



# Residential market research

## Georgia



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დამსაქმებლები ვროფესიული განათლებისთვის  
INDUSTRY-LED SKILLS DEVELOPMENT PROGRAM

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წინამდებარე დოკუმენტი  
მომზადებულია „პროფესიული  
პროგრამები ICT სექტორში“  
სტუდენტების მიერ.

პროექტი ხორციელდება კვლევითი და  
ბიზნესსაკონსულტაციო კომპანიის  
START - BUSINESS SOLUTION-ის მიერ,  
USAID-ის მხარდაჭერით, პროგრამის:  
„დამსაქმებლები პროფესიული  
განათლებისთვის“ ფარგლებში.

აპუბლიკაციაში გამოთქმული  
მოსაზრებები არ წარმოადგენს START -  
BUSINESS SOLUTIONS-ისა და USAID-ის  
ოფიციალურ პოზიციას. პუბლიკაციის  
შინაარსზე პასუხისმგებელია  
ავტორი(ები)

ავტორები: გიორგი გასპარიანი, მერი  
ჯულაყიძე, თინათინ კემულარია

# Transactions, price and yield

Tbilisi residential real estate(RRE) market indicators reached new highs. The **number of transactions** significantly exceeded the 2021 figure, with growth amounting 33.7% YoY( Year over Year ). There was also a 7% increase recorded in MoM(Multiple of Money) terms.

**Asking sale price** spiked considerably to 1,037 USD per SQM, with sizeable growths observed both in monthly (+7.2%) and annual (27.6%) terms.

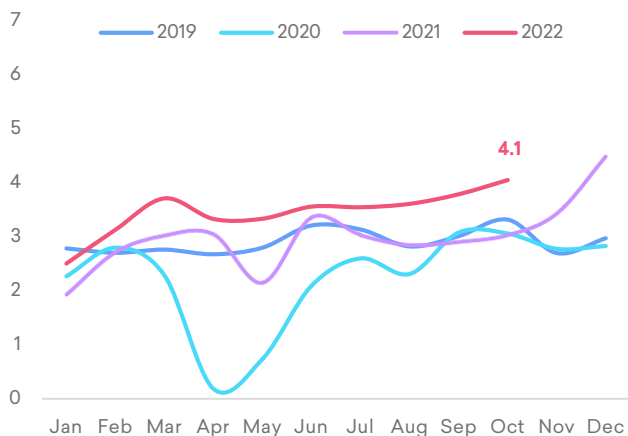
As expected, the impact of second wave of migration on rents reflected in October's data. **Asking rent price** broke its own record, reaching its highest point yet. Compared to September 2022, the growth amounted

24.9%, while the figure stood 120% higher relative to the same period of 2021.

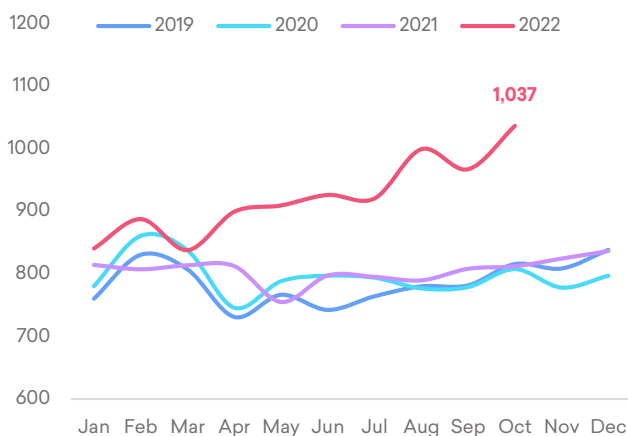
As rent prices showed stronger growth than sale prices, **rental yield** was pushed even further up to 13% in October 2022, with a 1.8 pp MoM and 5.5 pp YoY increase.

The data still supports our previous judgement, that the demand from migrants is mostly concentrated on rental market. Which, in turn, puts upward pressure on rental yield and therefore, increases the demand for apartment sales. The share of migrants in total RRE sales in Tbilisi constituted only 4% in January-September 2022 (+2.1 pp compared to the same period in 2021).

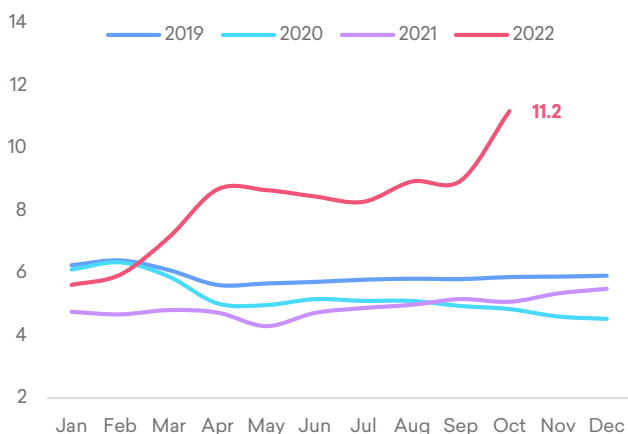
**Figure 1.** Number of sold properties by years (000' Units)



