



GALT & TAGGART
CREATING OPPORTUNITIES

Tbilisi Residential Real Estate

2024 FULL YEAR OVERVIEW

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

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

Key Figures

2022

2023

2024

Sales

of apartments

42,974

39,949

40,346

Primary

18,441

18,734

20,139

Secondary

24,533

21,215

20,207

Price

US\$ / m²

\$1,051

\$1,233

\$1,320

Rent

US\$ / m²

\$11.0

\$10.7

\$9.7

Permits

'000 m²

1,422

1,940

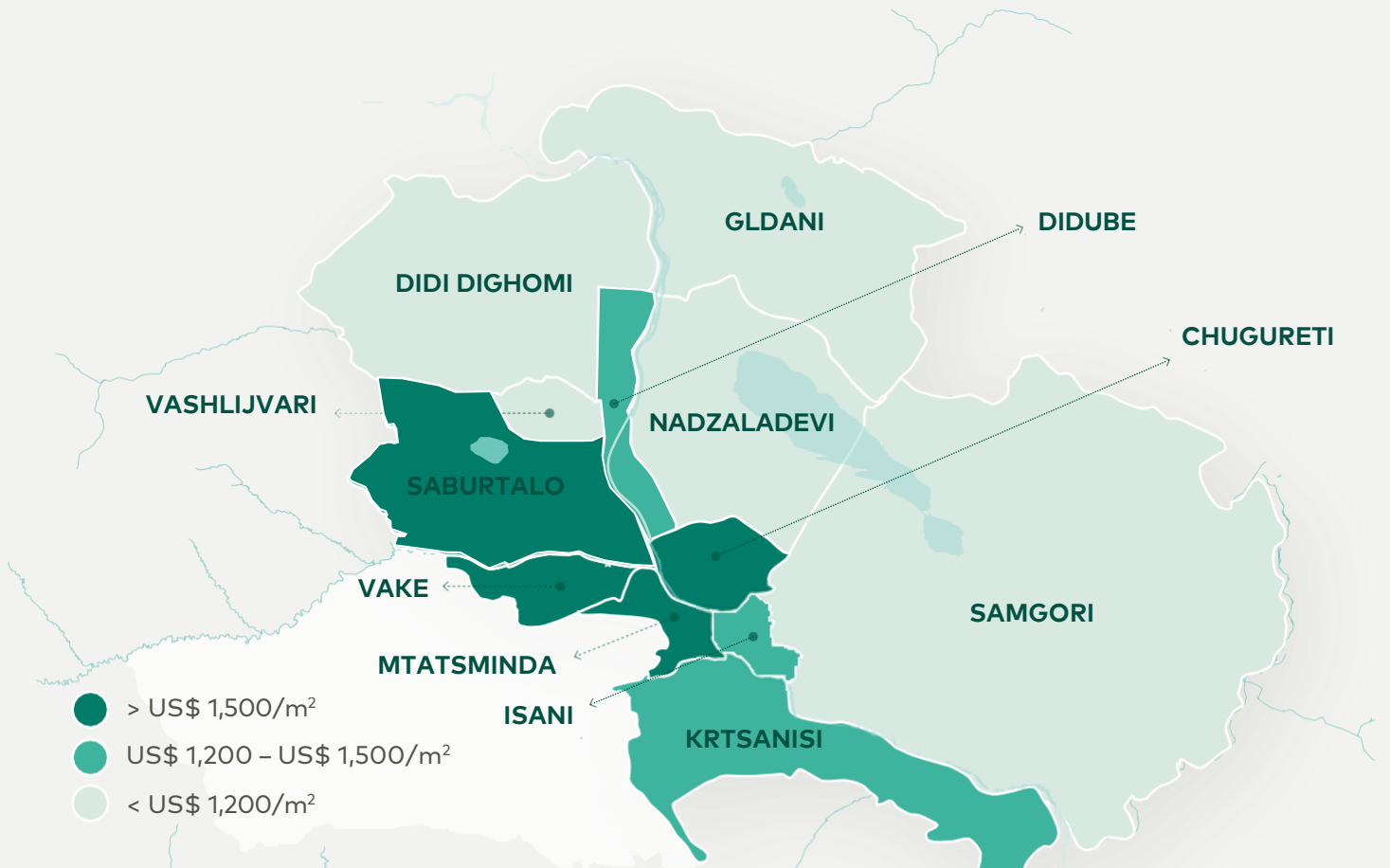
1,804



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Real estate sale patterns in 2024



MTATSMINDA

Number of sales
676 apartments
Average price
2,910 us\$ / m²
Average rent
12.4 us\$ / m²

VAKE

Number of sales
1,181 apartments
Average price
2,478 us\$ / m²
Average rent
14.5 us\$ / m²

CHUGURETI

Number of sales
1,039 apartments
Average price
1,837 us\$ / m²
Average rent
10.0 us\$ / m²

SABURTALO

Number of sales
6,368 apartments
Average price
1,526 us\$ / m²
Average rent
11.4 us\$ / m²

KRTSANISI

Number of sales
1,513 apartments
Average price
1,494 us\$ / m²
Average rent
10.0 us\$ / m²

DIDUBE

Number of sales
4,507 apartments
Average price
1,368 us\$ / m²
Average rent
9.4 us\$ / m²

ISANI

Number of sales
3,006 apartments
Average price
1,223 us\$ / m²
Average rent
10.1 us\$ / m²

NADZALADEVI

Number of sales
3,541 apartments
Average price
1,147 us\$ / m²
Average rent
8.9 us\$ / m²

SAMGORI

Number of sales
5,613 apartments
Average price
1,067 us\$ / m²
Average rent
8.0 us\$ / m²

