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Batumi Residential Real Estate

8M26 Overview

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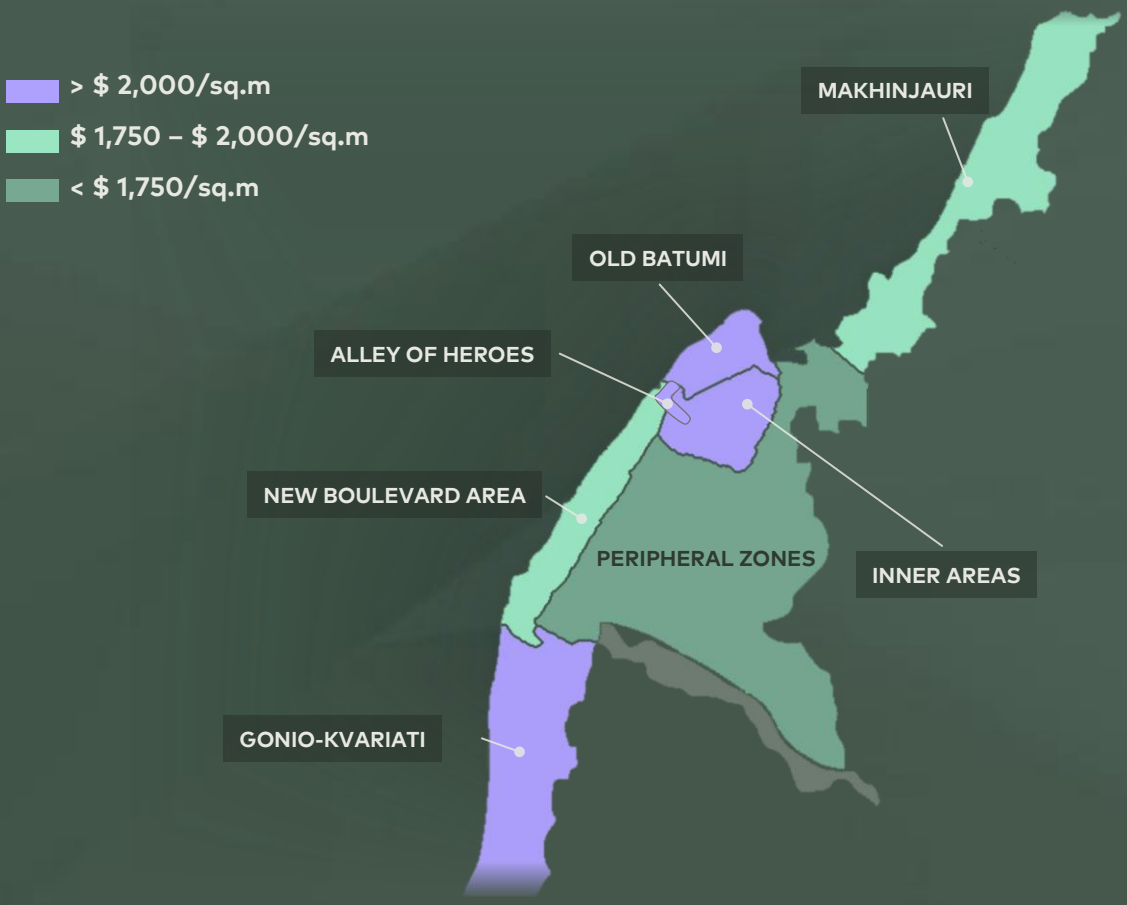
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Key Figures

	8M24	8M25	8M26
Sales # of apartments	9,494	10,509	10,883
Primary	5,149	5,626	5,424
Secondary	4,345	4,883	5,459
Price US$ / sq.m	$1,660	$1,786	$1,986
Rent (ADR) US$ / day	$38.1	$38.2	$38.4

Note: Prices are given for the primary market turnkey apartments

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Real estate sale patterns in 8M26