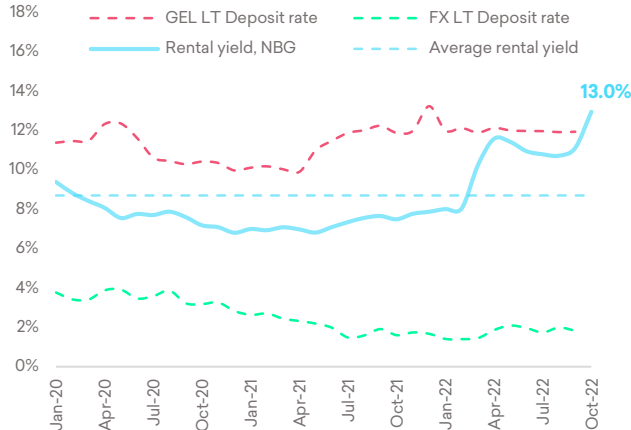
**Figure 2.** Average asking sale price per SQM (USD)



**Figure 3.** Average asking rent price per SQM (USD)



**Figure 4.** Rental yield and deposit rate dynamics



Source: NAPR, NBG, Myhome; Note I: Rental yield is derived using the asking sale and rent prices according to Myhome.

# Residential properties by condition

In October 2022, 784 **new** apartments were sold, which is 27.7% higher than in the same period of last year. **Old** apartments showed even higher YoY growth, exceeding the 2021 figure by 35.3%. Its interesting that in MoM terms, sales of new residential properties increased by 18.3%, while for old apartments by only 4.6%, indicating that the demand increased more for new properties.

When it comes to the share of new units in all sales, there was a 1 pp improvement in monthly terms, however compared to October 2021 the figure declined by 1 pp.

Properties of all conditions showed strong growth of **average asking sale prices** in YoY terms. Growth in MoM terms was more modest, with white frame (-0.2%) remaining basically unchanged compared to previous month.

Traditionally, the average asking sale prices were the highest for newly renovated apartments (1,303 USD per SQM), followed by green frame (1,124 USD per SQM).

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

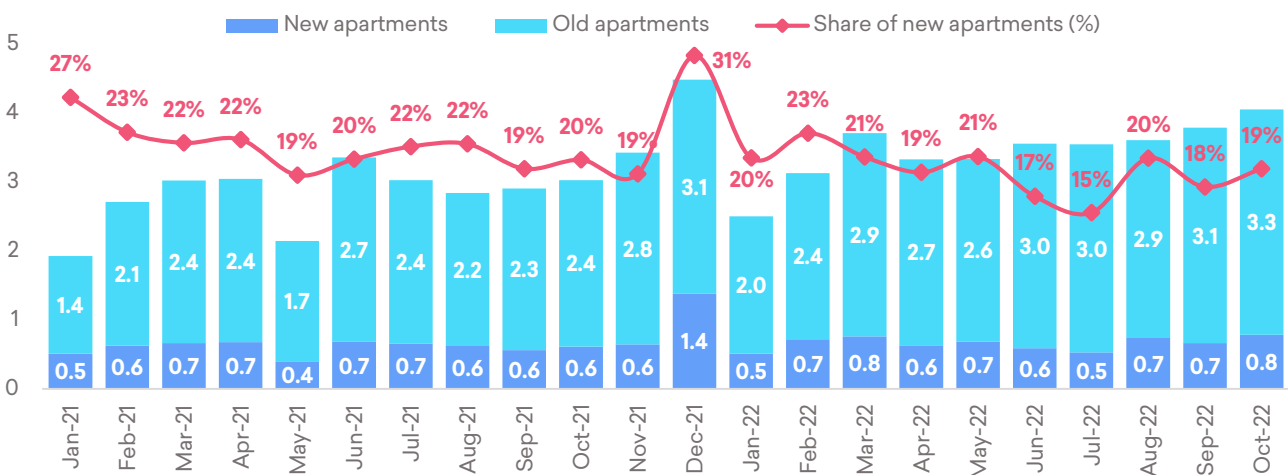
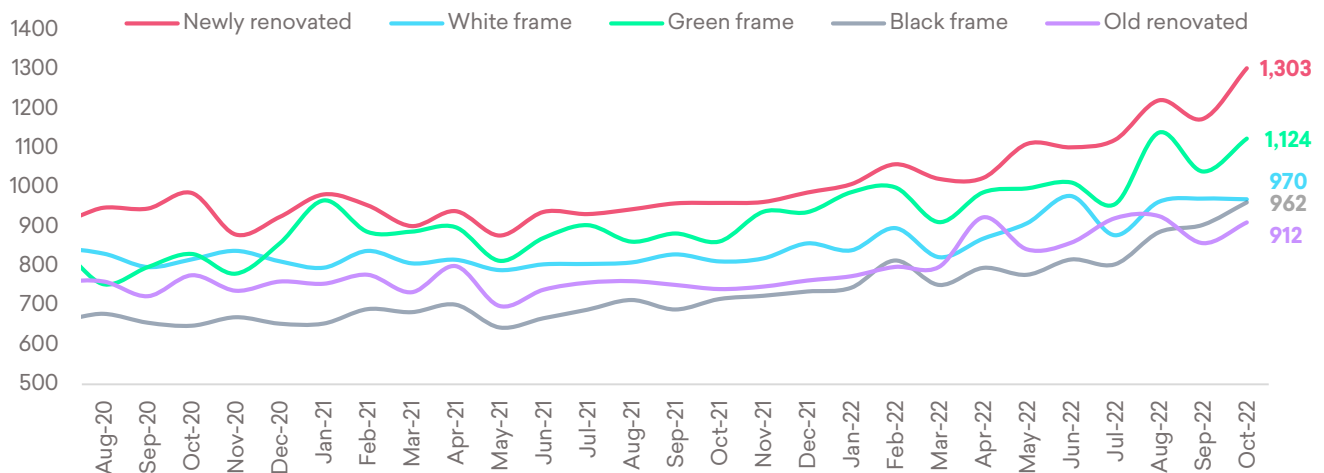