DIDI DIGHOMI

Number of sales
7,924 apartments
Average price
1,042 us\$ / m²
Average rent
8.0 us\$ / m²

GLDANI

Number of sales
4,217 apartments
Average price
1,038 us\$ / m²
Average rent
8.1 us\$ / m²

VASHLIJVARI

Number of sales
765 apartments
Average price
1,027 us\$ / m²
Average rent
8.3 us\$ / m²

Note 1: Prices are given for the primary market white frame apartments, end of period

Note 2: Small sample size for prices in Mtatsminda and Chugureti



2024 Overview

Summary

In 2024, demand in Tbilisi residential real estate market remained steady despite multiple headwinds, with a modest 1.0% y/y increase in total apartment sales. On the supply side, the total living area of construction permits decreased by 6.7% y/y after a record high 2023, though it still remained at elevated levels. The average price in USD on the primary market increased by 11.6% y/y in 2024, although the rate of price growth slowed compared to previous years.

In 2025, we expect demand to soften due to domestic political instability - a projected slowdown in economic growth, GEL depreciation and potential reduction of rental yields are key factors in shaping the market's performance in 2025, we believe.

Sales from developers

In the first four months of 2024, apartment sales from developers in Tbilisi remained stable. However, in May, sales dropped significantly (-42.0% vs Jan-Apr 2024 average) due to street protests and an abundance of holidays. In June, demand partially recovered but remained low, as many high-income buyers were abroad for Euro 2024.

Sales fully rebounded in July, driven by the launch of several large-scale projects that expanded buyer options. In October, pre-election environment led to another slowdown, but sales picked up again in November due to pent-up demand. As expected, sales declined in December, though the drop was milder than anticipated, with a 9.0% y/y decrease. Overall, apartment sales in projects by our selected developers (see details on page 8) grew by 4.5% y/y in 2024.

Secondary market – registered transactions

In Dec-24, sales also decreased on the secondary market by 3.0% y/y. Smaller drop compared to the primary market suggests a shift in buyer preferences toward turn-key apartments, rather than ongoing construction projects, amid political uncertainty.

Overall, in 2024, the number of sold apartments on the secondary market (new and old projects combined) in Tbilisi stood at 20,207 units (-4.8% y/y). The decrease was driven by a 12.5% y/y drop in sales of old projects, while sales of new projects rose by 8.1% y/y.

Note 1: Apartment sales statistics are based on NAPR data, which has the drawback of late registrations of primary sales. To address this issue, we systematically conduct surveys of selected developers (see page 8).

Note 2: y/y means year-over-year change; m/m means month-over-month change.



Prices

In 2024, average price in USD per m² on the primary market increased by 11.6% y/y, partly driven by rise in construction costs during the year. While prices remained high, the growth rate has stabilized compared to 2022-23, slowing from an average monthly increase of 1.5% to 0.5%.

Market size

In 2024, the total market value of apartments sold in Tbilisi stood at US\$ 3,132.1mn, up by 7.1% y/y.

Other noteworthy features of the market remained unchanged, such as the dominance of medium-sized apartments (51-80 m²), due to affordability and the ease of renting and falling share of sold apartments in the budget segment (<\$1,000/m²), driven by rising prices.

Rent

During 2024 rent prices remained largely stable at around US\$ 10 per m². The trend persisted in Dec-24 and price for renting an average apartment (50-60 m²) in Tbilisi stood at US\$ 9.7 per m². This represents a 9.0% y/y decrease and 17.9% decline from the peak observed in Mar-23 (US\$ 11.8 per m²).

Construction permits

In 2024, 255 construction permits were issued for residential projects, with total living area of 1.8mn m², 6.7% less than record high 2023, yet still elevated. Most of the permits were issued in Saburtalo (23% of total), followed by Didi Dighomi (18%) and Samgori (17%).

Note 1: Apartment sales statistics are based on NAPR data, which has the drawback of late registrations of primary sales. To address this issue, we systematically conduct surveys of selected developers (see page 8).

Note 2: y/y means year-over-year change; m/m means month-over-month change.



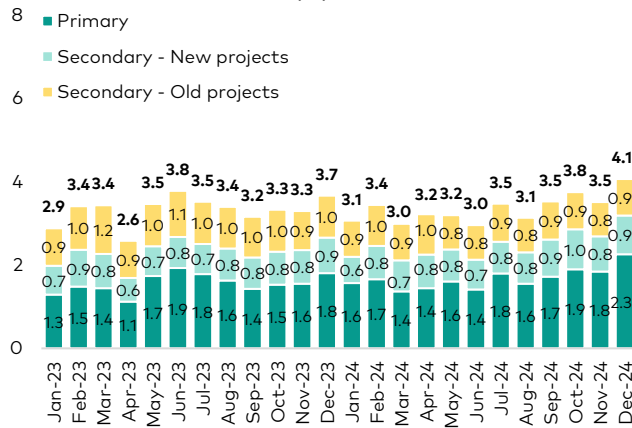
Real Estate Sales

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 Dec-24, registered transactions on the secondary market were down 3.0% y/y



Source: NAPR, Galt & Taggart

Note: Primary market transactions are lagged indicator; real time data is reflected in our developer's survey (see page 8 for details).