District	Number of sales, apartments	Average price, US$ / sq.m
Old Batumi	839	3,224
Gonio-Kvariati	196	2,657
Alley of Heroes	2,485	2,255
Makhinjauri	779	1,998
New Boulevard Area	4,417	1,798
Inner Areas	1,138	1,749
Peripheral Zones	1,029	1,735
Kobuleti	401	1,734

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

8M26 overview

Summary

In 8M26, demand in Batumi remained solid, with sales increasing across both primary and secondary markets. Sales growth was supported by the launch of new large-scale projects and increased demand from both local and foreign buyers, reflecting the market's investment appeal and increased marketing activity from developers. Prices on both primary and secondary market continued to grow, however the gap between them has widened. On the other hand, ADR for apartments has remained broadly flat during previous years, pushing average rental yield down. Maintaining the current pace of price growth on the primary market may therefore be challenging, given the widening price gap, large pipeline of ongoing projects and gradually declining yields.

Real estate sales

In 8M26, the number of sold apartments in Batumi, according to the Public Registry, stood at 10,883 units, up 3.6% y/y, of which:

- Sales on the secondary market, which show real time dynamics rose by 11.8% y/y to 5,459.
- Sales on the primary market, where data is impacted by delayed registrations, declined by 3.6% y/y to 5,424.
- Our real-time survey of developers, which captures current trends on the primary shows that sales on the primary market increased significantly, by 30.0% y/y.

Price

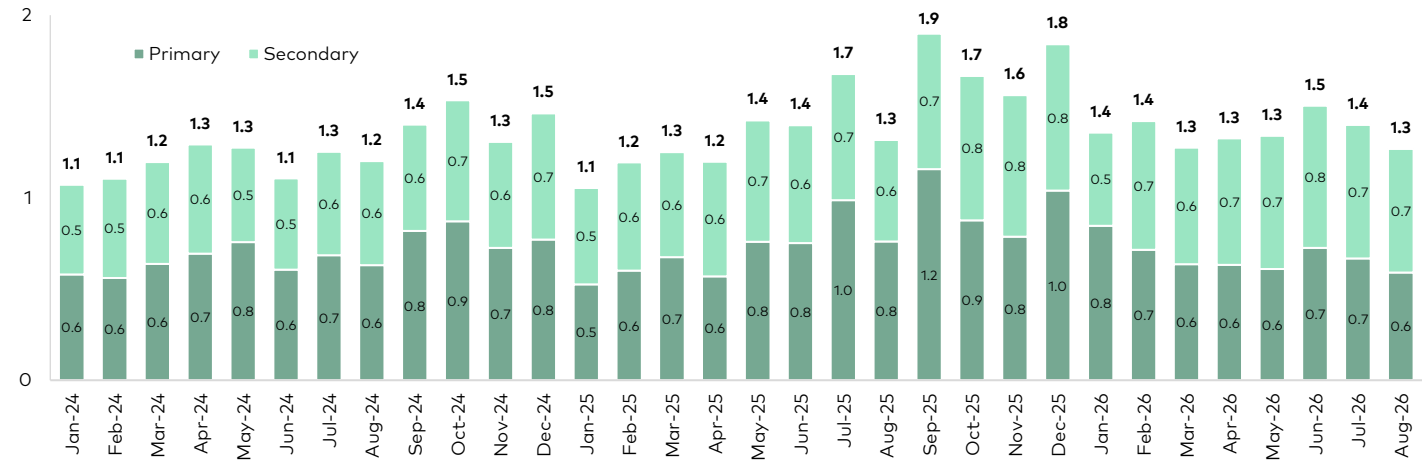
In Aug-26, average turnkey price per square meter on the primary market reached $1,986, up 11.2% y/y. Meanwhile, the average price on the secondary market (new projects) reached $1,614, up 7.0% y/y. An increasing gap between the two markets, large pipeline of ongoing projects and gradually declining rental yield may weigh on the primary market's ability to sustain the current pace of price growth.

