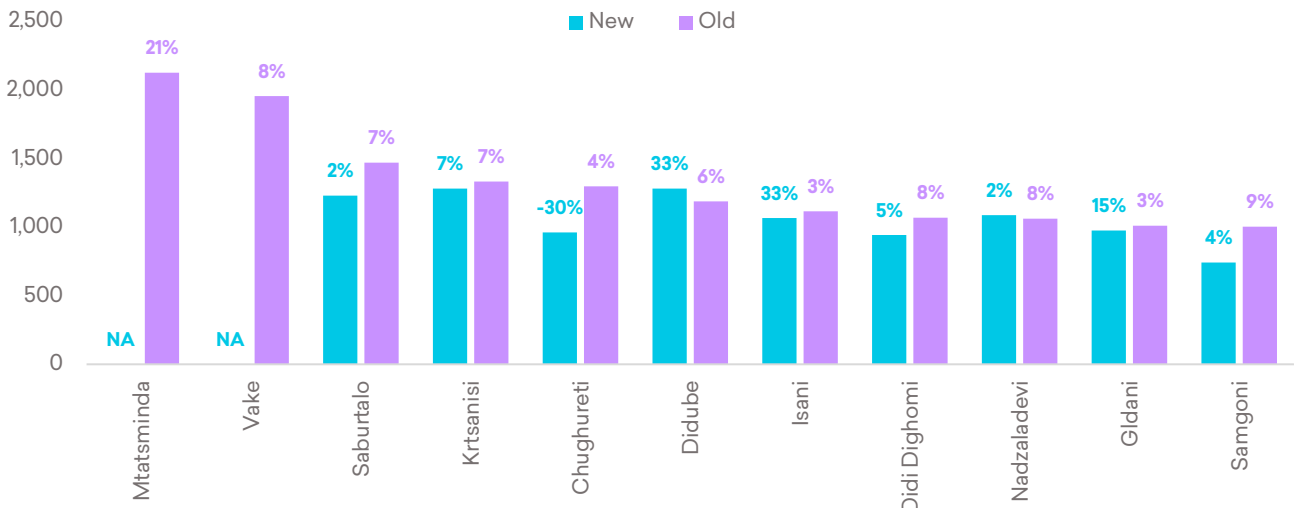


Figure 10. Weighted average sale price (\$/SQM) and YoY change (%), New vs Old apartments, April 2024



Source: NAPR, TBC Capital

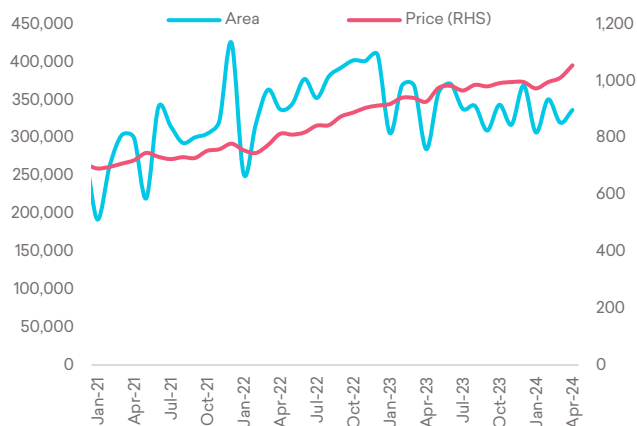
Note I: indicators are not calculated for districts that had less than 10 transactions in the specified period and are shown as N/A