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

In 2024, transactions increased by 1.0% y/y, attributed to growth on the primary and secondary – new projects

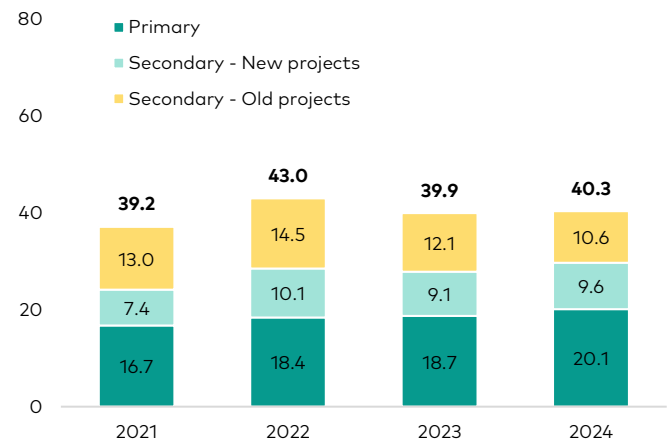
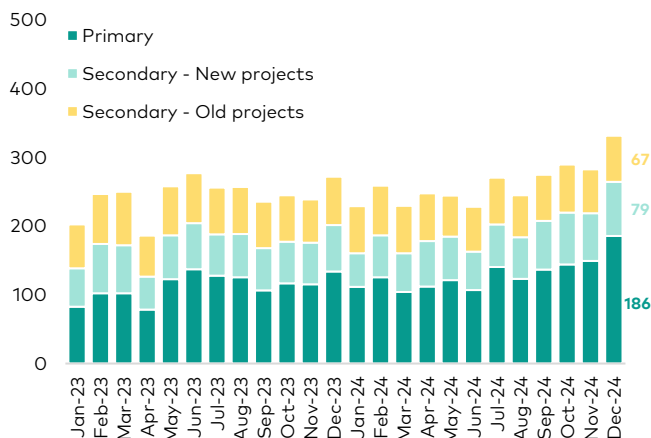


Figure 3: Real estate market size by month, US\$ mn

In Dec-24, real estate market size on the secondary market was up 5.8% y/y, due to increased prices



Source: NAPR, Galt & Taggart

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

In 2024, market size increased by 7.1% y/y, attributed to growth on the primary market

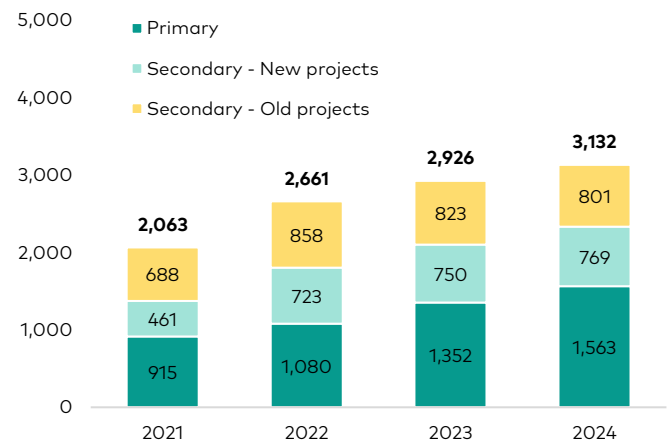
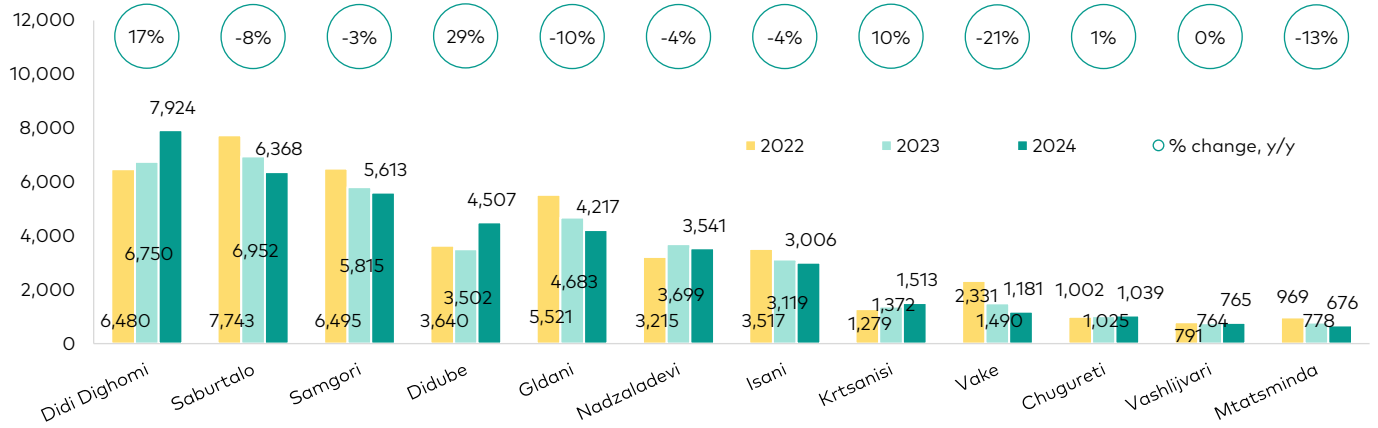




Figure 5: Number of sold apartments by districts (primary and secondary markets combined)

