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CREATING OPPORTUNITIES

Batumi Residential Real Estate

2Q26 OVERVIEW

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Key Figures in Batumi

	2Q24	2Q25	2Q26
Sales # of apartments	3,670	4,018	4,168
Primary	2,058	2,081	1,968
Secondary	1,614	1,940	2,200
Price US$ / m^2 Turnkey apartments	$1,618	$1,784	$1,960
Rent (ADR) US$ / day	$36.8	$36.1	$34.6

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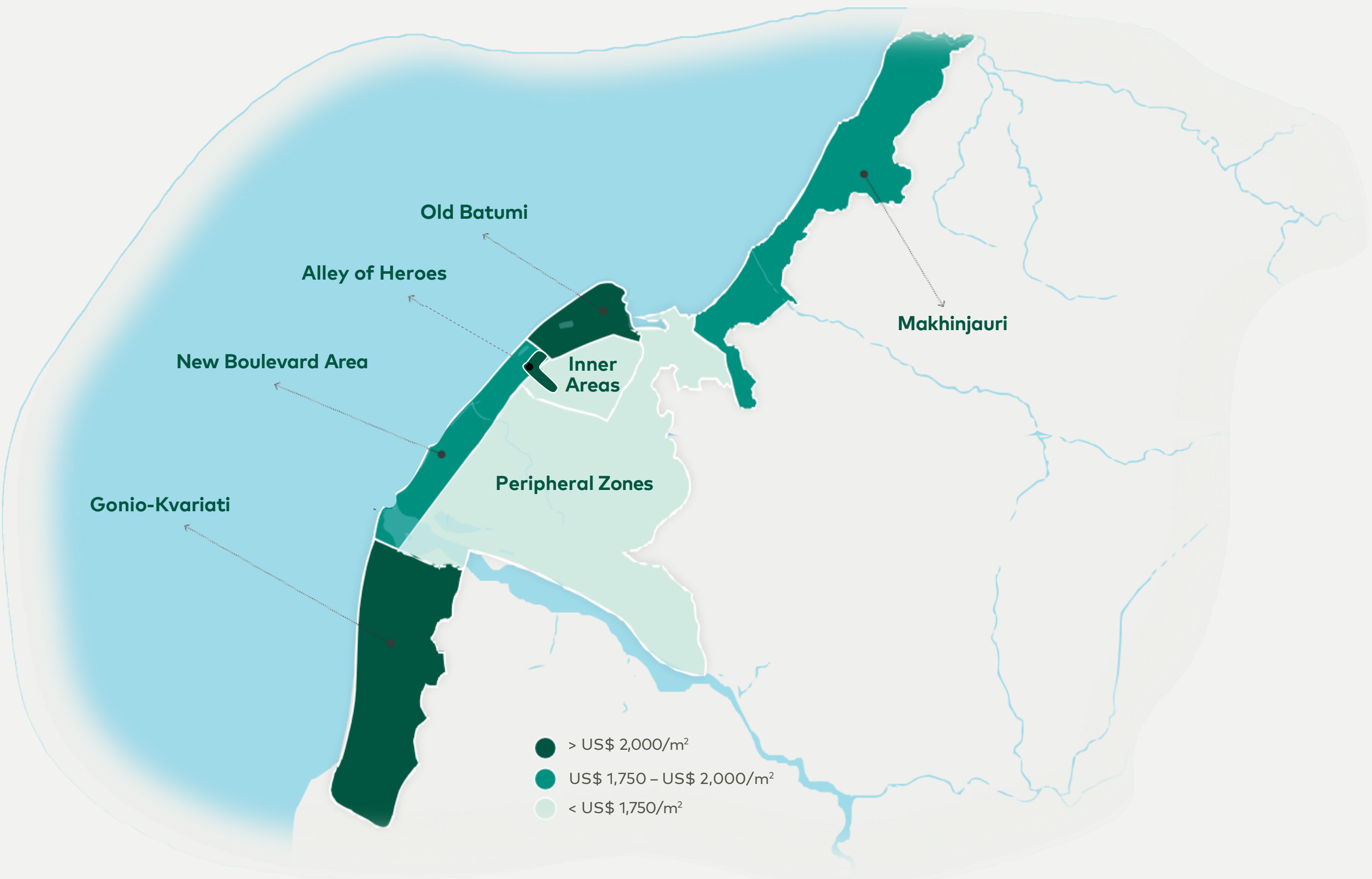
Note: Prices are given for the primary market turnkey apartments

