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Batumi Residential Real Estate

1Q26 OVERVIEW

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Key Figures in Batumi

	1Q24	1Q25	1Q26
Sales # of apartments	3,371	3,497	4,049
Primary	1,779	1,800	2,180
Secondary	1,592	1,697	1,869
Price US$ / m^2 Turnkey apartments	$1,578	$1,742	$1,893
Rent (ADR) US$ / day	$27.7	$28.5	$27.2

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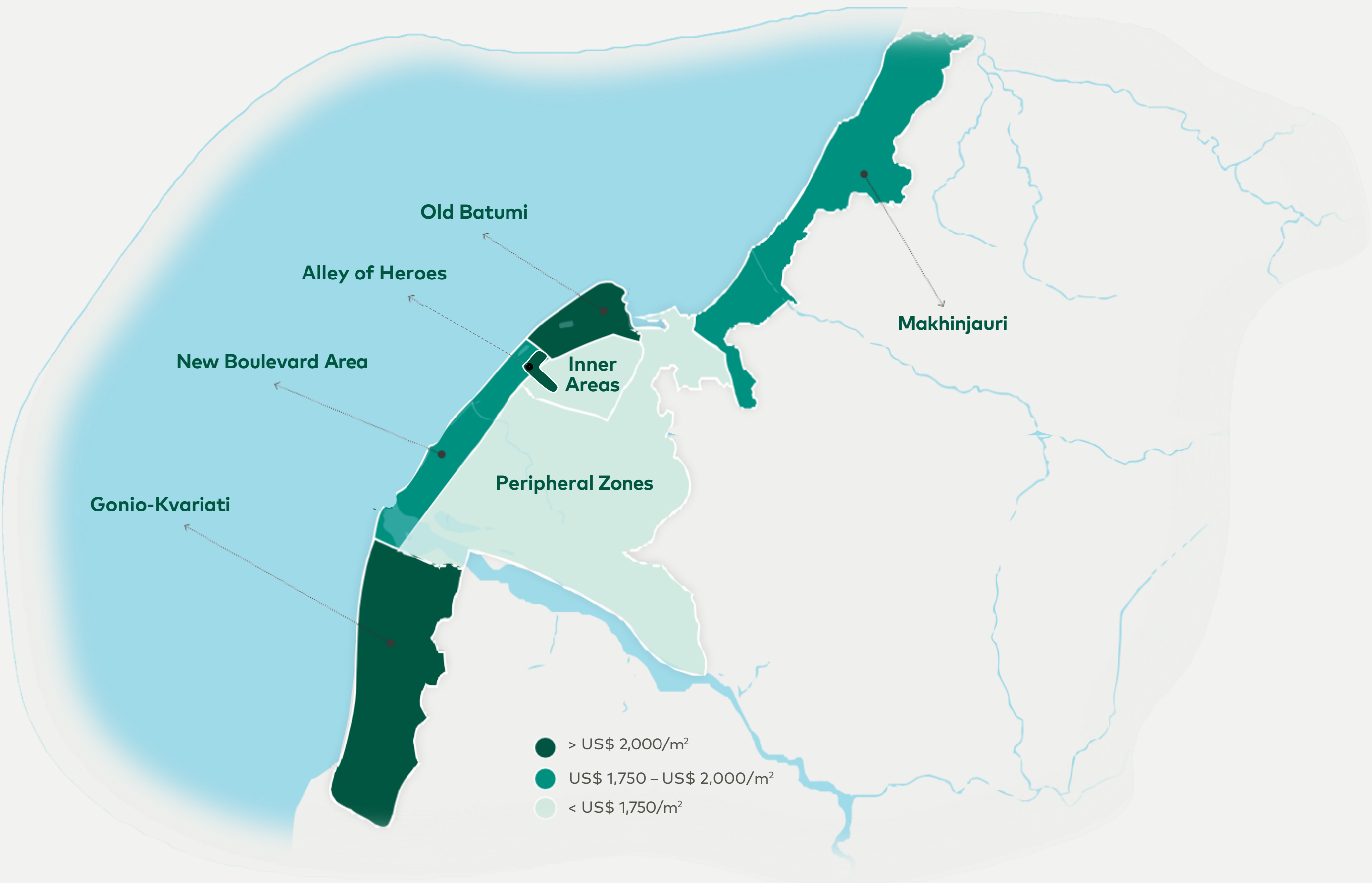
Note: Prices are given for the primary market turnkey apartments