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

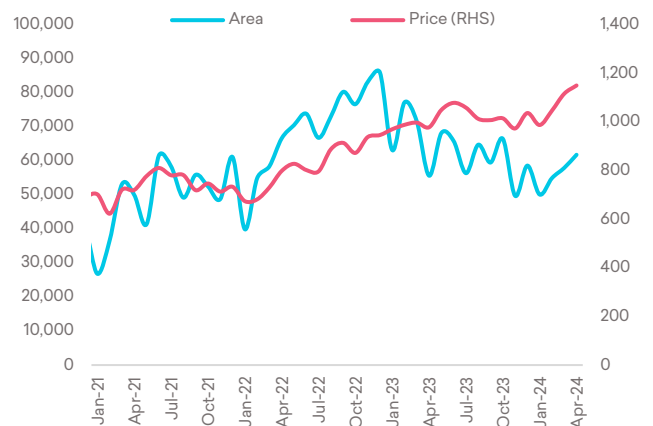
Annex: Georgia

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

Georgia



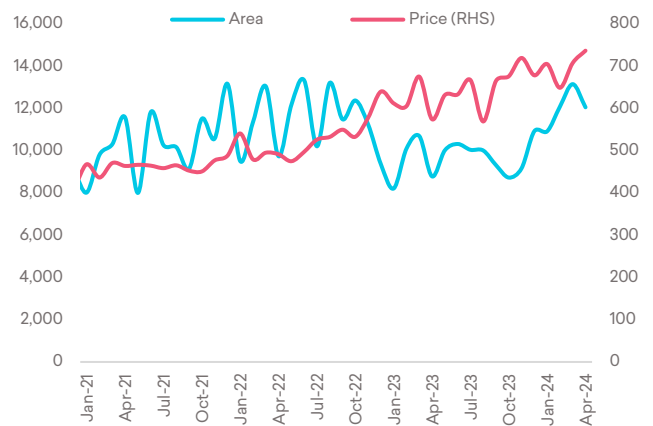
Batumi



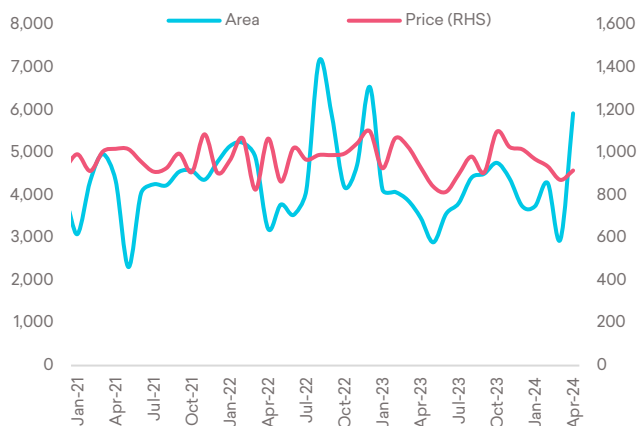