Real estate sale patterns in 2Q26



OLD BATUMI

Number of sales
349 apartments
Average turnkey price
3,239 us$ / m²
Average monthly rent
11.9 us$ / m²

GONIO-KVARIATI

Number of sales
83 apartments
Average turnkey price
2,228 us$ / m²
Average monthly rent
N/A

ALLEY OF HEROES

Number of sales
979 apartments
Average turnkey price
2,166 us$ / m²
Average monthly rent
N/A

MAKHINJAURI

Number of sales
311 apartments
Average turnkey price
1,983 us$ / m²
Average monthly rent
N/A

NEW BOULEVARD AREA

Number of sales
1,664 apartments
Average turnkey price
1,800 us$ / m²
Average monthly rent
12.3 us$ / m²

PERIPHERAL ZONES

Number of sales
360 apartments
Average turnkey price
1,744 us$ / m²
Average monthly rent
10.6 us$ / m²

INNER AREAS

Number of sales
422 apartments
Average turnkey price
1,672 us$ / m²
Average monthly rent
10.6 us$ / m²

KOBULETI

Number of sales
167 apartments
Average turnkey price
1,731 us$ / m²
Average monthly rent
N/A

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

2Q26 Overview

Summary

In 2Q26, demand in Batumi remained solid, with sales increasing significantly 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 2Q26, the number of sold apartments in Batumi, according to the Public Registry, stood at 4,168 units, up 3.7% y/y, of which:

- Sales on the secondary market, which show real time dynamics rose by 13.4% y/y to 2,200 (+11.4% y/y in 1H26).
- Sales on the primary market, where data is impacted by delayed registrations, declined by 5.3% y/y to 1,968 (+7.4% y/y in 1H26).
- Our real-time survey of developers, which captures current trends on the primary shows that sales on the primary market increased significantly, by 35.1% y/y. Cumulatively, the number of apartments sold on the primary market was up 47.9% y/y in 1H26.

Price

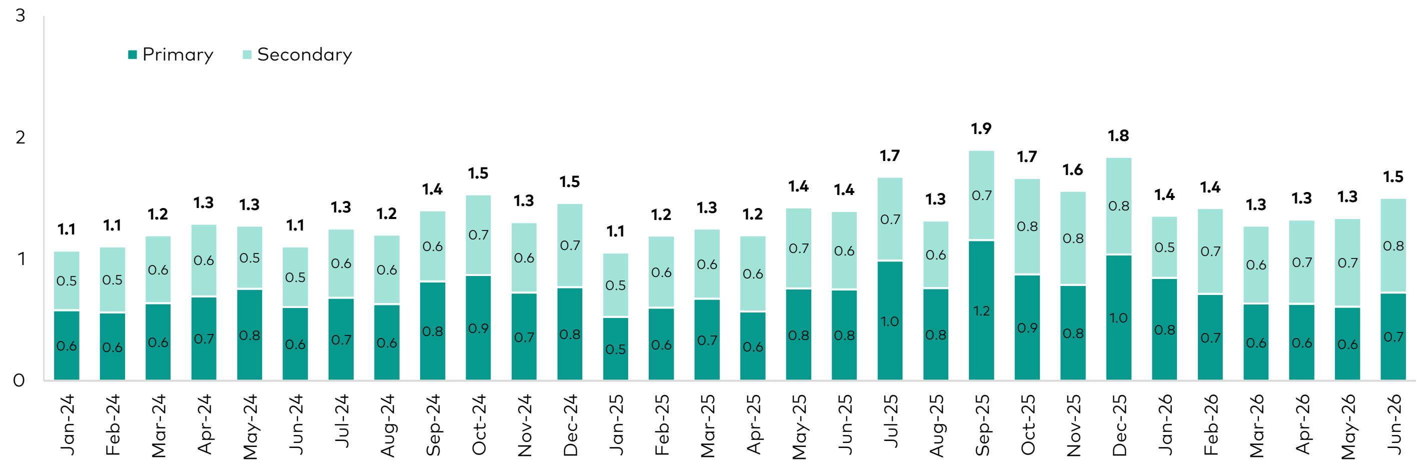
In Jun-26, average turnkey price per square meter on the primary market reached $1,960, up 9.8% y/y. Meanwhile, the average price on the secondary market reached $1,497, up 6.5% y/y. A wide gap between the two markets, large pipeline of ongoing projects and gradually declining rental yield may weigh on the primary market's ability to sustain the current pace of price growth.