Real estate sale patterns in 1Q26



OLD BATUMI	ALLEY OF HEROES	GONIO-KVARIATI	MAKHINJAURI
Number of sales	Number of sales	Number of sales	Number of sales
283 apartments	**811 apartments**	**59 apartments**	**317 apartments**
Average turnkey price	Average turnkey price	Average turnkey price	Average turnkey price
3,146 us$ / m²	**2,081 us$ / m²**	**2,075 us$ / m²**	**1,819 us$ / m²**
Average monthly rent	Average monthly rent	Average monthly rent	Average monthly rent
11.0 us$ / m²	**N/A**	**N/A**	**N/A**

NEW BOULEVARD AREA	INNER AREAS	PERIPHERAL ZONES	KOBULETI
Number of sales	Number of sales	Number of sales	Number of sales
1,671 apartments	**492 apartments**	**416 apartments**	**120 apartments**
Average turnkey price	Average turnkey price	Average turnkey price	Average turnkey price
1,787 us$ / m²	**1,715 us$ / m²**	**1,565 us$ / m²**	**1,805 us$ / m²**
Average monthly rent	Average monthly rent	Average monthly rent	Average monthly rent
10.8 us$ / m²	**9.8 us$ / m²**	**9.6 us$ / m²**	**N/A**

Note: Prices are given for the **primary market turnkey** apartments; Batumi includes Makhinjauri and Gonio-Kvariati areas.

1Q26 Overview

Summary

In 1Q26, demand remained high in Batumi (after strong sales by end-2025), with sales increasing across both primary and secondary markets. Despite increased sales, demand on the primary market still remains well below 2022-23 boom years, while unsold stock stays high, indicating oversupply pressures. Prices on the primary market continued to rise, though sustaining the current pace may be challenging given large pipeline of ongoing projects and gradually declining yield.

Real estate sales

In 1Q26, the number of sold apartments in Batumi, according to the Public Registry, stood at 4,049 units, up 15.8% y/y, of which:

- Sales on the secondary market, which show real time dynamics rose by 10.1% y/y.
- Sales on the primary market, where data is impacted by delayed registrations, increased by 21.1% y/y.
- Our real-time survey of developers, which captures current trends on the primary market showed a 70.6% y/y increase in the number of sold apartments.

Price

In Mar-26, average turnkey price per square meter on the primary market reached $1,893, up 8.7% y/y. Meanwhile, the average price on the secondary market reached $1,479, up 7.8% y/y. A wide gap between the two markets, large pipeline of ongoing projects and gradually declining rental yield may weigh on the primary market's ability to sustain the current pace of price growth.

Rent

Average daily rent (ADR) in Batumi declined by 7.3% in 1Q26, though the market's performance mostly depends on the summer season. Despite the decline in ADR, rental yield stood at 7.1%, remaining high among peer cities.

Real estate sales

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

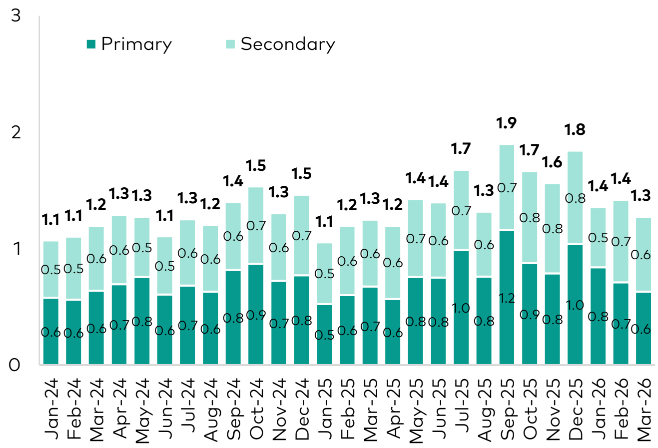
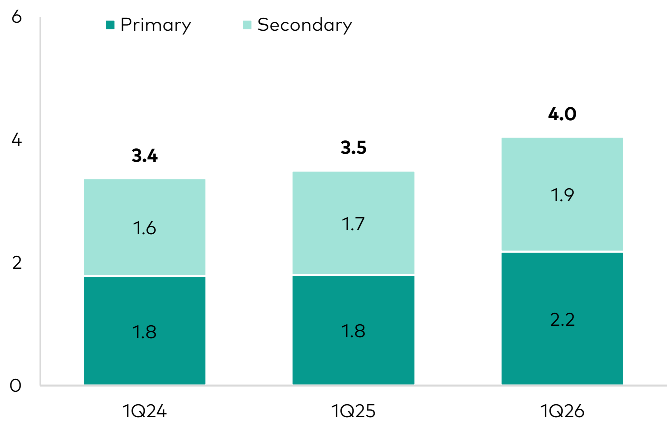