Rent

Average daily rate (ADR) in Batumi remained broadly flat in 2026, pushing gross rental yield down to 7.1%, from 7.7% in 2025, still remaining high among peer cities.

Real estate sales

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

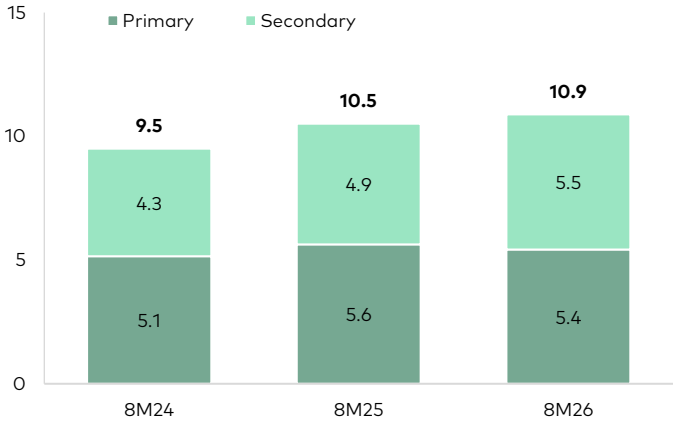
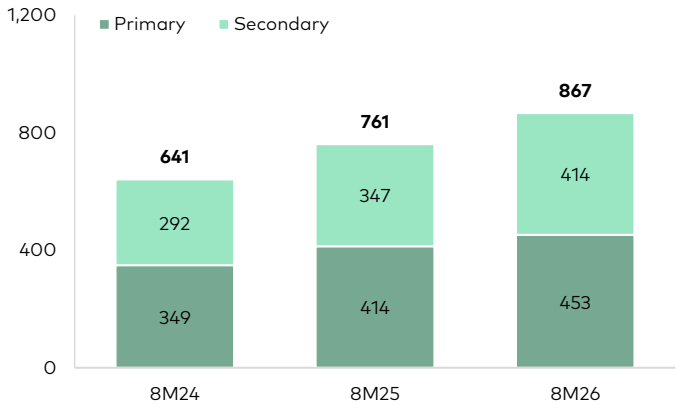


Figure 3: Real estate market size by year, US$ mn



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

Figure 4: Number of sold apartments in projects of selected developers by months

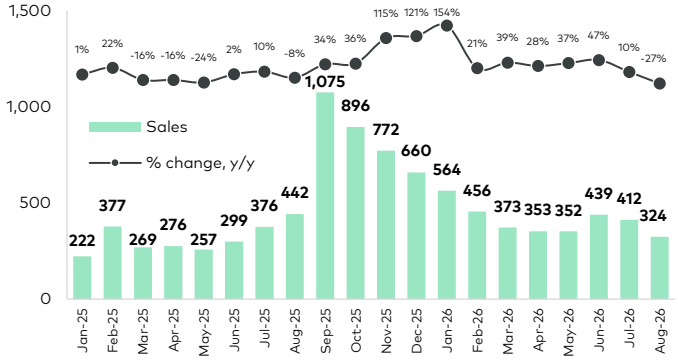
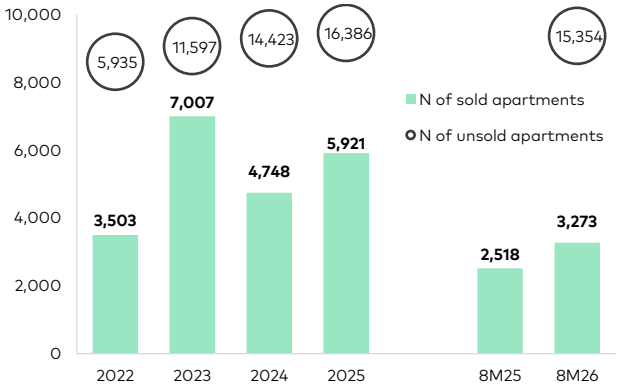