Figure 6. Average asking sale price per SQM (USD), by condition



Source: Myhome, NAPR; Note: "New" means a residential property with sale date within 3 years after construction permitissuance

# Tbilisi districts

In October 2022, the **number of transactions**, was higher relative to October 2021 in all districts except Mtatsminda (-9%). The top 3 districts with the largest YoY growth of transactions were Chughureti (+78%), Krtsanisi (+59%) and Isani (+58%).

Saburtalo (19%) still has the top share in total residential property transactions, followed by Didi Dighomi (17% of total), while Krtsanisi, Chughureti and Mtatsminda still remained at the bottom of the list, together accounting for about 7% of total sales.

**Sale prices** surpassed the 2021 level in all districts and YoY growth figures hitting double digits.

Figure 7. Sold residential properties (Units) and YoY change (%), October 2022

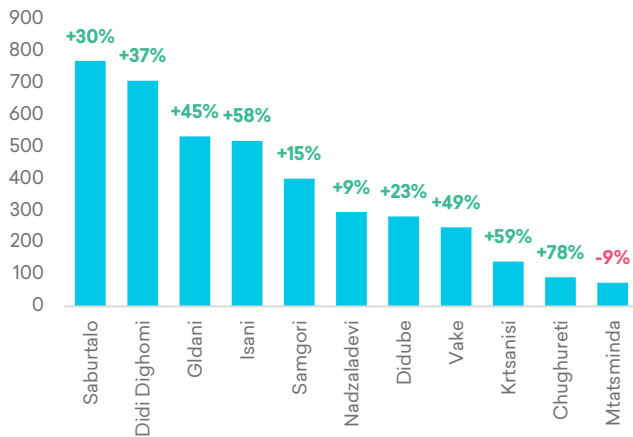
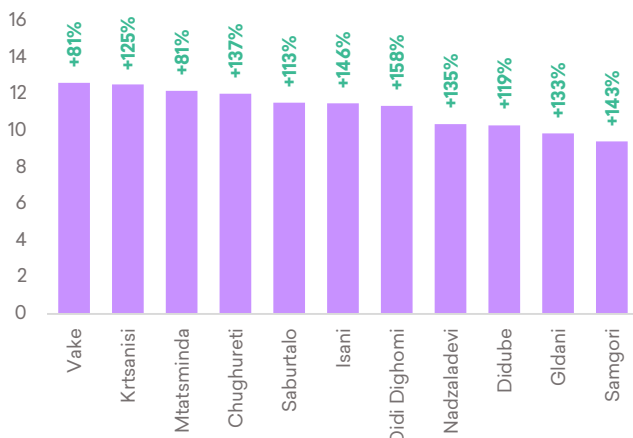


Figure 9. Average asking rent price per SQM (USD) and YoY change (%), October 2022



The highest YoY increase in sale prices was observed in Mtatsminda (+38%), Saburtalo (+35%) and Nadzaladevi (+23%).

**Rent prices** increased drastically relative to the same period of 2021. The figures more than doubled in YoY terms for almost all cases, with growths exceeding 100%.

In October 2022, **rental yield** was unprecedentedly high in most districts with the top 3 being: Didi Dighomi (18.9%), Gldani (16.3%) and Samgori (16%).

Figure 8. Average asking sale price per SQM (USD) and YoY change (%), October 2022