Figure 2: Number of apartments sold by year, '000



Source: NAPR, Galt & Taggart

Note: Primary market transactions are a lagging indicator; real time data are reflected in our developers' survey (see next page for details)

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

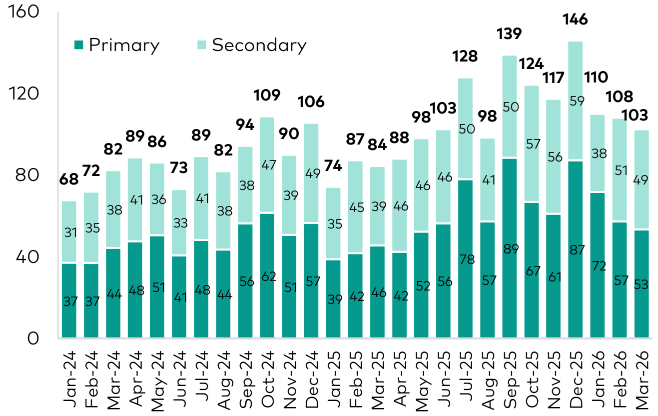
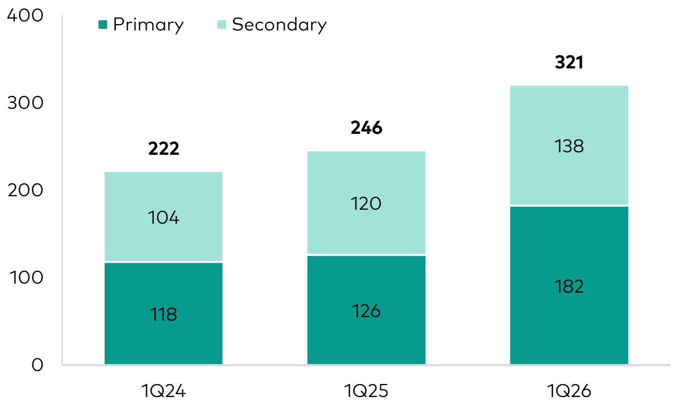


Figure 4: Real estate market size by year, US$ mn



Source: NAPR, Galt & Taggart

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 have the drawback of late registrations of primary sales, which impacts the accuracy of sales statistics. To address this issue, we systematically conduct survey of selected systematic developers and monitor real-time market dynamics (see the next page).

Survey of systematic developers by Galt & Taggart

In April 2026, we conducted a survey of systematic developers with over 30 ongoing residential construction projects in Batumi **(c. 40% of total primary market).**