Kutaisi



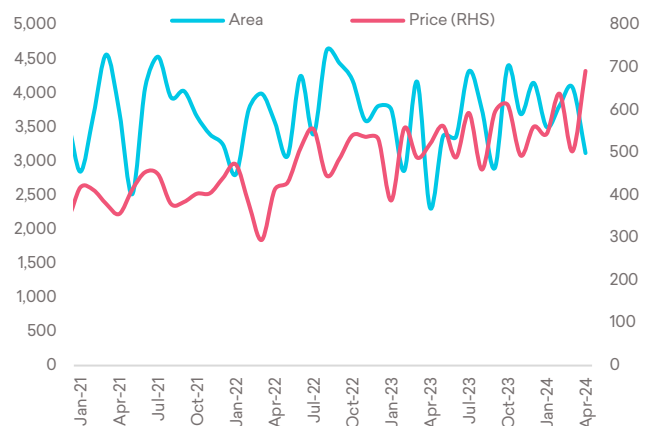
Rustavi



Borjomi



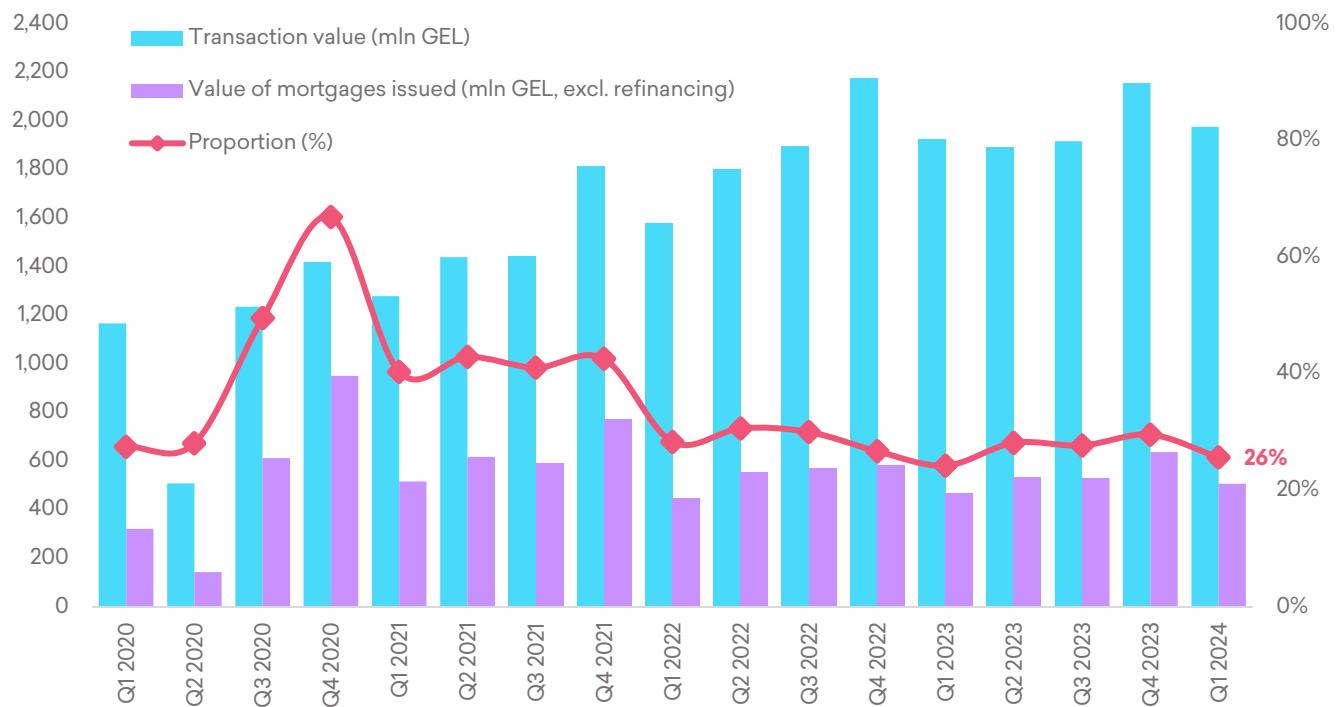
Gori



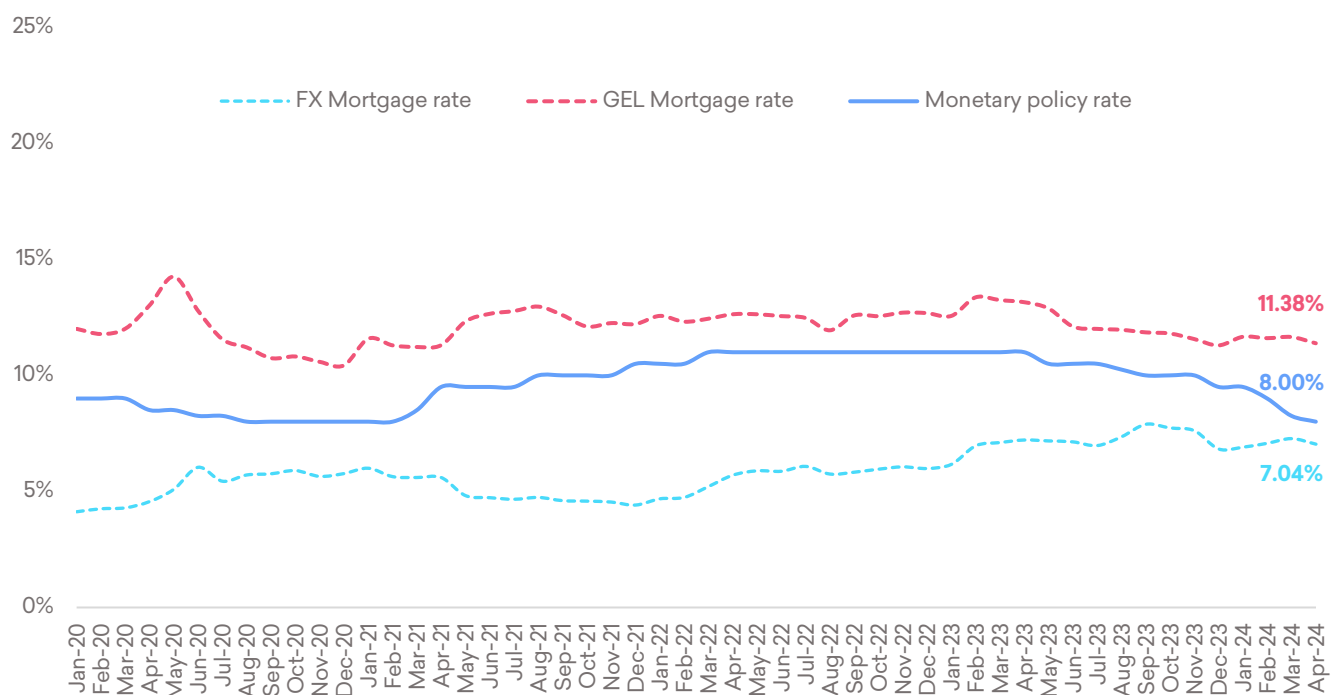
Source: NAPR, TBC Capital

Annex: Mortgage

A2. Value of issued mortgages to transaction value, Tbilisi