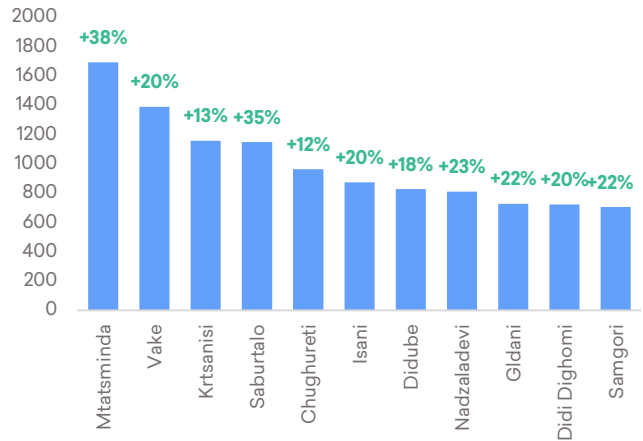
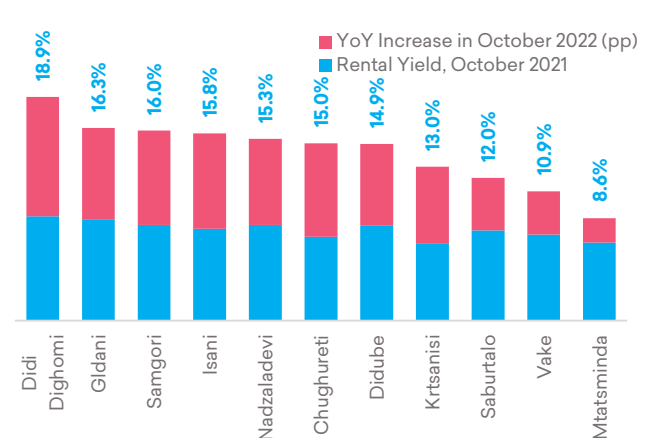


Figure 10. Rental yield by district (%), October 2022

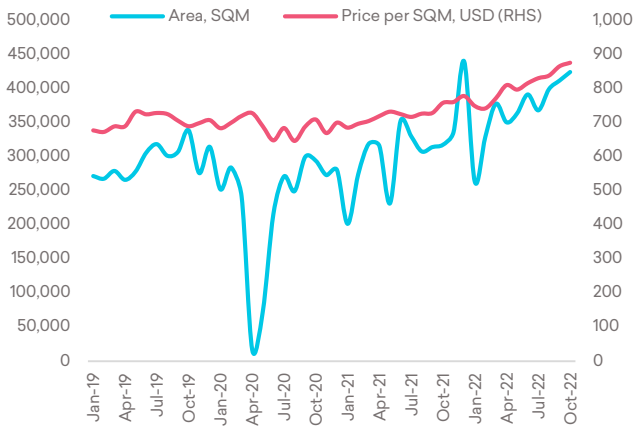


Source: Myhome, NAPR.