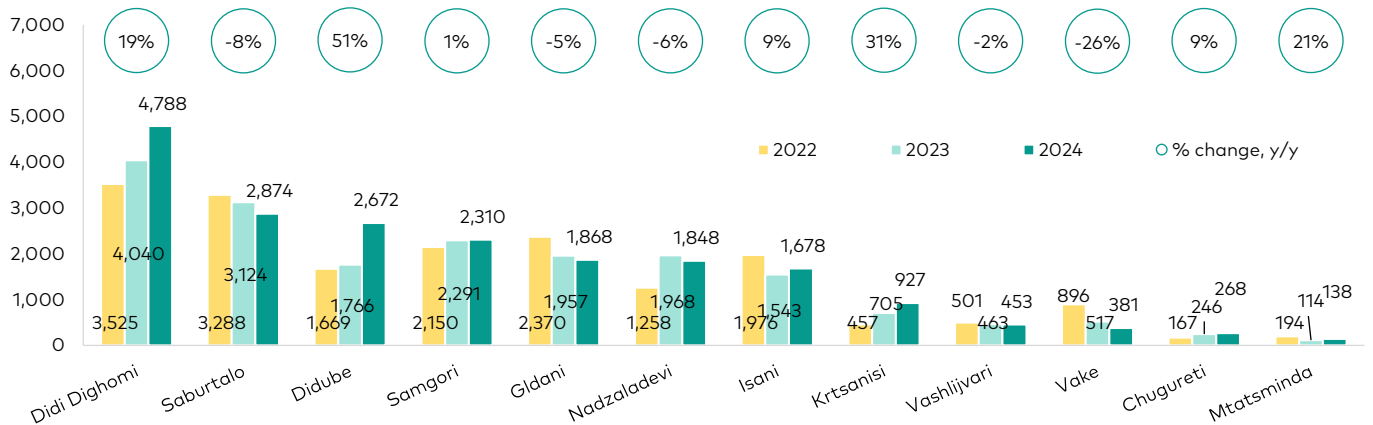
Almost half of the transactions were recorded in Didi Dighomi, Saburtalo and Samgori districts



Source: NAPR, Galt & Taggart

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

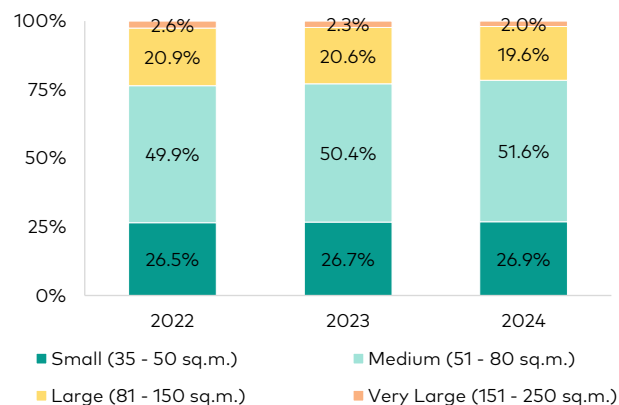
Didi Dighomi is the most demanded district on the primary market, due to a large number of ongoing developments



Source: NAPR, Galt & Taggart

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

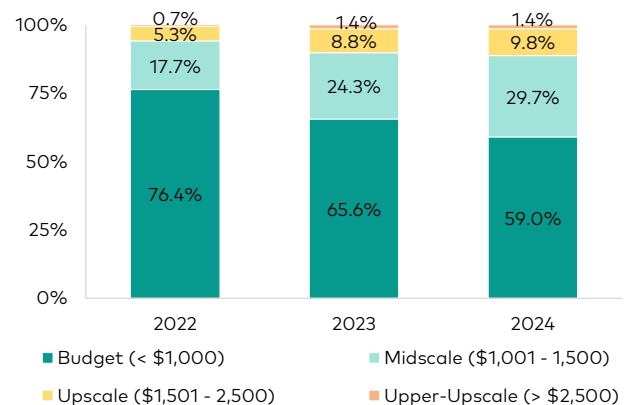
Medium-sized (51-80 m²) apartments remained the most prevalent



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





Sales from developers

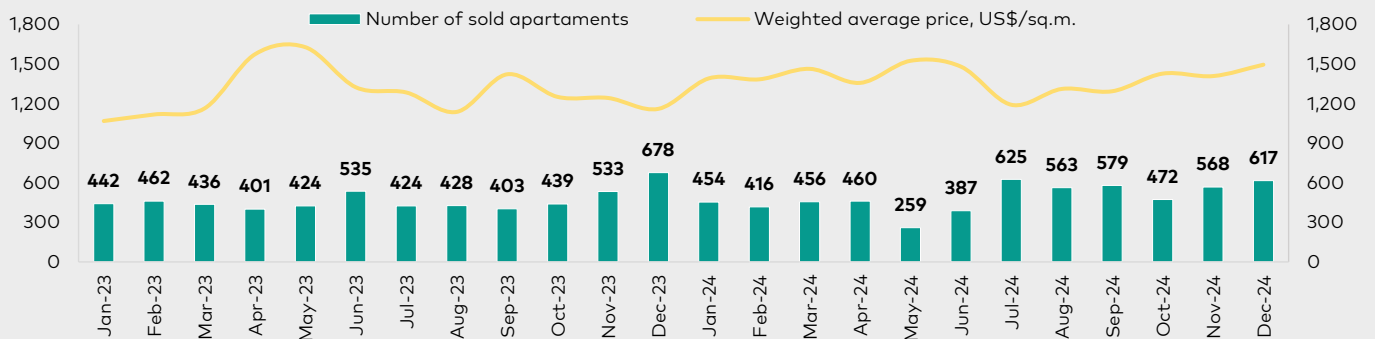
Box 1: Results of Galt & Taggart survey of systematic developers

In January 2025, we conducted a survey of 17 systematic developers with 85 residential construction projects in Tbilisi.