Rent

Average daily rent (ADR) in Batumi declined by 4.2% in 2Q26. 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



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

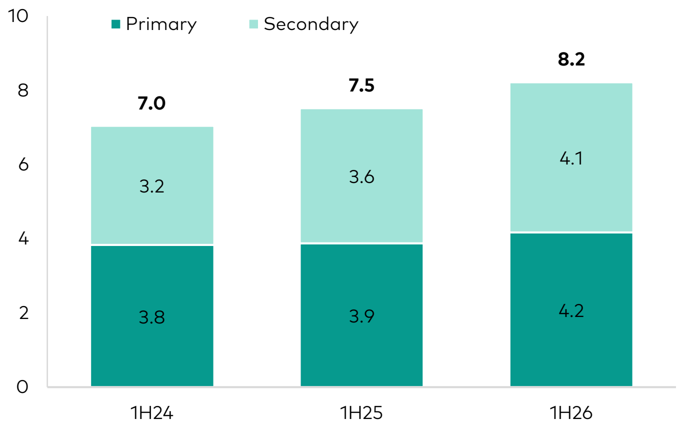
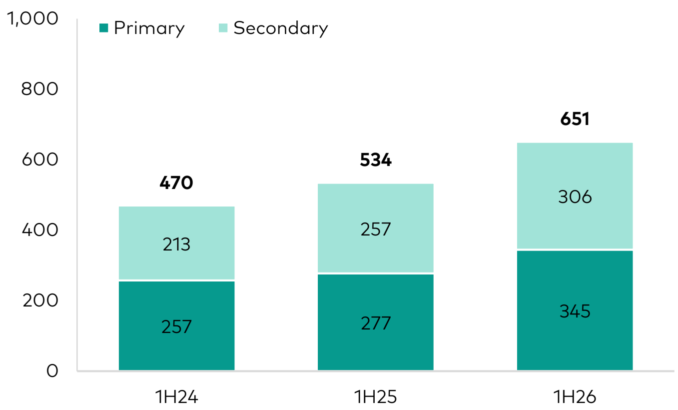


Figure 3: Real estate market size by year, US$ mn



Source: NAPR, Galt & Taggart

Primary market - real estate sales made directly between buyers and developers

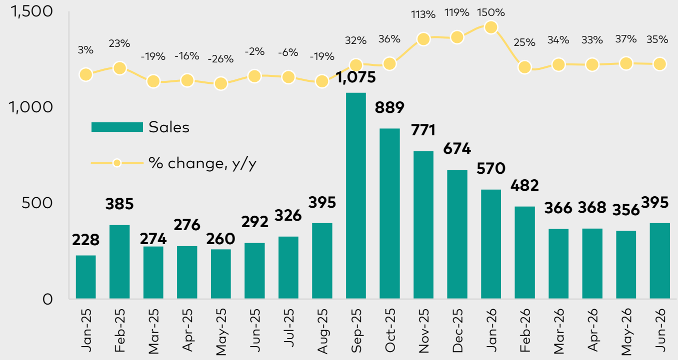
Secondary market - real estate sales made between individuals

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 July 2026, we conducted a survey of systematic developers with over 30 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