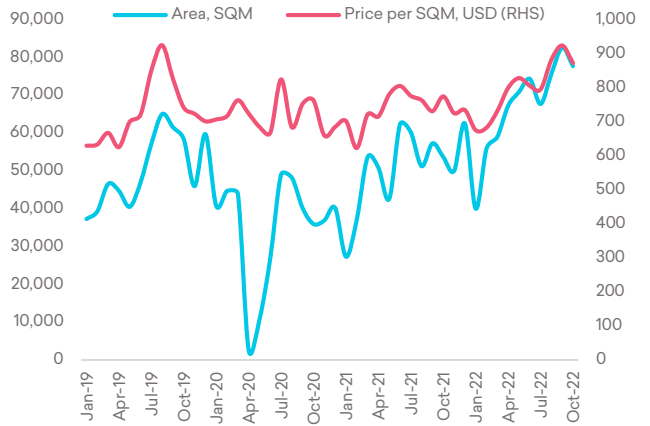
# Annex: Rest of Georgia

A1. Area (SQM) and price per SQM (USD) of sold residential properties

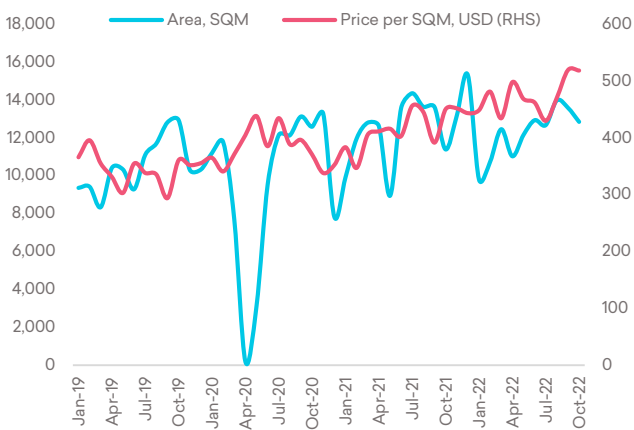
## Georgia



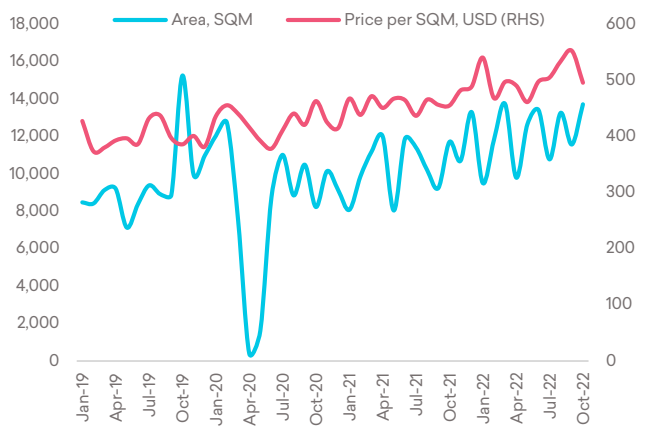
## Batumi



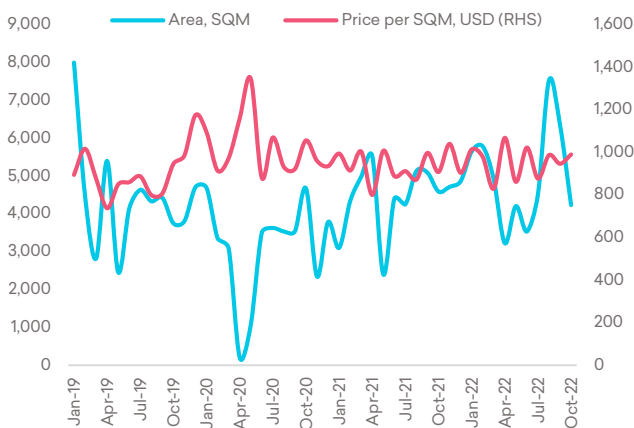
## Kutaisi



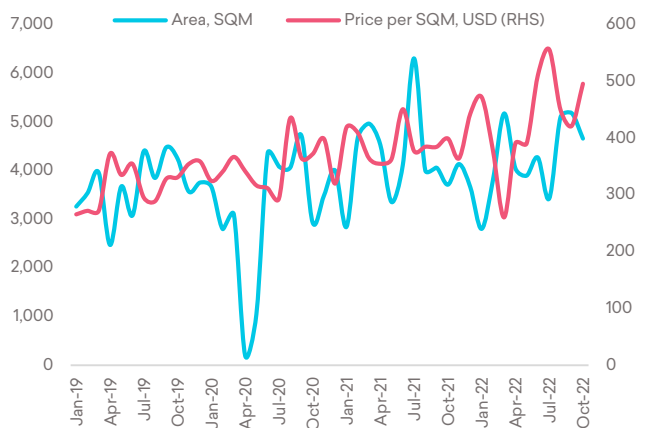
## Rustavi



## Borjomi



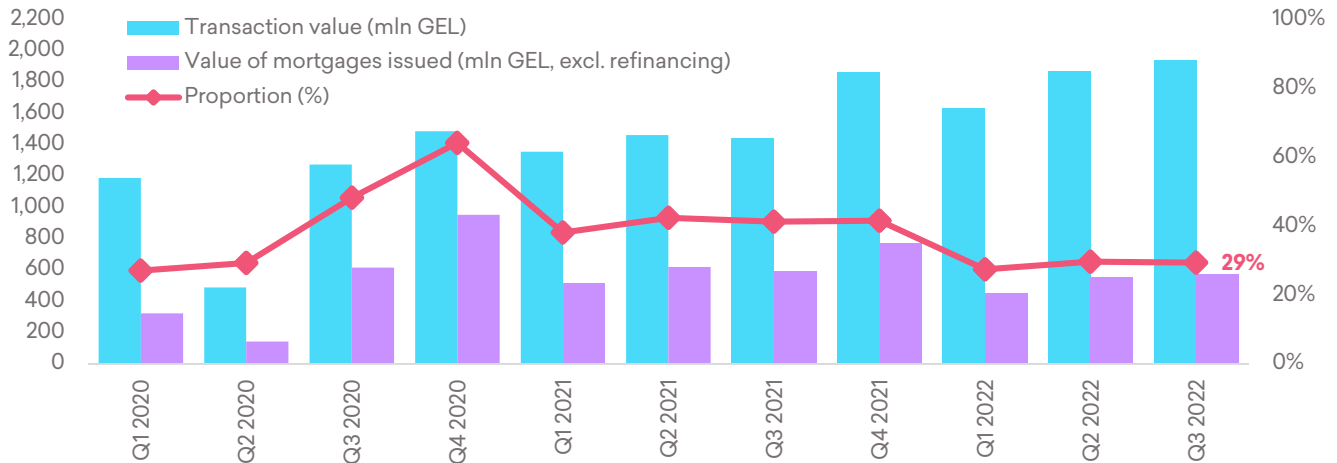
## Gori



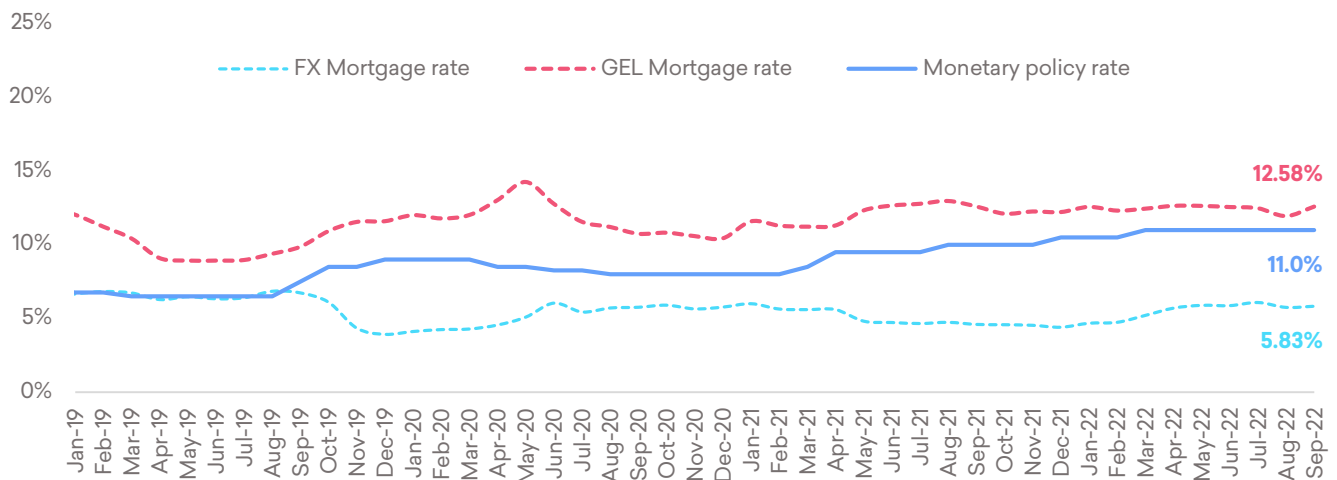
Source: NAPR.