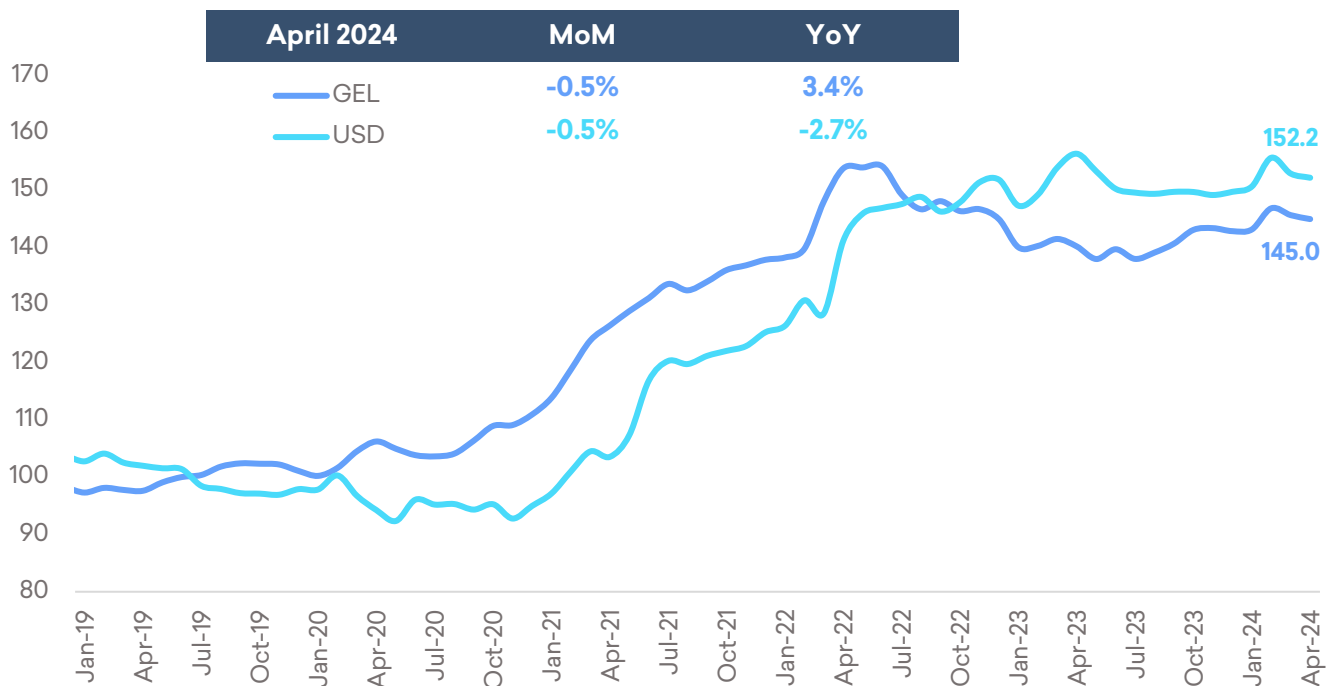
A3. Mortgage rate dynamics in Georgia



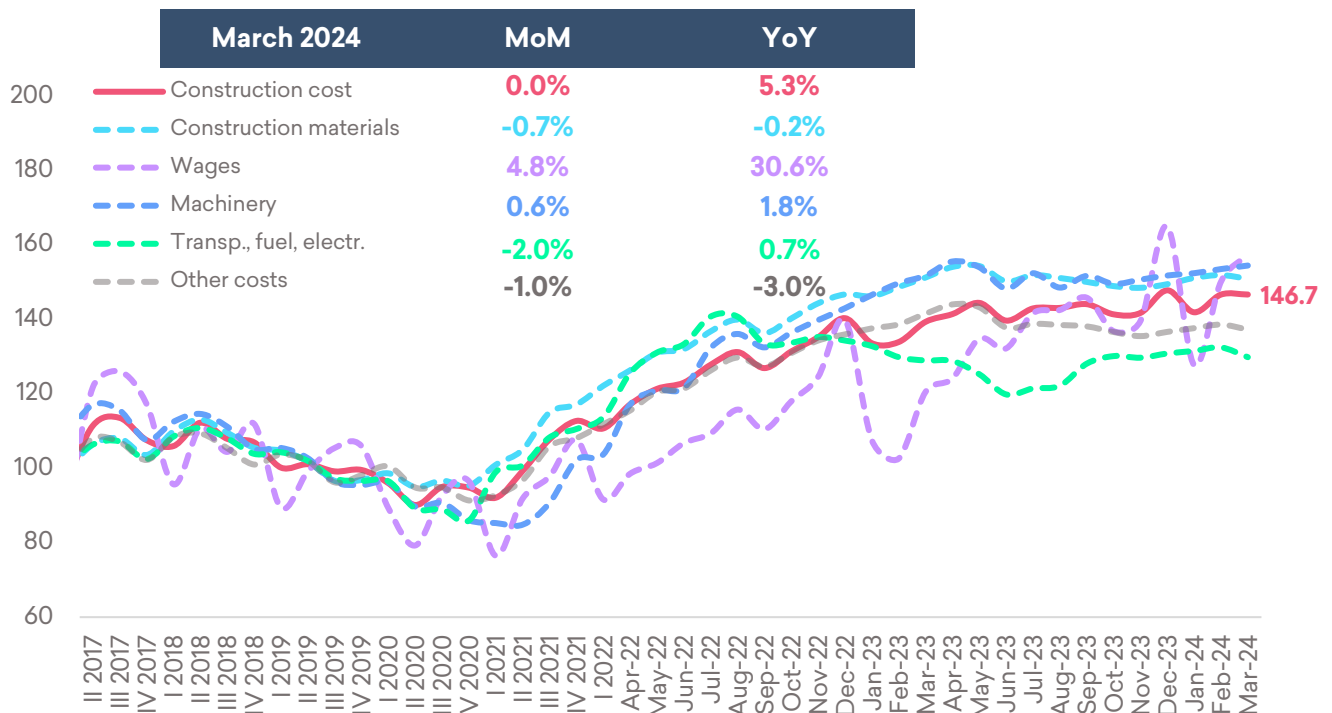
Source: NAPR, NBG, TBC Capital

Annex: Construction costs

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