Source: Galt & Taggart survey of selected developers

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

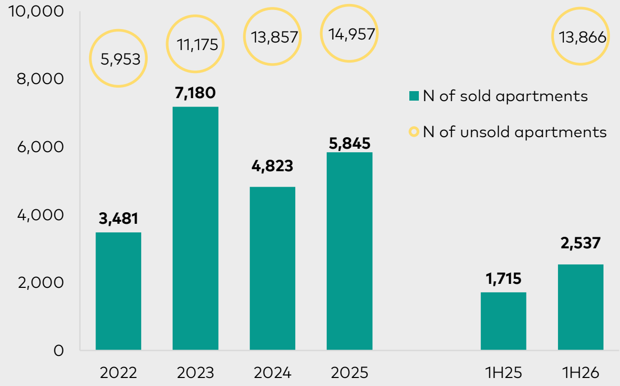
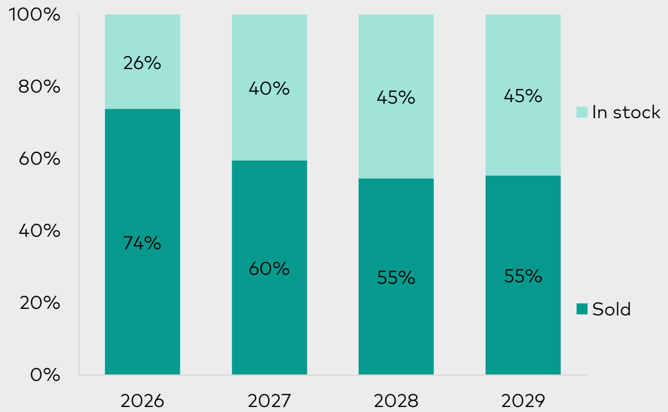
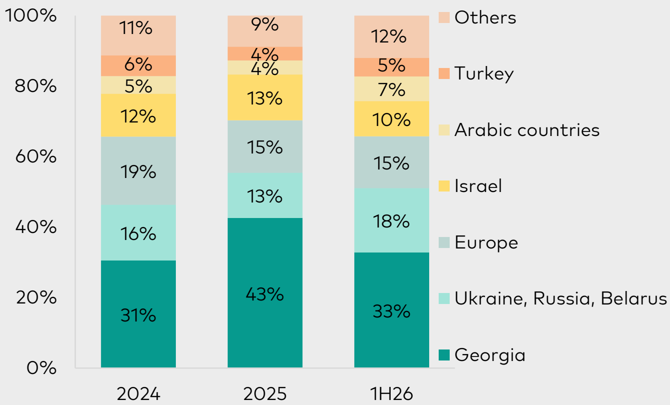


Figure 6: Distribution of the housing stock by project completion year and status



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

Figure 7: Real estate sales by citizenship



Prices & Rents

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

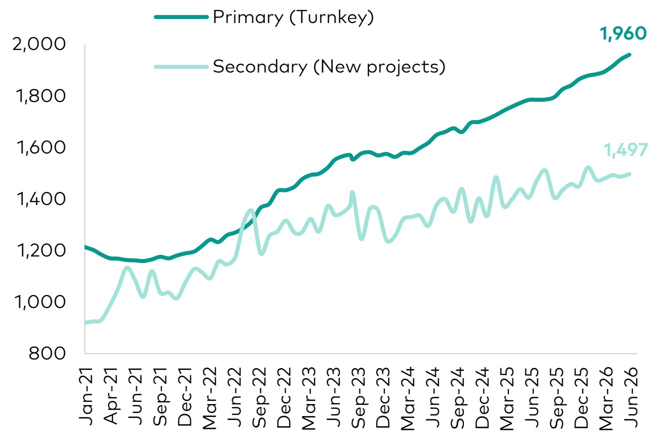
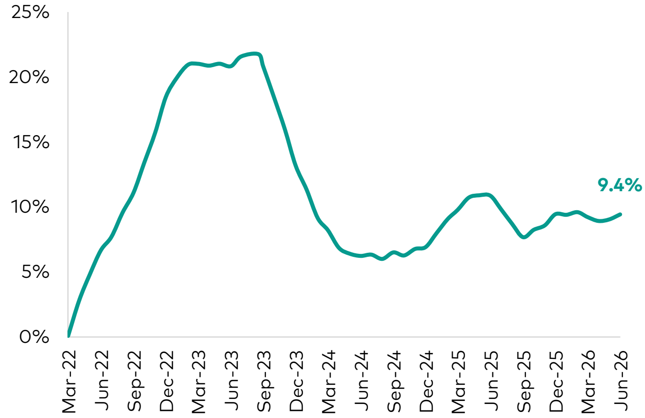