Figure 5: Number of sold apartments in projects of selected developers by months

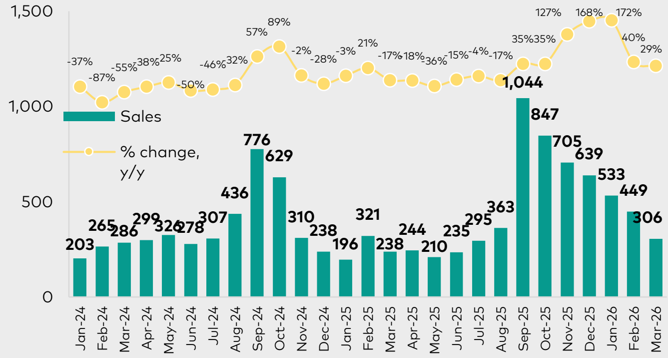
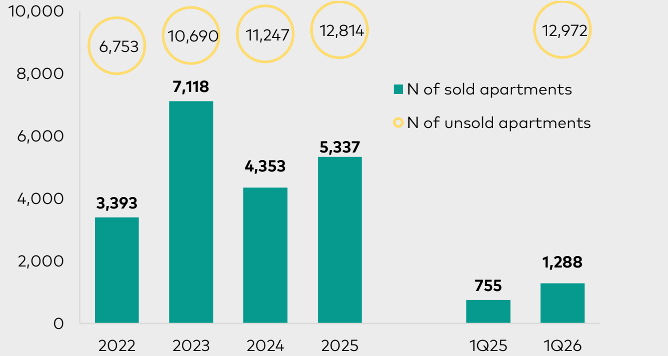


Figure 6: Number of sold and unsold apartments in projects of selected developers by years



Source: Galt & Taggart survey of selected developers

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

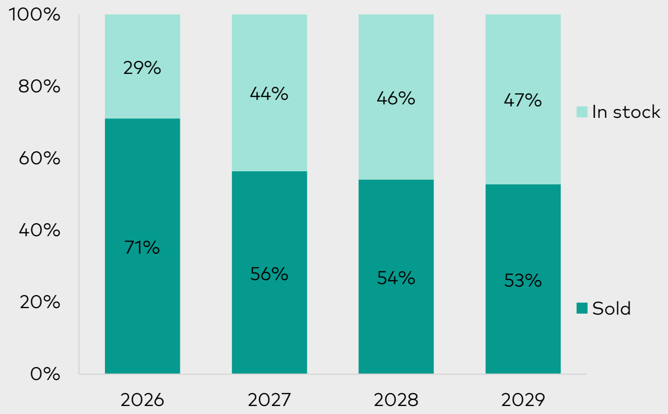
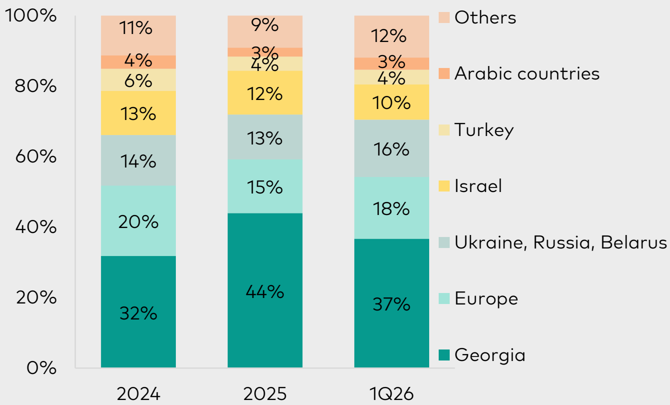


Figure 8: Real estate sales by citizenship



Source: Galt & Taggart survey of selected developers
Note: The calculations are based on number of sold apartments.

Prices & Rents

Figure 9: Real estate average prices by type, US$/sq.m

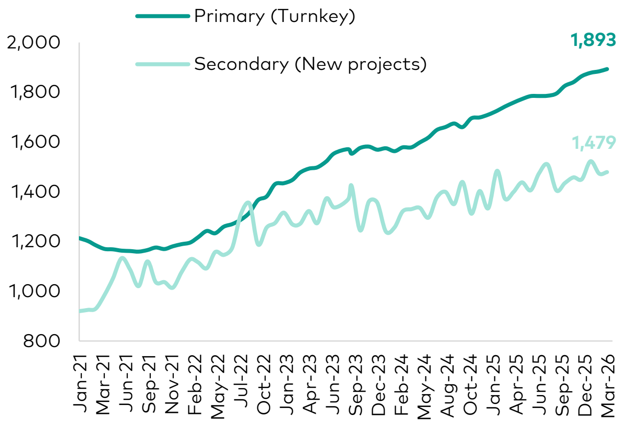
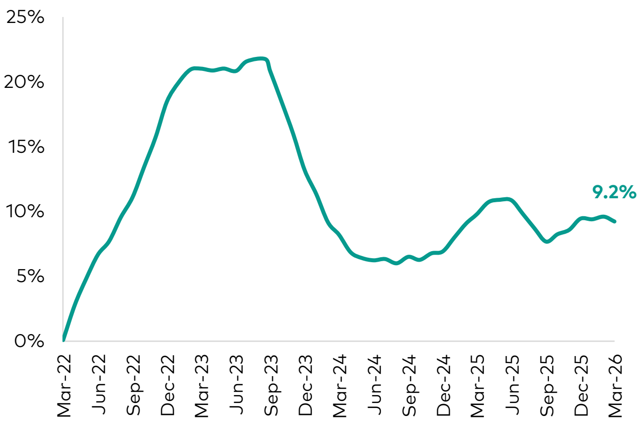