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

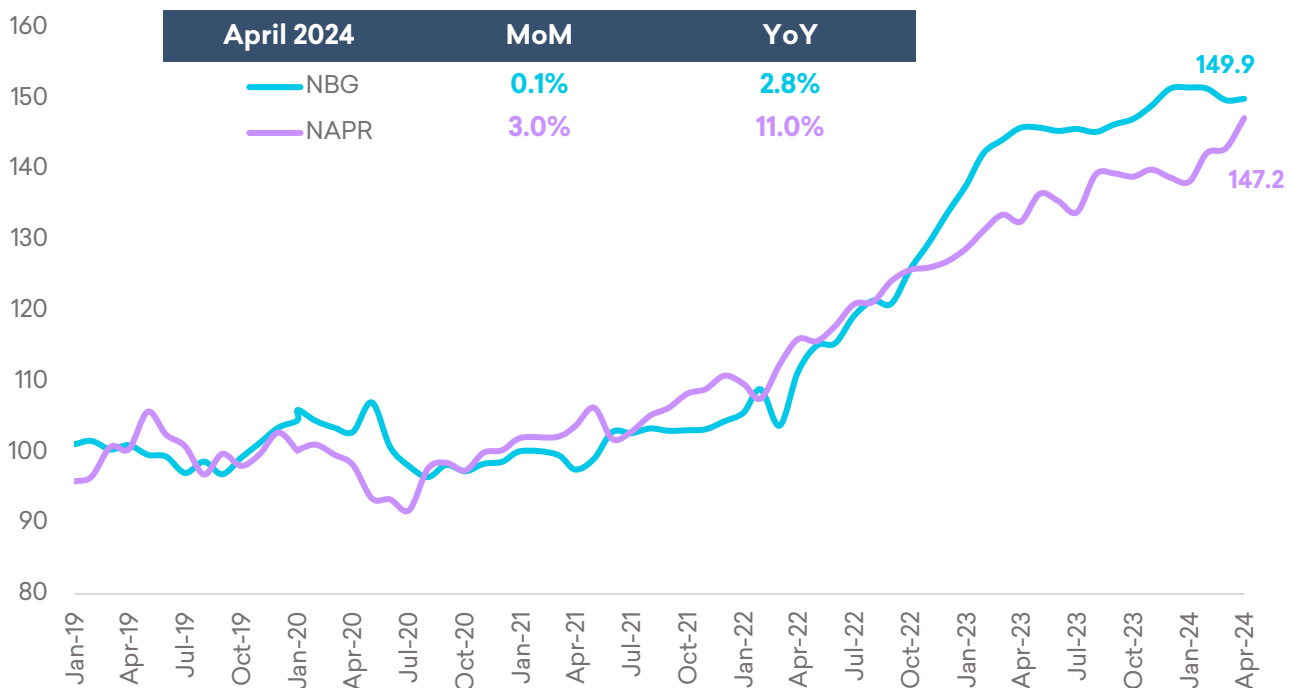


Source: Geostat, TBC Capital

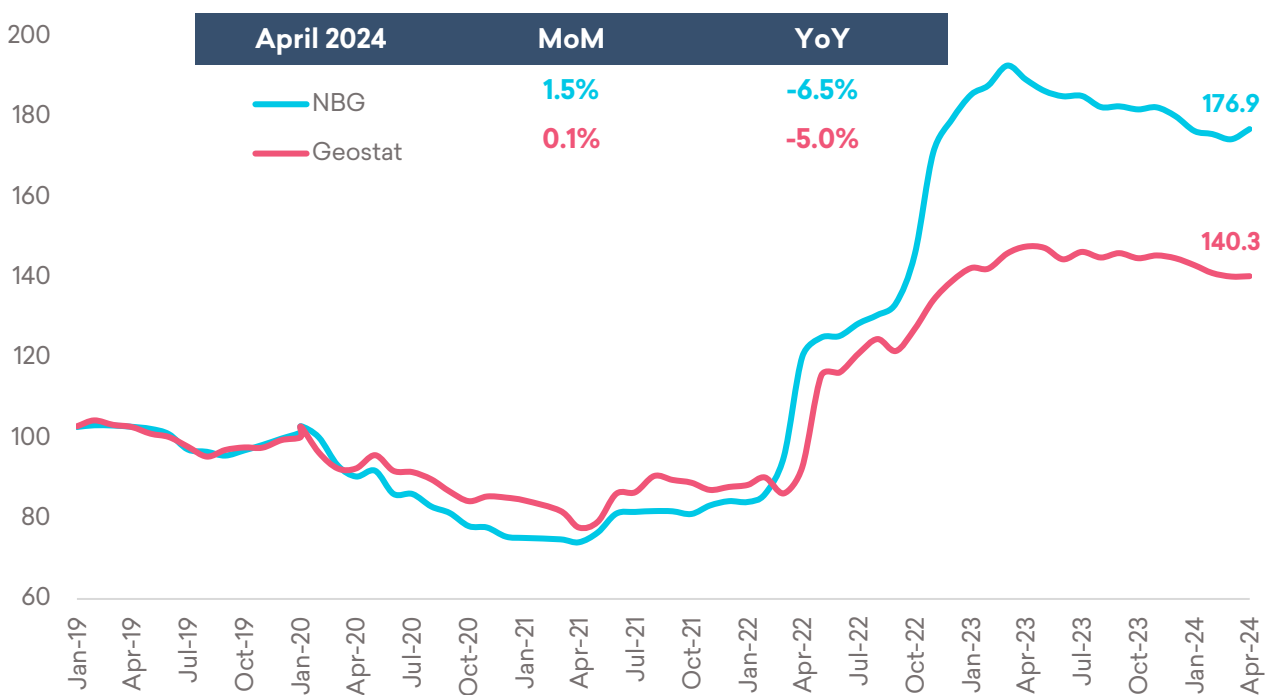
Note: Q1 2022 data is used for YoY change figures in construction cost index