Based on survey results:

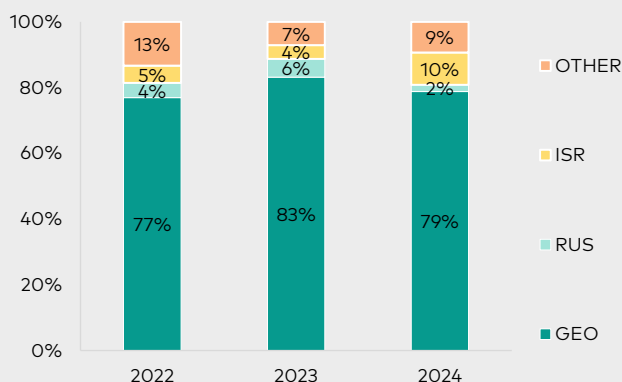
- In December 2024, as expected due to political instability, apartment sales declined. However, the drop was less severe than anticipated, decreasing by 9.0% y/y.
- Overall, in 2024, despite the turbulence, sales in the projects of our selected developers increased by 4.5% y/y, mostly driven by the new large-scale developments, expanding buyer options. Most of these projects launched sales in the summer, leading to a decline in the weighted average price during this period due to initial promotional offers.
- Local population stably accounts for c. 80% of total sales, remaining the primary driver of market demand. Additionally, the share of Russian buyers declined in 2024 (6% in 2023 vs 2% in 2024), replaced by demand from Israeli citizens (4% vs 10%).
- 75% 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.

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



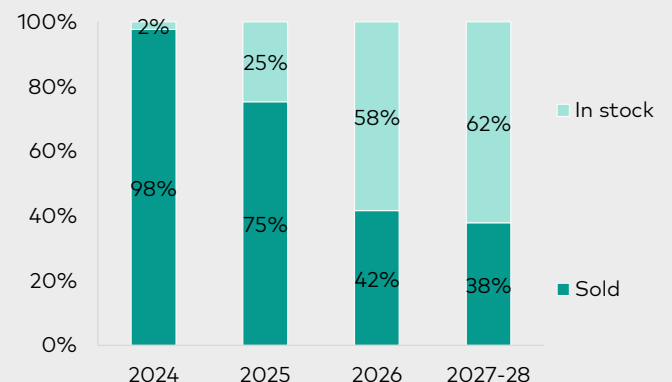
Source: Galt & Taggart survey of selected developers

Figure 10: Real estate sales by citizenship in Tbilisi



Source: Galt & Taggart survey of selected developers

Figure 11: Distribution of the housing stock by project completion year and status in Tbilisi

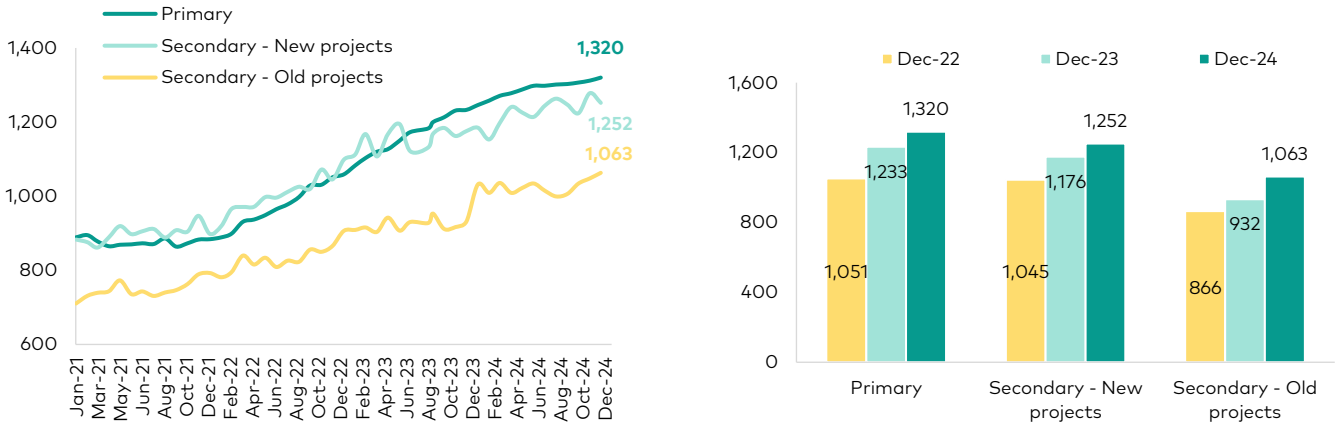




Real Estate Prices

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

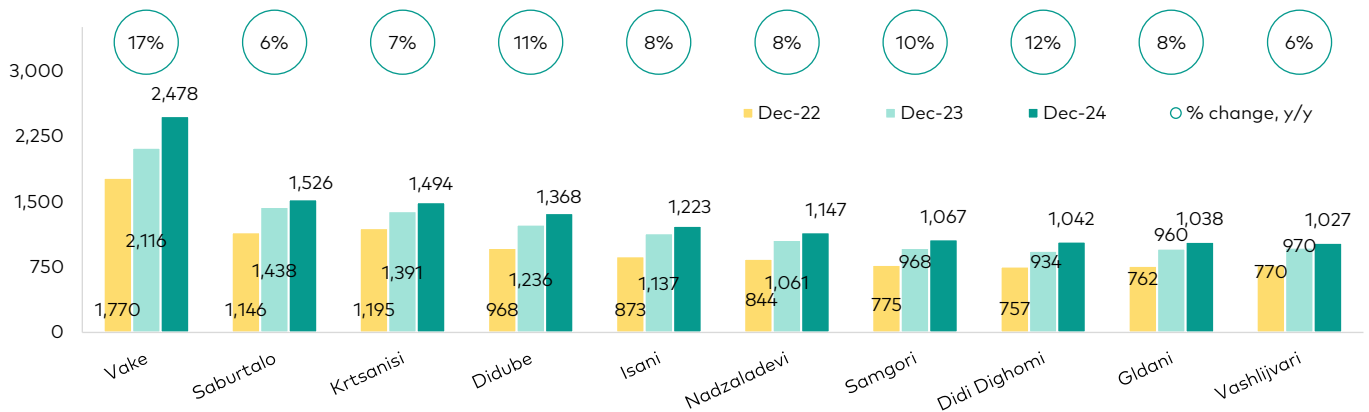
In Dec-24, prices on the primary market increased by 0.6% m/m