Figure 10: Y/Y change of average price on the primary market, 3-month moving average



Source: NAPR, Galt & Taggart
Note: Secondary new projects include buildings built with construction permits issued from 2013

Figure 11: Average daily rate (ADR) in small-sized Airbnb apartments in Batumi, US$/day

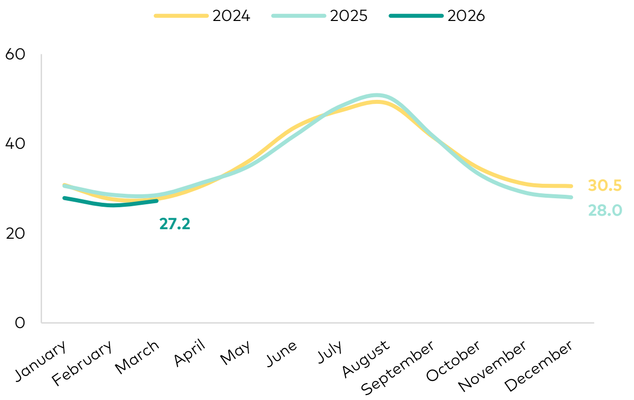
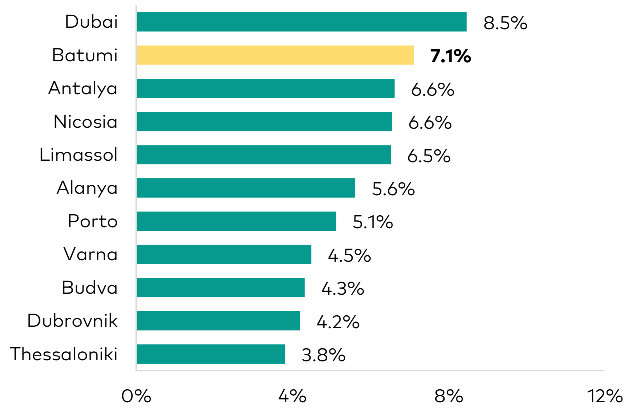


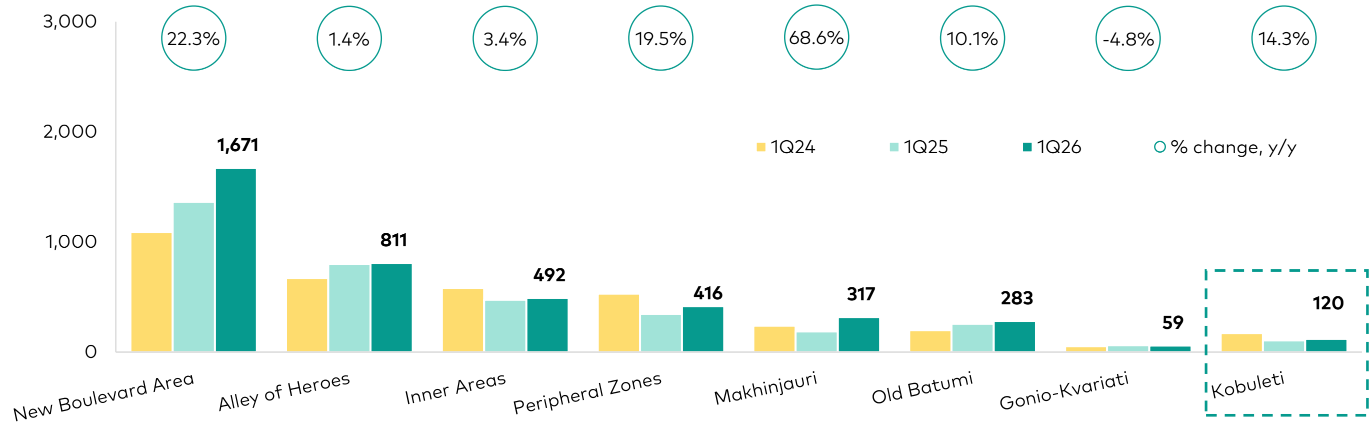
Figure 12: Rental yield by cities, Mar-26