Annex: Price indices

A6. Sale price indices (2019 average = 100)



A7. Rent price indices (2019 average = 100)

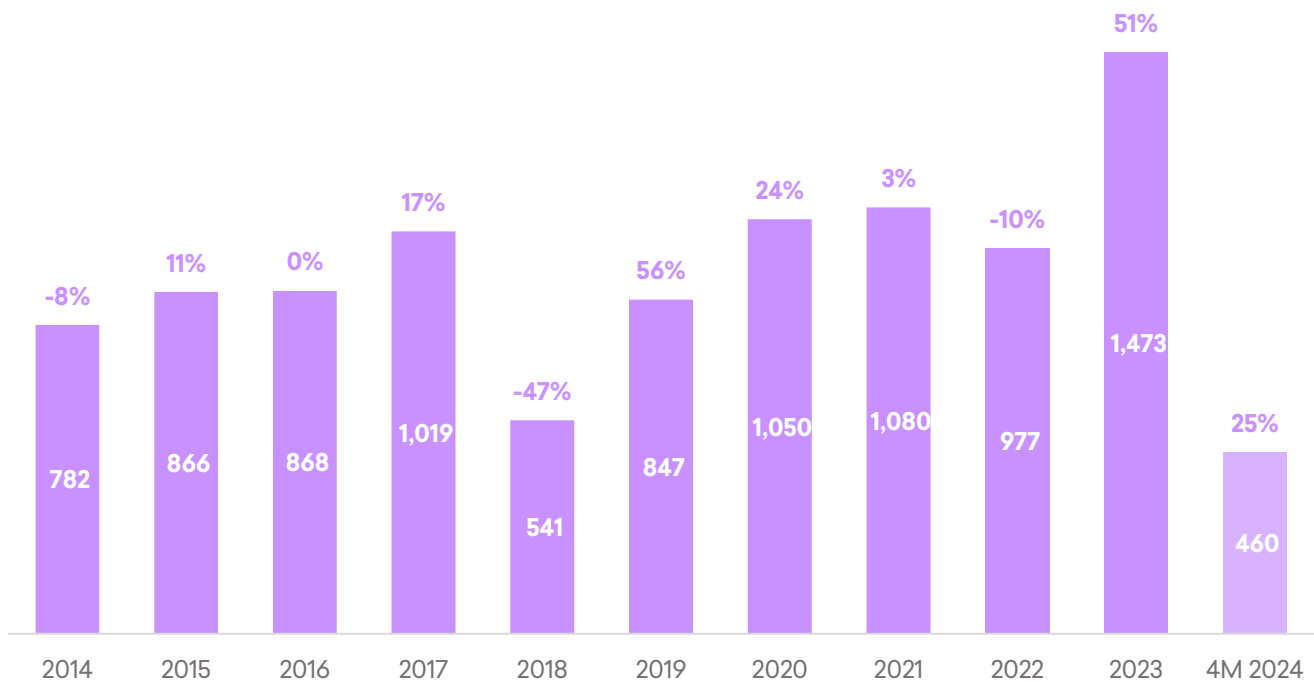


Source: Geostat, NBG, NAPR, TBC Capital

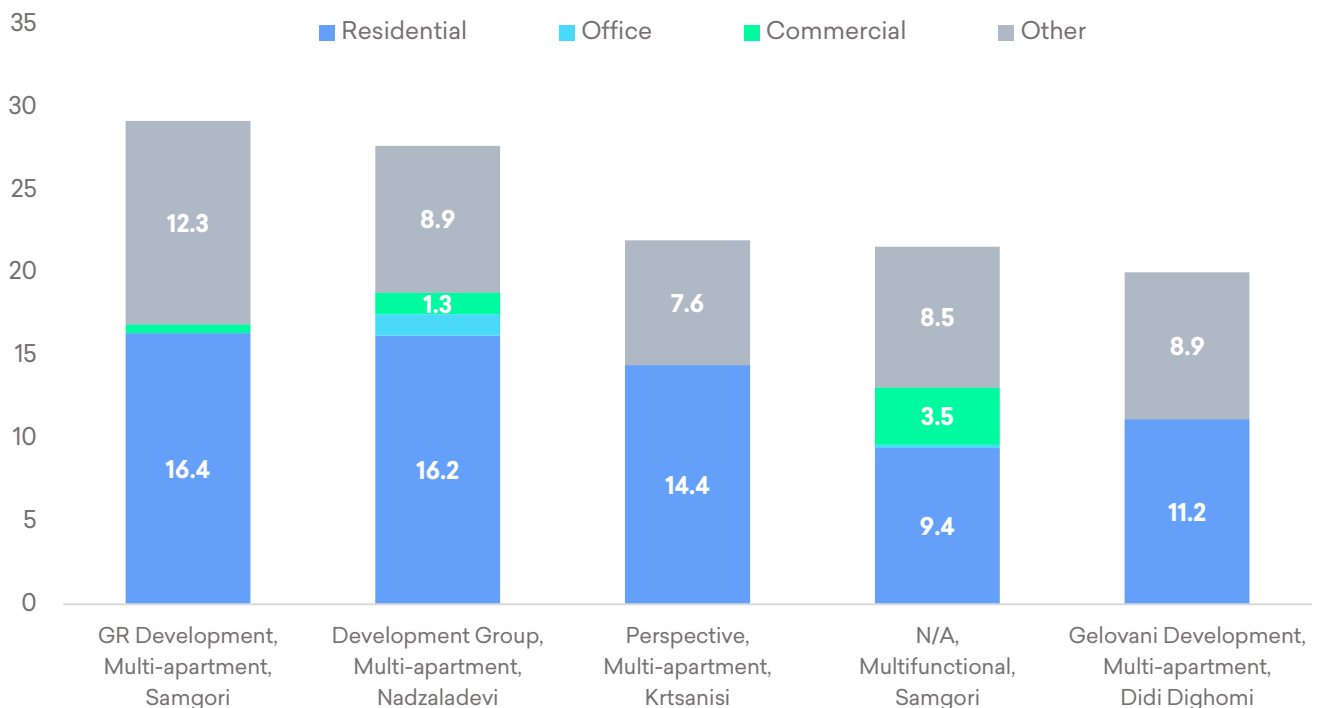
Note: index calculated using NAPR data shows change in average weighted prices recorded in RRE transactions