Figure 9: Y/Y change of average price on the primary market, 3-month moving average



Source: NAPR, Galt & Taggart

Note: Secondary new projects include buildings built with construction permits issued from 2013

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

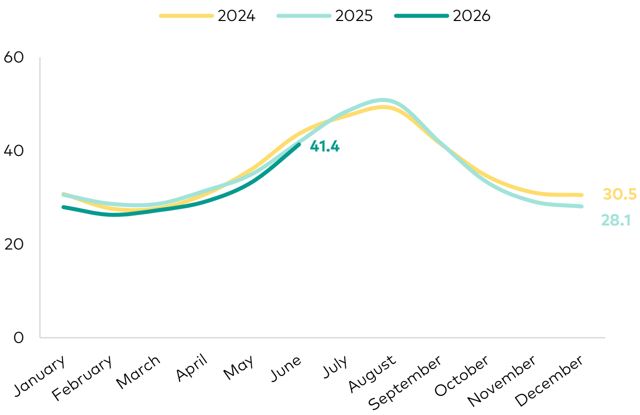
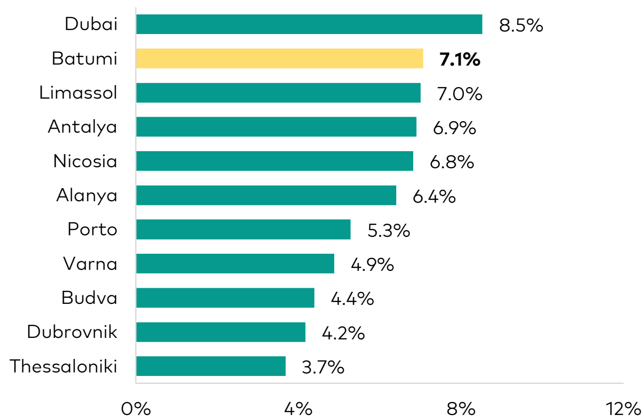