Source: NAPR, Galt & Taggart

Figure 13: Real estate prices on primary market for white frame apartments by districts, US\$/m²

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

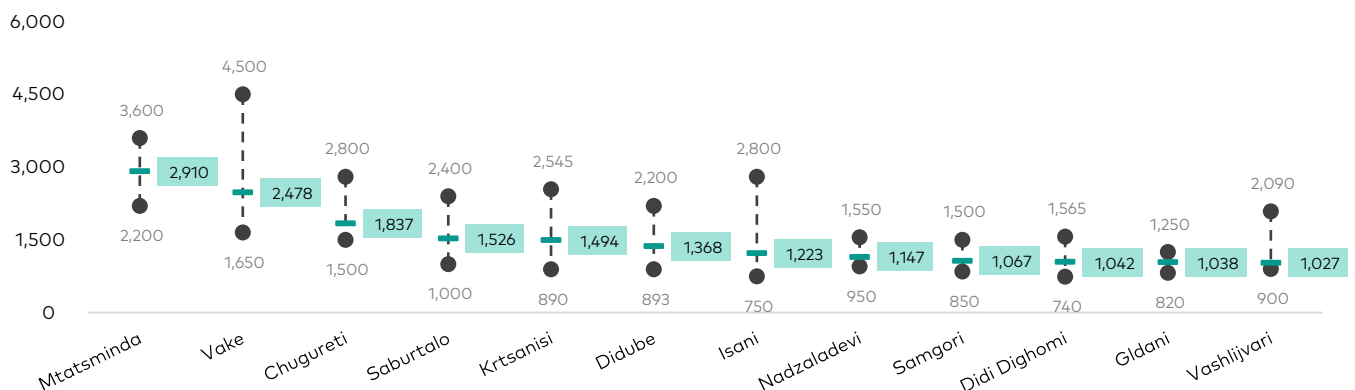


Source: Galt & Taggart

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

Figure 14: Real estate price ranges on primary market by districts in Dec-24, US\$/m²

Some districts have a high variation in prices



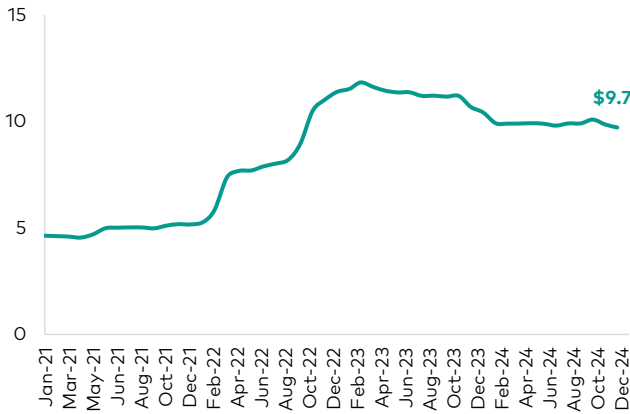
Source: Galt & Taggart



Real Estate Rents

Figure 15: Real estate weighted average rent price in Tbilisi, US\$/m²

Average rent price remains below US\$ 10 per m²



Source: NBG, Galt & Taggart

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

Figure 16: Real estate weighted average rent prices by districts, US\$/m²

There was a significant annual drop in rent prices in every district of Tbilisi

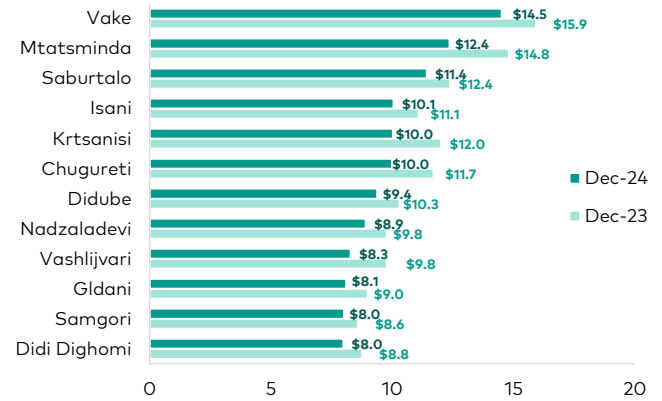
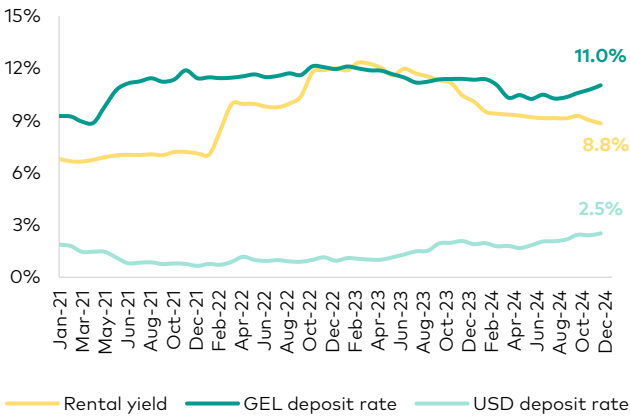