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), April 2024

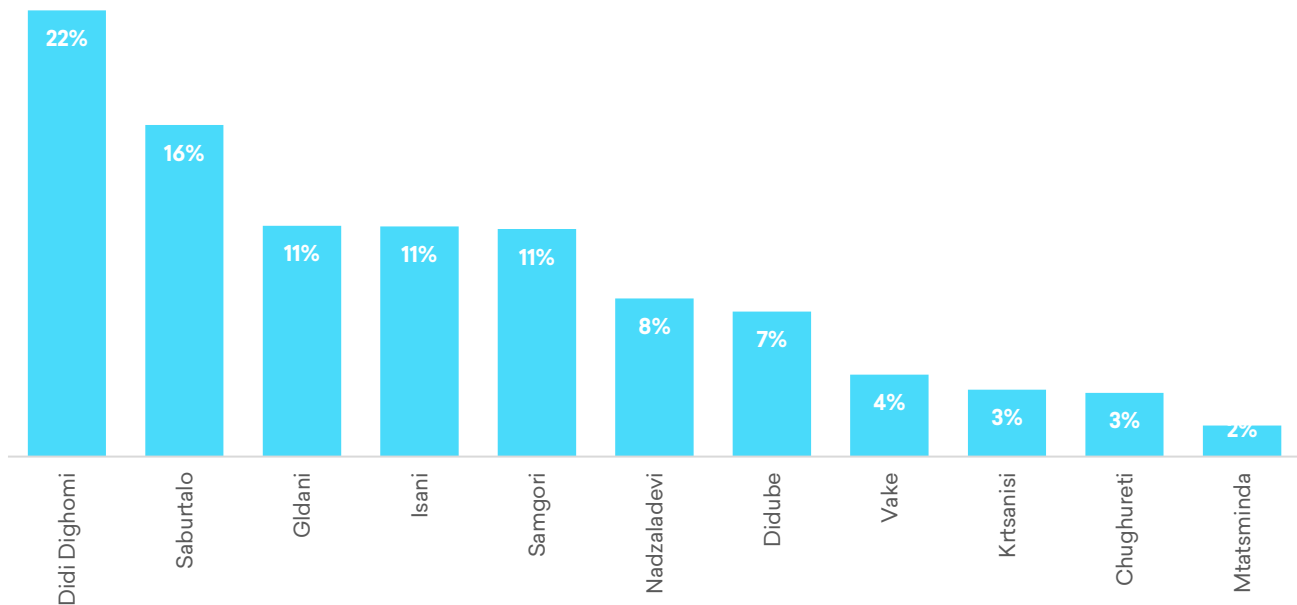


Source: TAS, TBC Capital

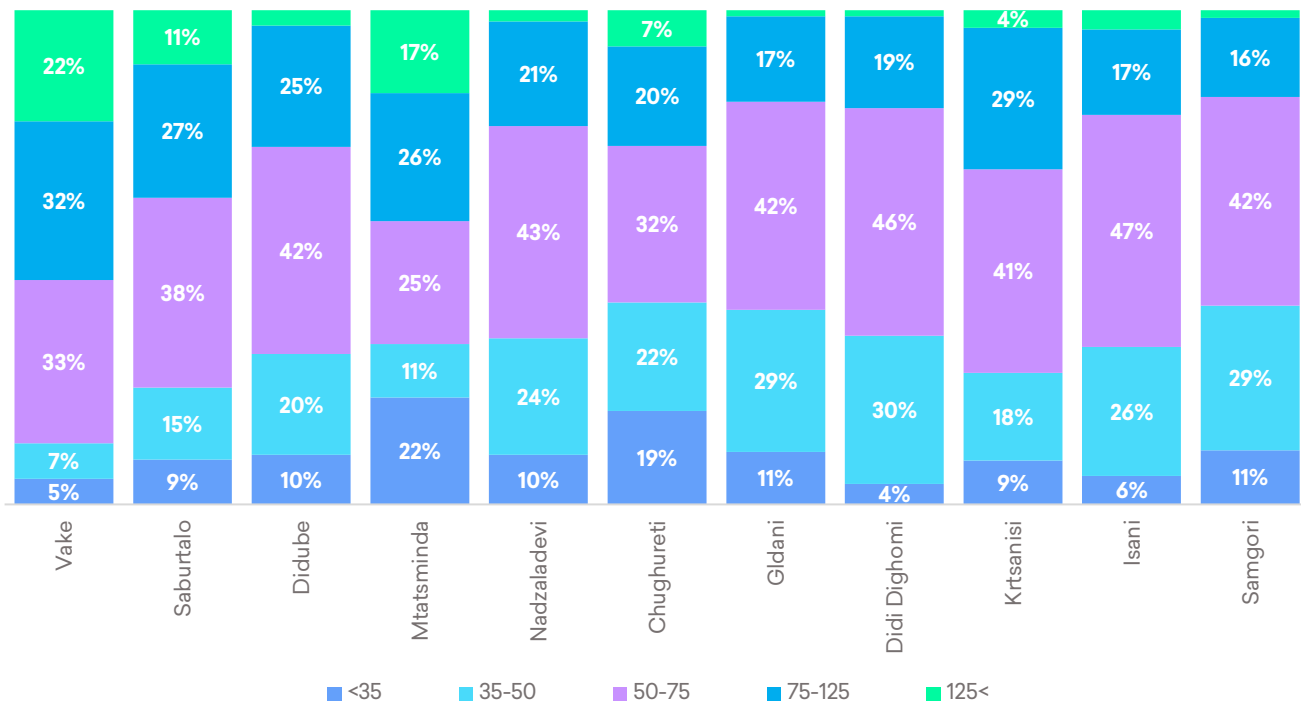
Note: residential area in class III and IV multi-apartment and multifunctional buildings

Annex: Tbilisi districts