Figure 5: Number of sold and unsold apartments in projects of selected developers by years



Source: Galt & Taggart survey of selected developers

Figure 6: Distribution of the housing stock by project completion year and status

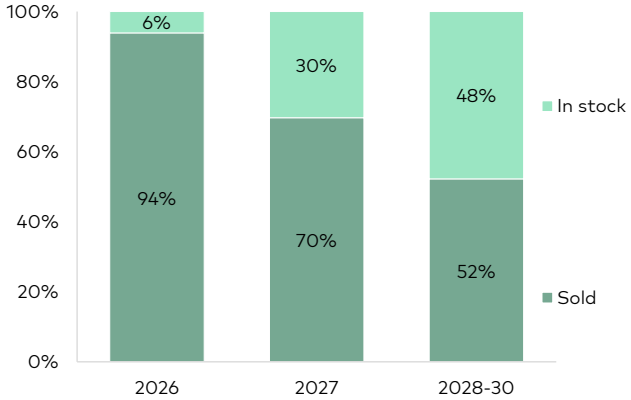
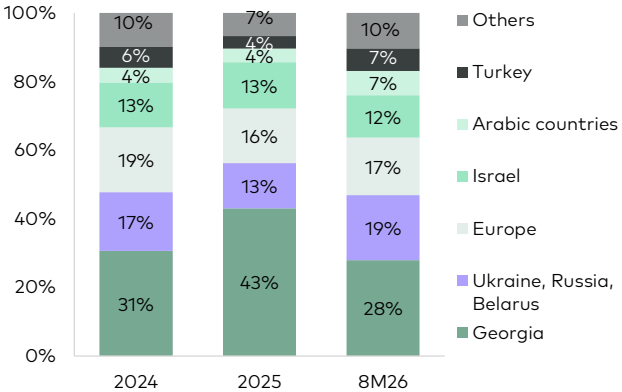


Figure 7: Real estate sales by citizenship



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

Prices & rents

Figure 8: Real estate average prices by type, US$/sq.m

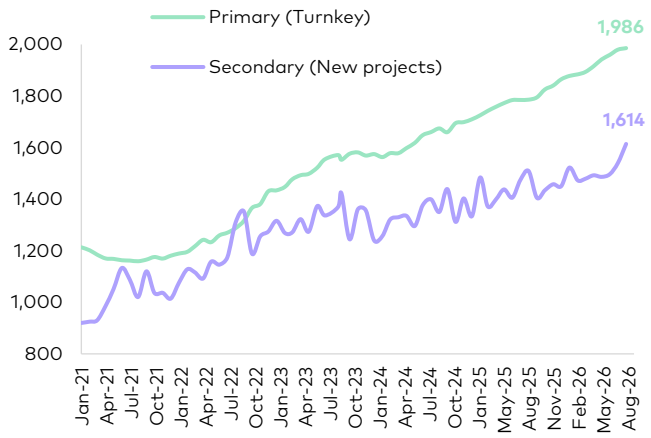
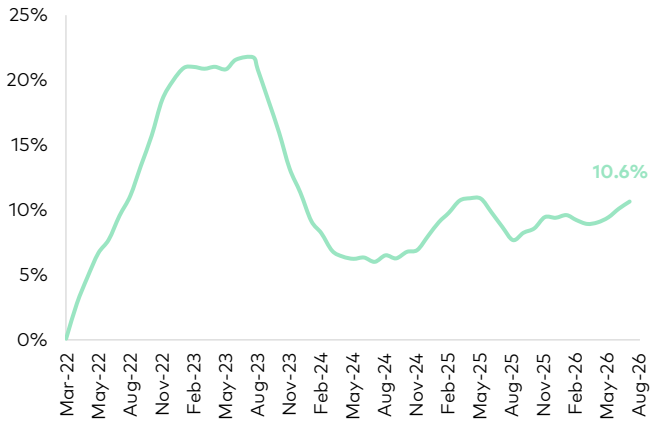