Figure 11: Rental yield by cities, Jun-26

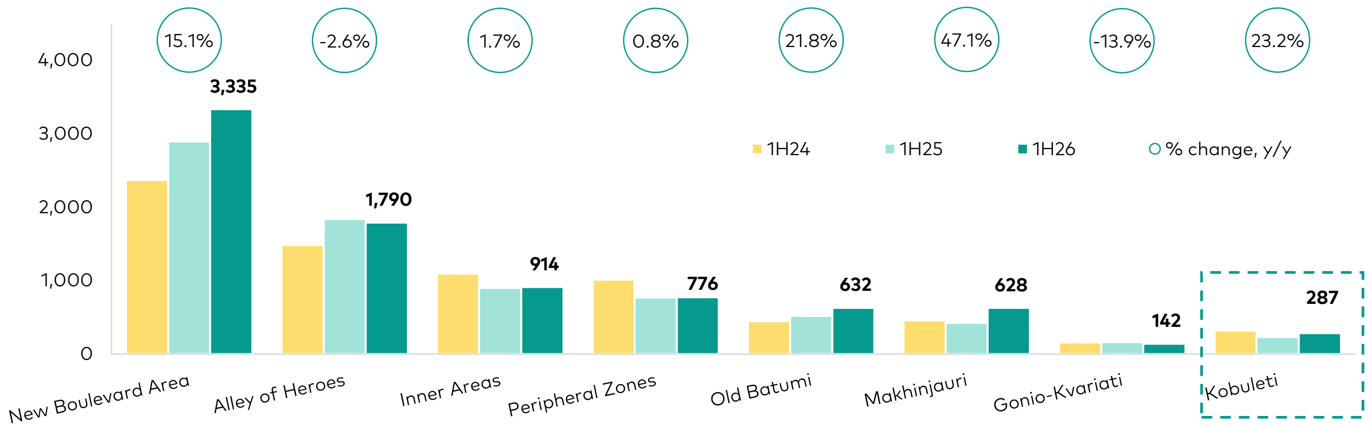


Source: Airdna, Numbeo, Galt & Taggart

Note: ADR applies to apartments with a maximum of 2 bedrooms

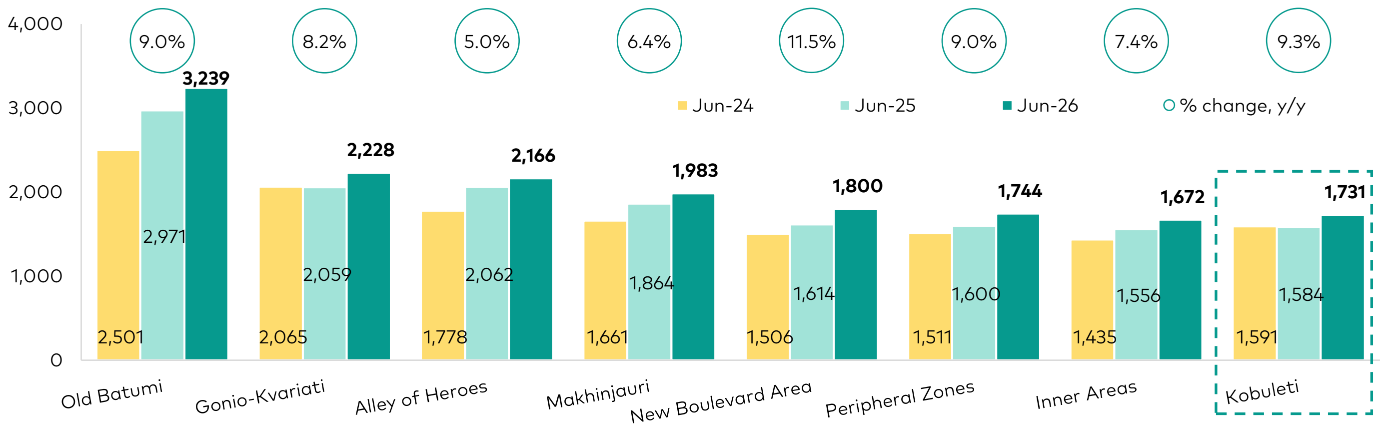
Districts in Batumi

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



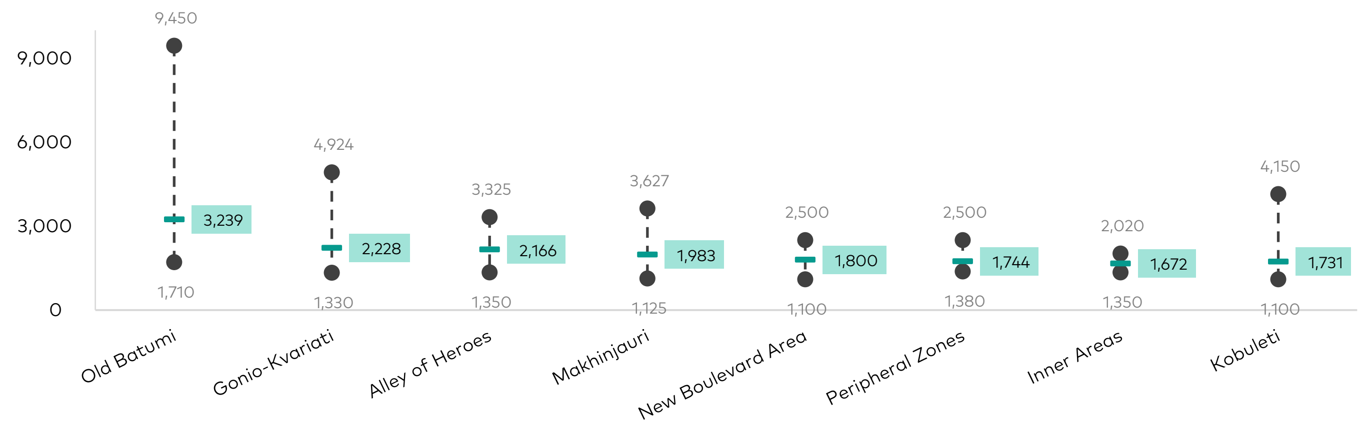
Source: NAPR, Galt & Taggart

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 Jun-26, US$/sq.m



Source: Galt & Taggart

Real estate characteristics

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

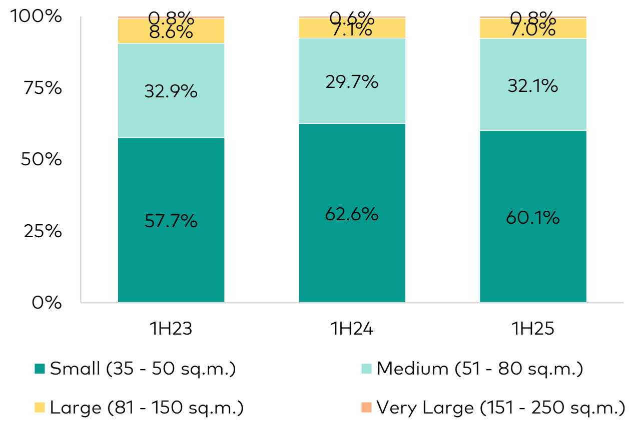