Source: Airdna, Numbeo, Galt & Taggart
Note: ADR applies to apartments with a maximum of 2 bedrooms

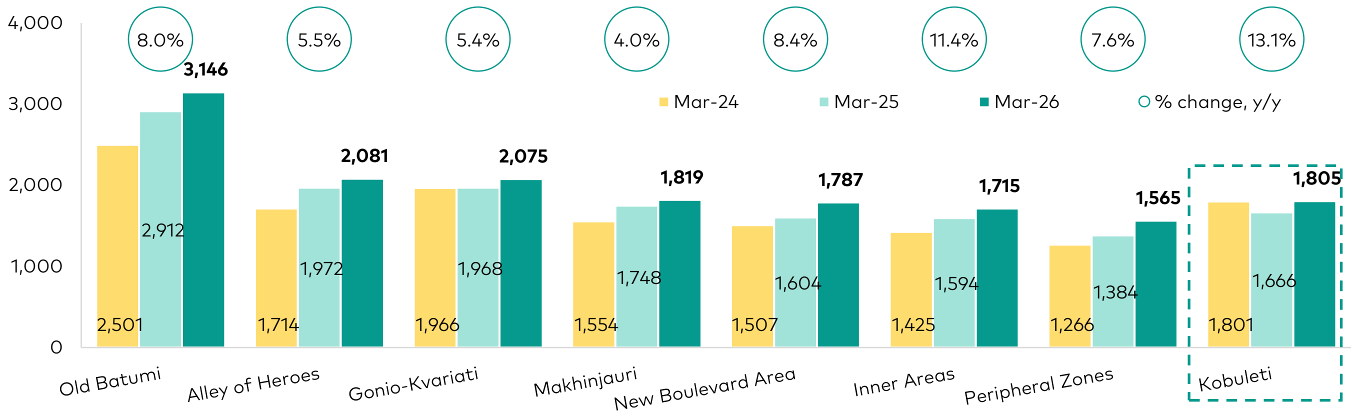
Districts in Batumi

Figure 13: Number of apartments sold by districts (primary and secondary markets combined)