# Annex: Mortgages

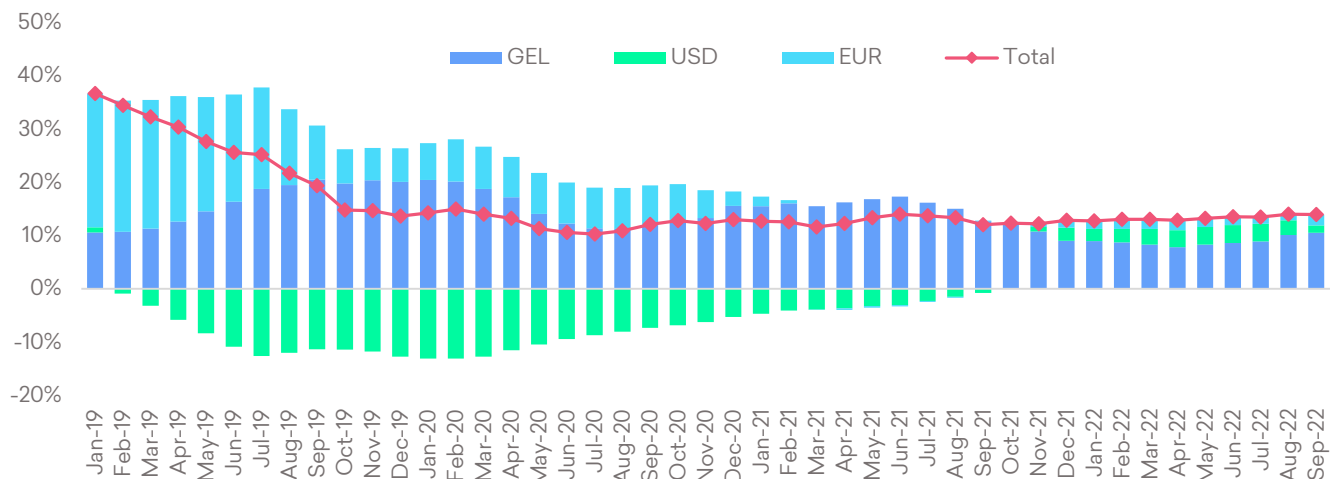
## A2. Value of issued mortgages to transaction value, Tbilisi



## A3. Mortgage rate dynamics in Georgia



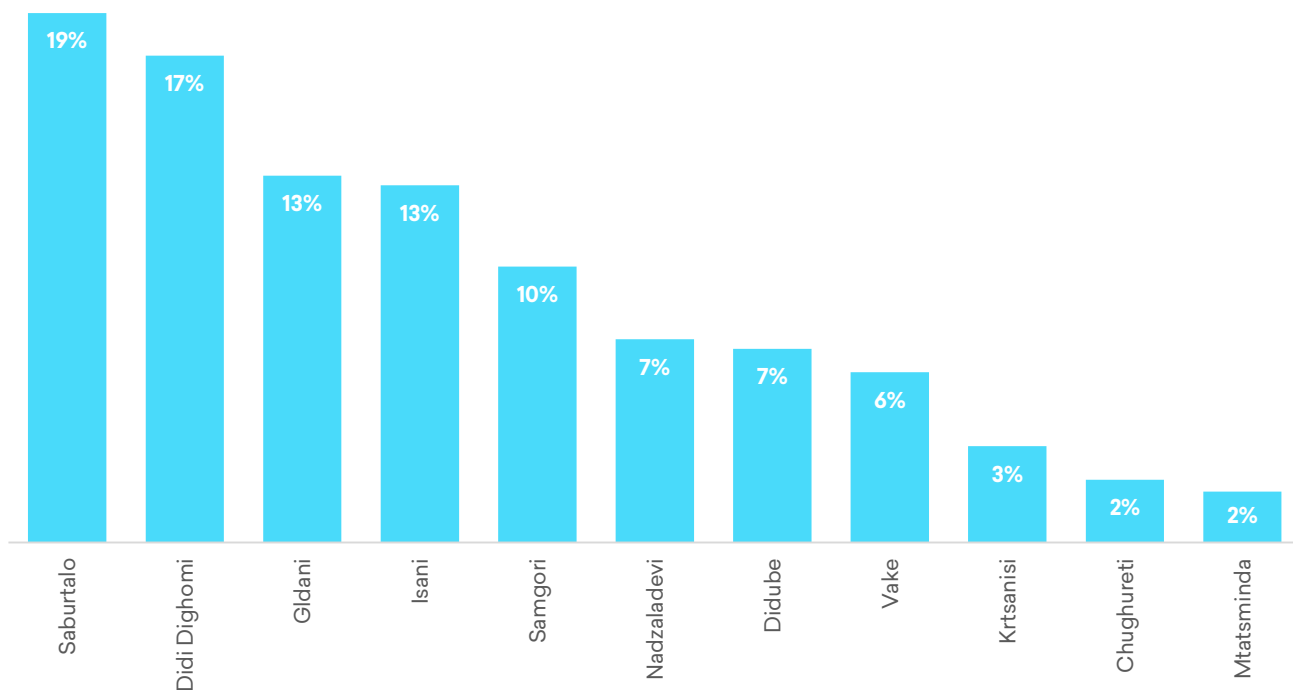
## A4. YoY growth of mortgage portfolio and contribution to growth by currencies