Figure 17: Real estate rental yield and deposit rates

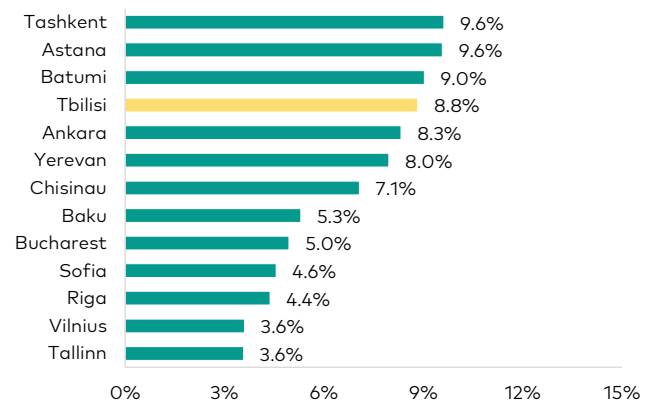
Rental yield still looks attractive compared to alternative investments



Source: NBG, Numbeo, Galt & Taggart

Figure 18: Rental yield outside city center, Dec-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 m²

Permitted living area in 2024 has decreased by 6.7% y/y, after a record-high 2023, but still remains elevated

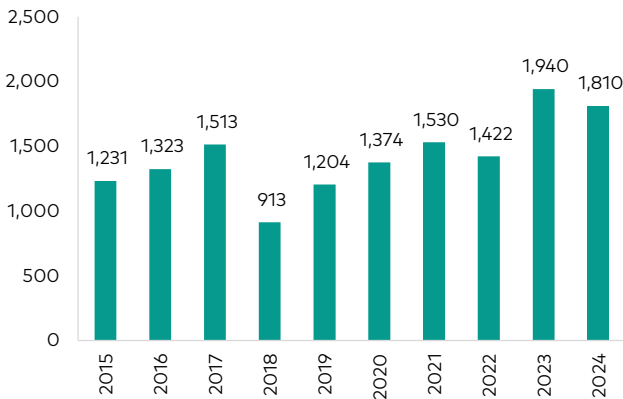
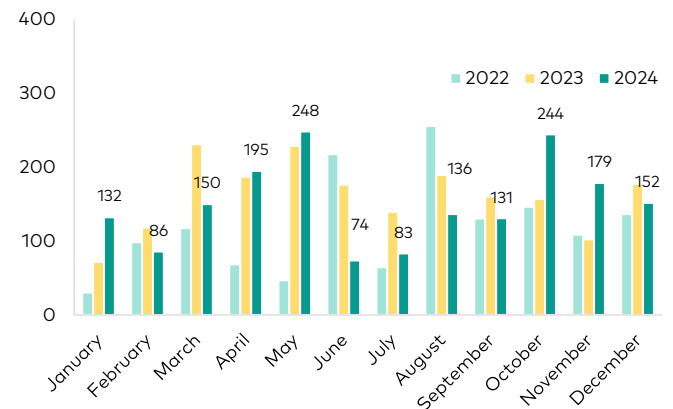


Figure 20: Area of construction permits issued for residential real estate by months in Tbilisi, '000 m²

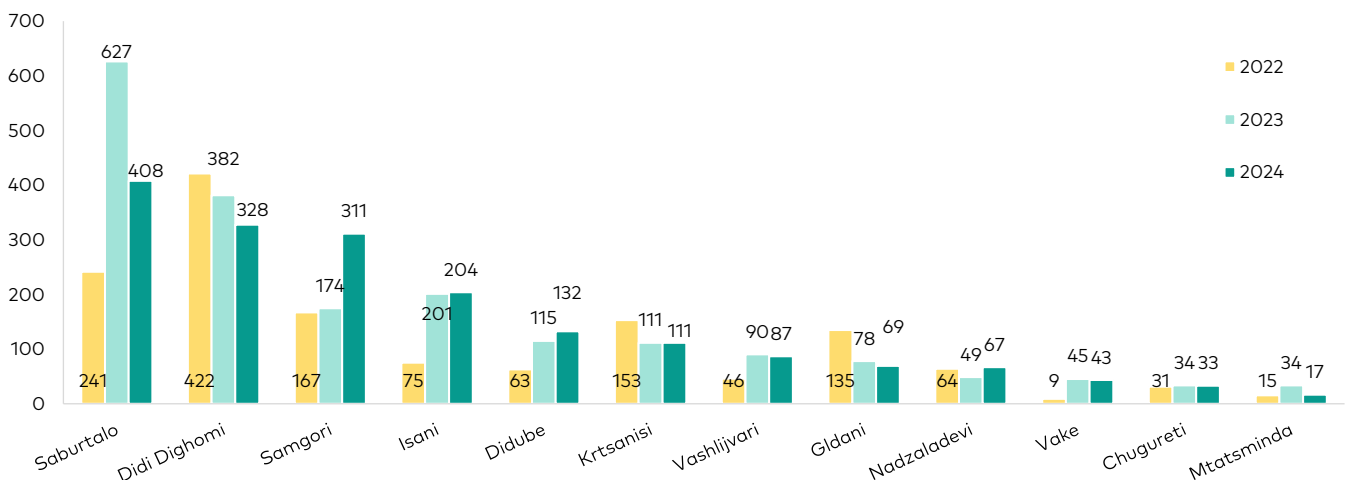
In Dec-24, living area of issued construction permits decreased by 14.4% y/y



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 m²

Most of the permits were issued in Saburtalo (23% of total), followed by Didi Dighomi (18%) and Samgori (17%)