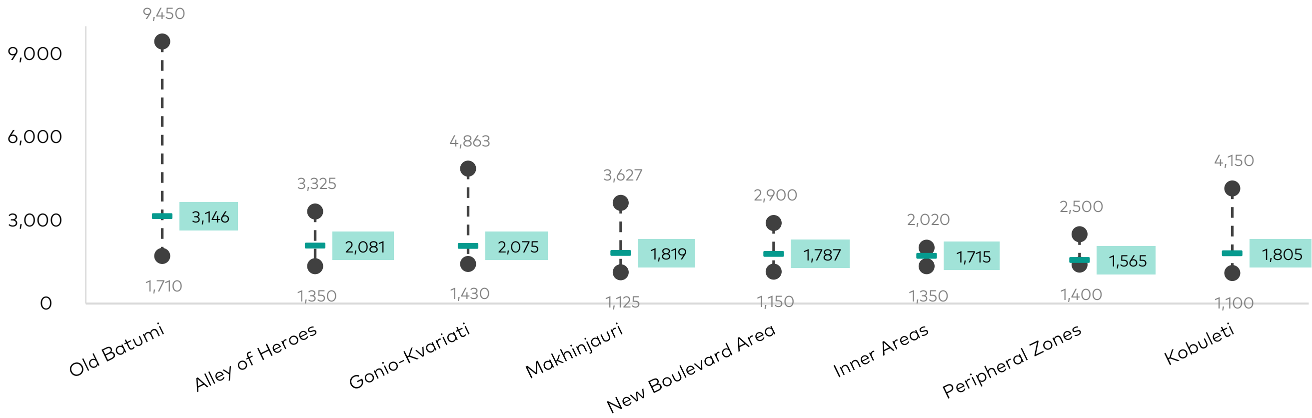
Source: NAPR, Galt & Taggart

Figure 14: Real estate prices on primary market for turnkey condition apartments by districts, US$/sq.m



Source: Galt & Taggart

Figure 15: Real estate price ranges on primary market for turnkey condition apartments by districts in Mar-26, US$/sq.m



Source: Galt & Taggart

Real estate characteristics

Figure 16: Real estate sales by size, (% of total apartments sold)

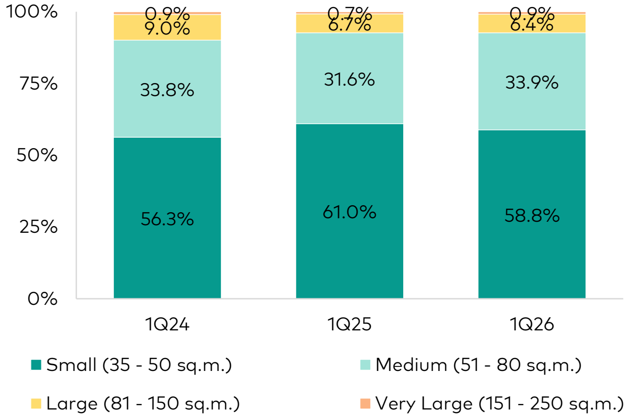
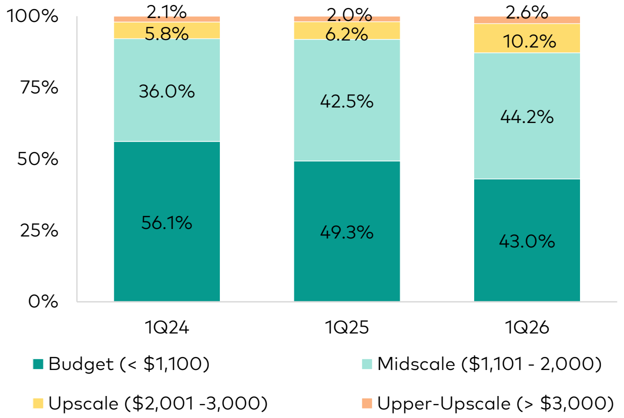
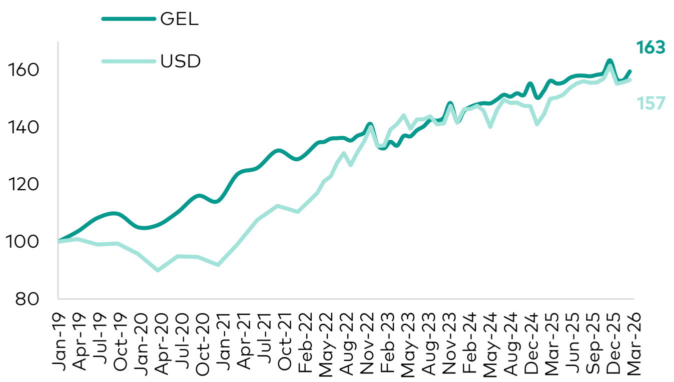


Figure 17: Real estate sales by segments, (% of total apartments sold)



Source: NAPR, Galt & Taggart

Figure 18: Construction cost index, 1Q19=100



	y/y growth Mar-26, US$	q/q growth Mar-26, US$
Total construction cost	**4.4%**	**-3.1%**
Construction materials	*1.9%*	*-0.5%*
Wages	*5.0%*	*-20.2%*
Machinery	*2.6%*	*-0.2%*
Transportation, fuel and electricity	*6.6%*	*5.1%*
Other costs	*6.6%*	*1.5%*

Source: Geostat, Galt & Taggart

Disclaimer

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