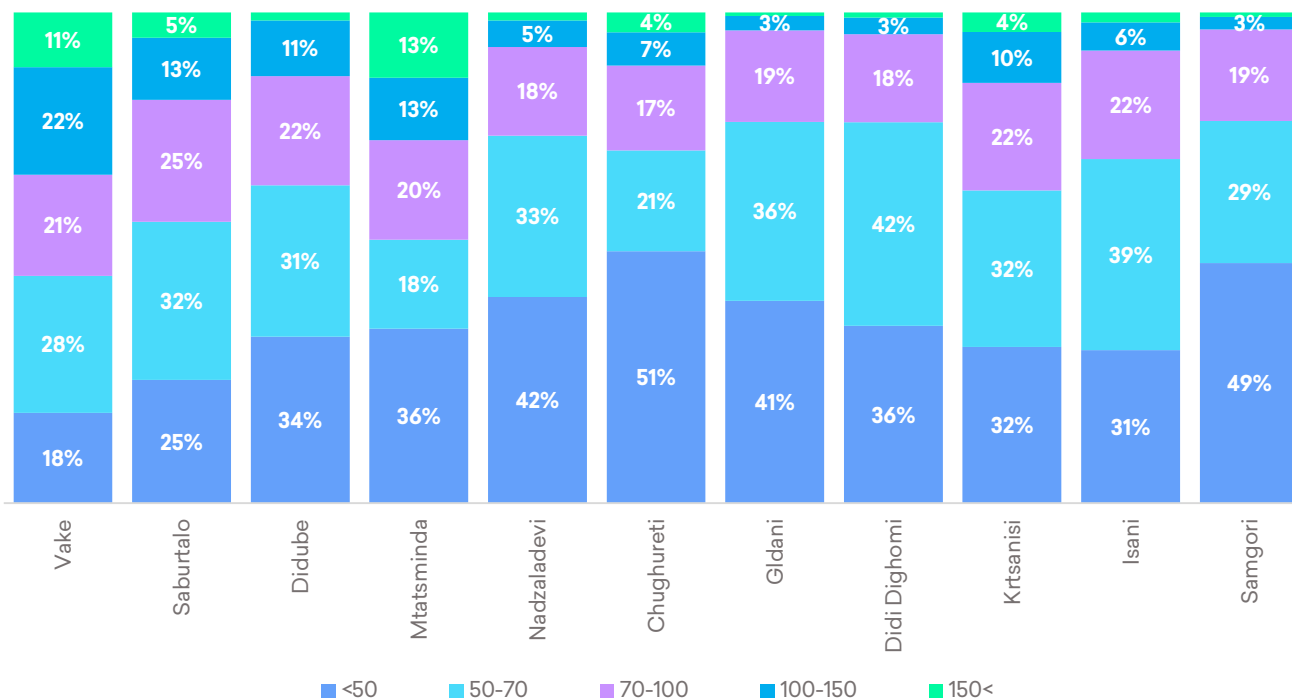
Source: NAPR, NBG.