Figure 9: Y/Y change of average price on the primary market, 3-month moving average



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

Figure 10: Average daily rate (ADR) in small-sized Airbnb apartments in Batumi, US$/day

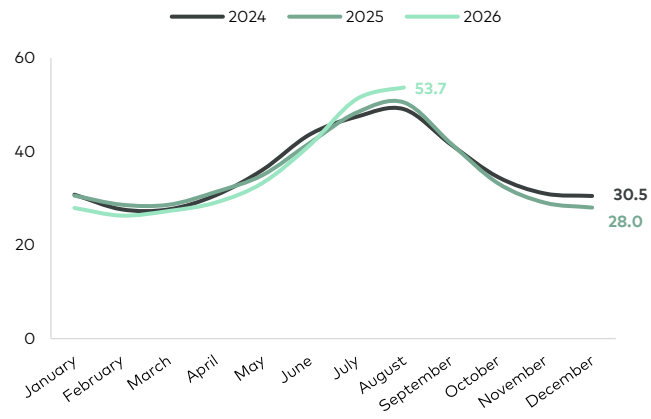
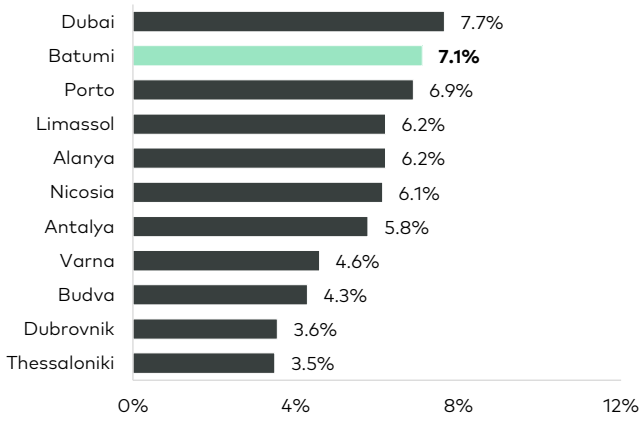


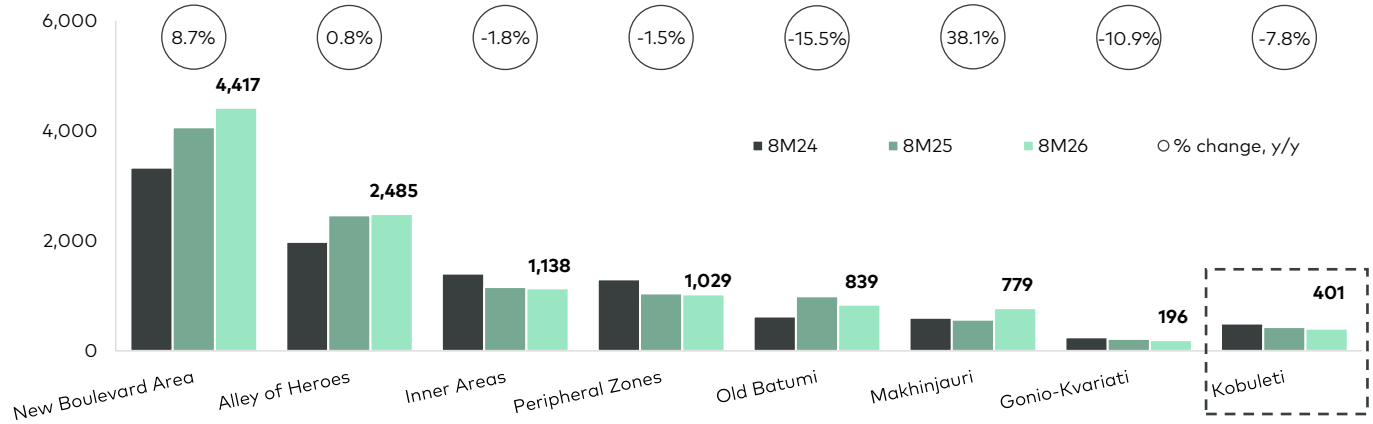
Figure 11: Gross rental yield by cities, 8M26