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, 2024

| District | Value (mn US\$) | Number | Area ('000 m ²) |
|--------------|-----------------|--------|-----------------------------|
| Saburtalo | 690.9 | 6,368 | 489.6 |
| Didi Dighomi | 487.3 | 7,924 | 484.9 |
| Didube | 355.7 | 4,507 | 307.0 |
| Samgori | 327.7 | 5,613 | 346.2 |
| Gldani | 253.5 | 4,217 | 262.5 |
| Nadzaladevi | 242.4 | 3,541 | 226.8 |
| Isani | 222.6 | 3,006 | 193.1 |
| Vake | 208.4 | 1,181 | 115.5 |
| Krtsanisi | 141.1 | 1,513 | 105.7 |
| Mtatsminda | 103.1 | 676 | 63.3 |
| Chugureti | 84.5 | 1,039 | 76.0 |
| Vashlijvari | 57.4 | 765 | 57.7 |

Source: NAPR, Galt & Taggart

Table 2: Real estate weighted average prices by districts in Dec-24, US\$/m²

| District | Primary market | Secondary market New projects | Secondary market Old projects |
|--------------|----------------|----------------------------------|----------------------------------|
| Mtatsminda | 2,910 | 2,338 | 1,639 |
| Vake | 2,478 | 2,048 | 1,622 |
| Chugureti | 1,837 | 1,771 | 898 |
| Saburtalo | 1,526 | 1,553 | 1,146 |
| Krtsanisi | 1,494 | 1,223 | 1,029 |
| Didube | 1,368 | 1,144 | 1,014 |
| Isani | 1,223 | 1,210 | 977 |
| Nadzaladevi | 1,147 | 1,225 | 895 |
| Samgori | 1,067 | 1,045 | 806 |
| Didi Dighomi | 1,042 | 1,051 | 805 |
| Gldani | 1,038 | 1,084 | 889 |
| Vashlijvari | 1,027 | 1,085 | 915 |

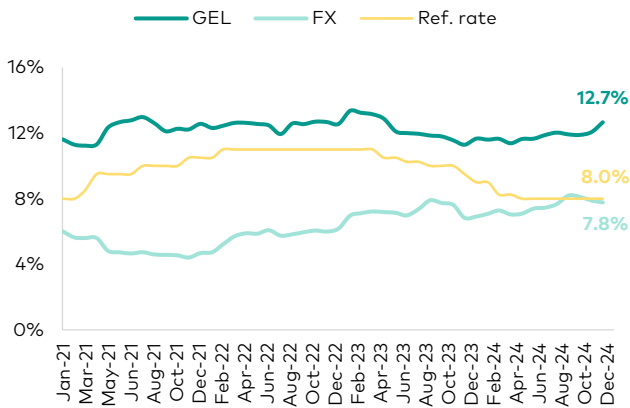
Source: NAPR, Galt & Taggart



Annex

Figure 22: Mortgage interest rates, %

Mortgage interest rates remain high in both currencies



Source: NBS, Galt & Taggart

Figure 23: Share of mortgages in total sales value

Mortgages accounted for 21.0% of sales value in Dec-24, as majority of sales were financed by popular inner instalment schemes

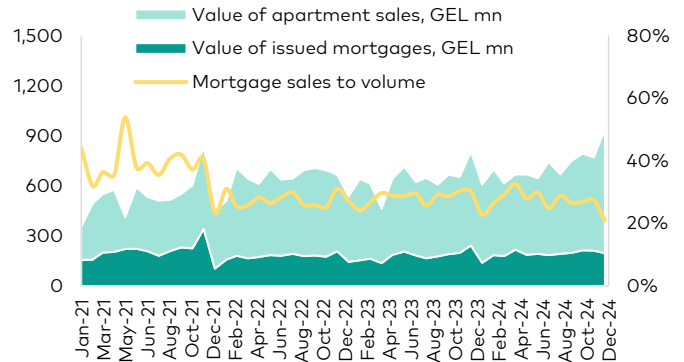
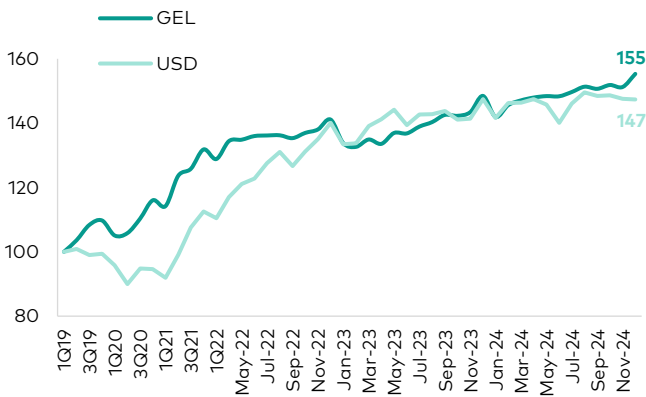


Figure 24: Construction cost index, 1Q19=100

Wages are still the fastest-growing category in construction costs



Source: Geostat, Galt & Taggart

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

| | Average y/y growth 2024, US\$ | m/m growth Dec-24, US\$ |
|---|-------------------------------|-------------------------|
| Total construction cost | 3.8% | -0.1% |
| <i>Construction materials</i> | 0.1% | -2.8% |
| <i>Wages</i> | 23.7% | 9.5% |
| <i>Machinery</i> | 2.9% | -2.6% |
| <i>Transportation, fuel and electricity</i> | -0.1% | -3.0% |
| <i>Other costs</i> | -2.3% | -2.1% |



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Head of Research

Eva Bochorishvili | evabochorishvili@gt.ge

Research Associate

Zuka Tavkelishvili | ztavkelishvili@gt.ge

Analyst

Otar Tsukhishvili | otsukhishvili@gt.ge

Address: 3 Pushkin Street, Tbilisi 0105, Georgia

Tel: + (995) 32 2401 111

Email: research@gt.ge