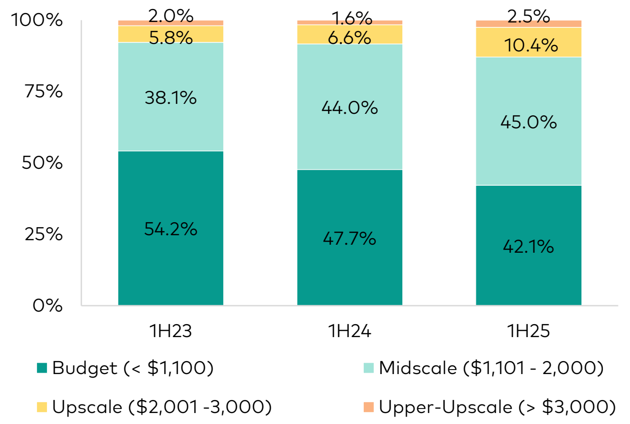
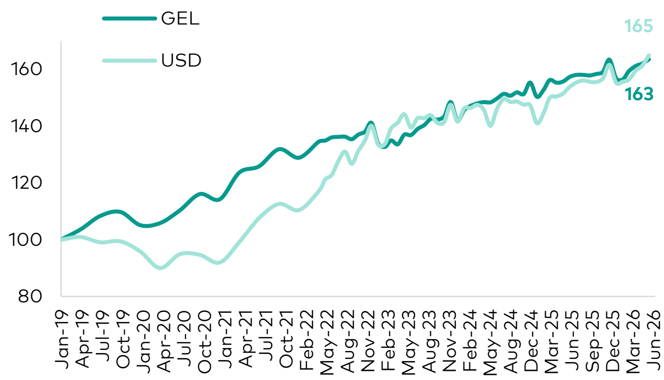


Figure 16: Real estate sales by segments, (% of total apartments sold)



Source: NAPR, Galt & Taggart

Figure 17: Construction cost index, 1Q19=100



	y/y growth Jun-26, US$	q/q growth Jun-26, US$
Total construction cost	**7.2%**	**5.5%**
Construction materials	*3.8%*	*4.1%*
Wages	*5.0%*	*6.2%*
Machinery	*9.2%*	*8.7%*
Transportation, fuel and electricity	*20.3%*	*10.7%*
Other costs	*9.2%*	*4.9%*

Source: Geostat, Galt & Taggart

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