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

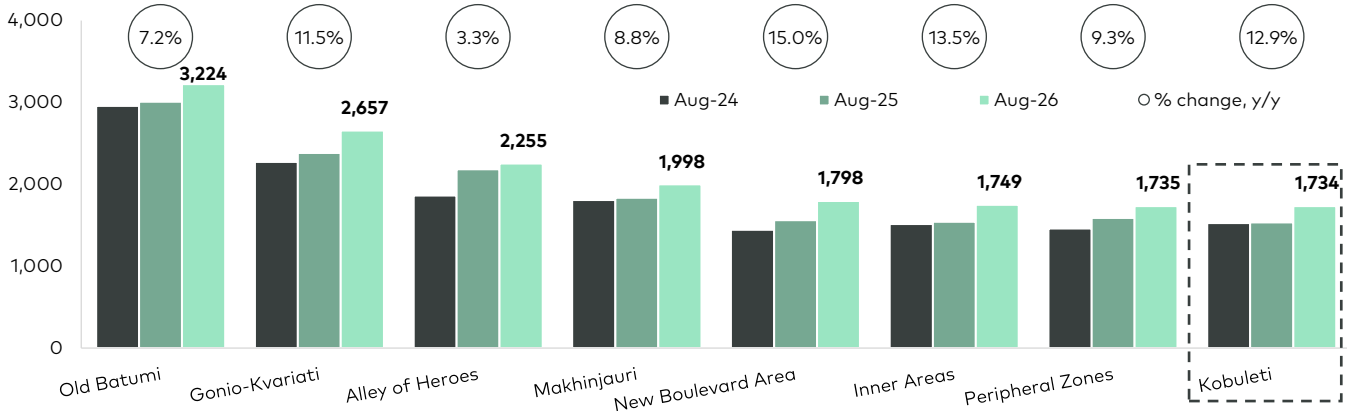
Districts in Batumi

Figure 12: Number of apartments sold by districts (primary and secondary markets combined)



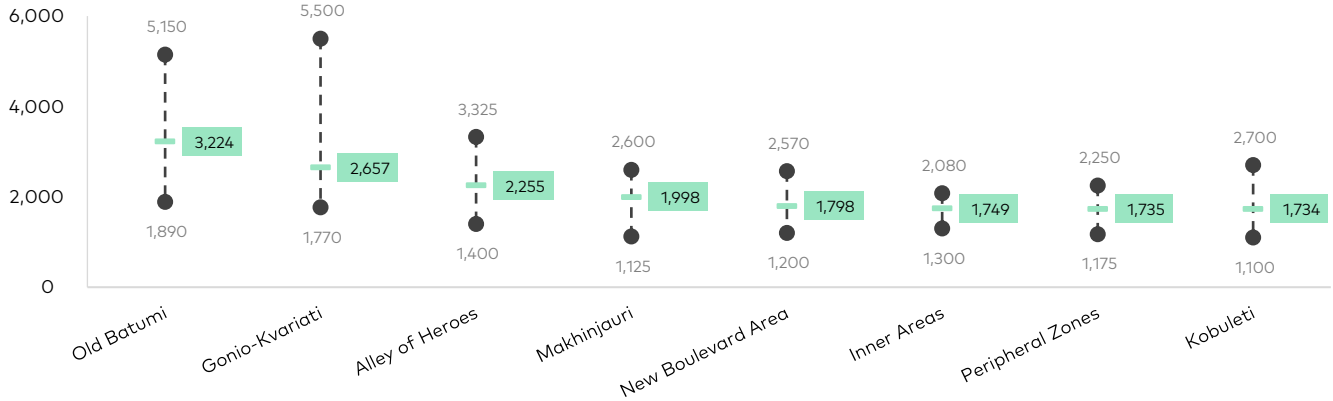
Source: NAPR, Galt & Taggart

Figure 13: Real estate prices on primary market for turnkey condition apartments by districts, US$/sq.m