A10. Transaction distribution by districts, April 2024



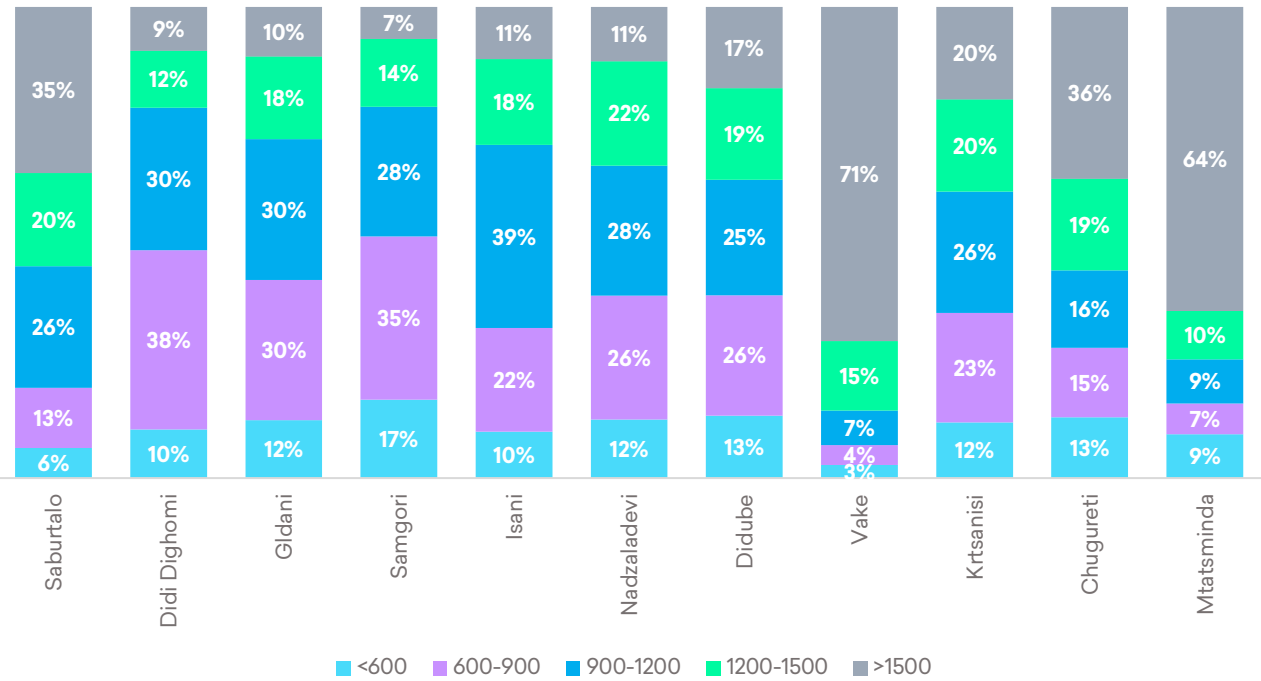
A11. Distribution of transactions by size (SQM) and districts, 2024 YTD



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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