Source: Galt & Taggart

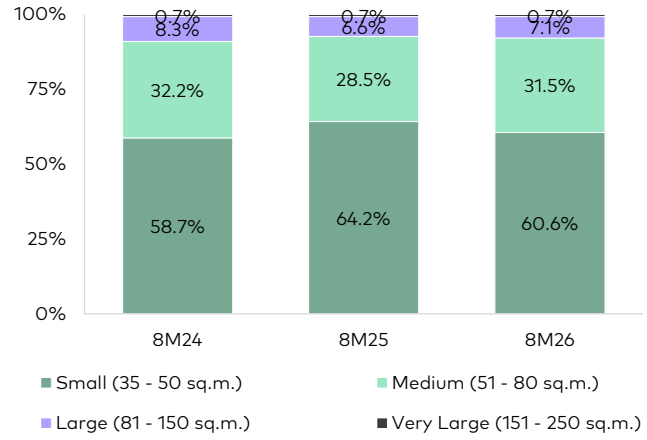
Figure 14: Real estate price ranges on primary market for turnkey condition apartments by districts in Aug-26, US$/sq.m



Source: Galt & Taggart

Real estate characteristics

Figure 15: Real estate sales by size, (% of total apartments sold)



Source: NAPR, Galt & Taggart

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

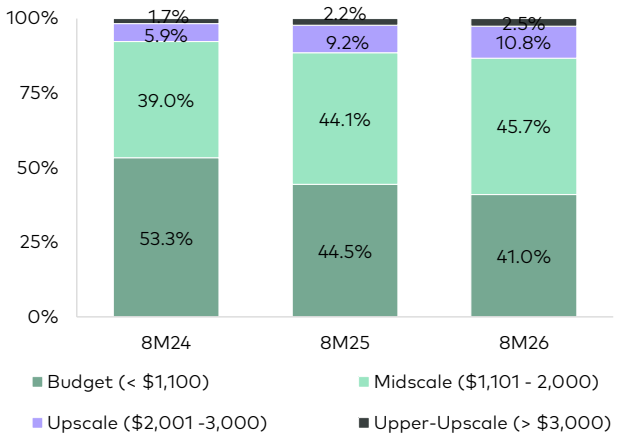
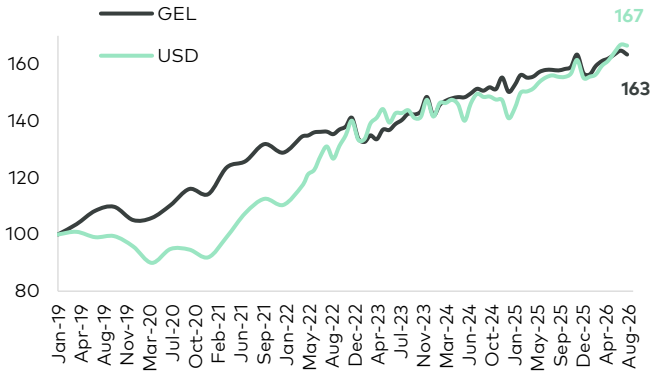


Figure 17: Construction cost index, 1Q19=100



Source: Geostat, Galt & Taggart

	y/y growth Aug-26, US$	q/q growth Aug-26, US$
Total construction cost	**6.7%**	**3.3%**
Construction materials	*4.1%*	*2.0%*
Wages	*-0.3%*	*7.4%*
Machinery	*8.1%*	*1.2%*
Transportation, fuel and electricity	*23.5%*	*6.6%*
Other costs	*9.0%*	*2.4%*

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