# Annex: Districts

A5. Total transaction distribution by districts – October 2022



A6. Shares by sizes (Area, SQM), districts, 2022 YTD

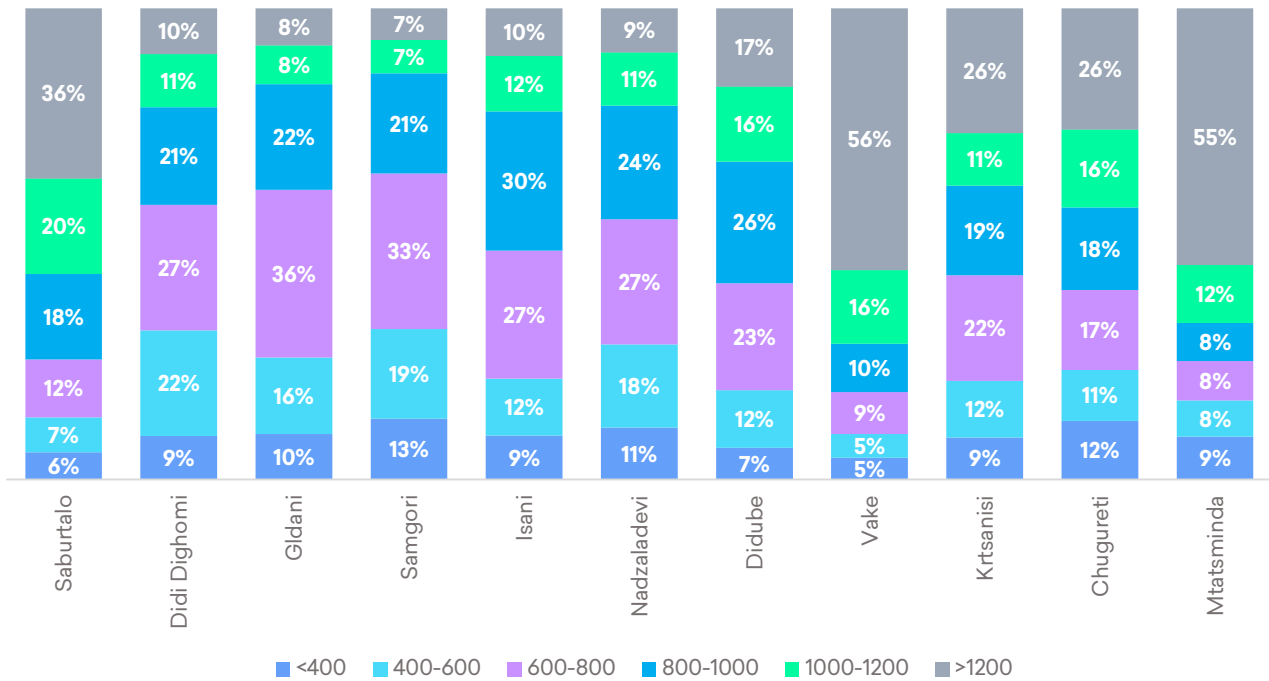


Source: NAPR.



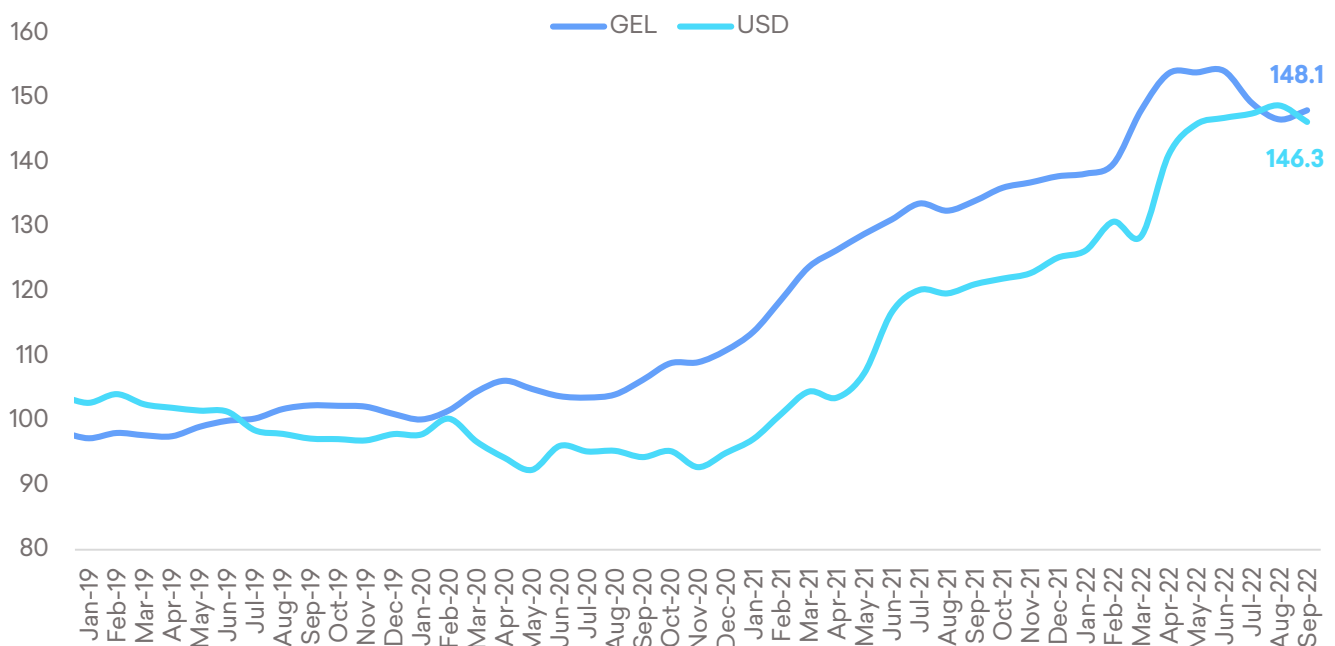
# Annex: Districts

A7. Number of transactions by price categories, districts, 2022 YTD



# Annex: Construction materials

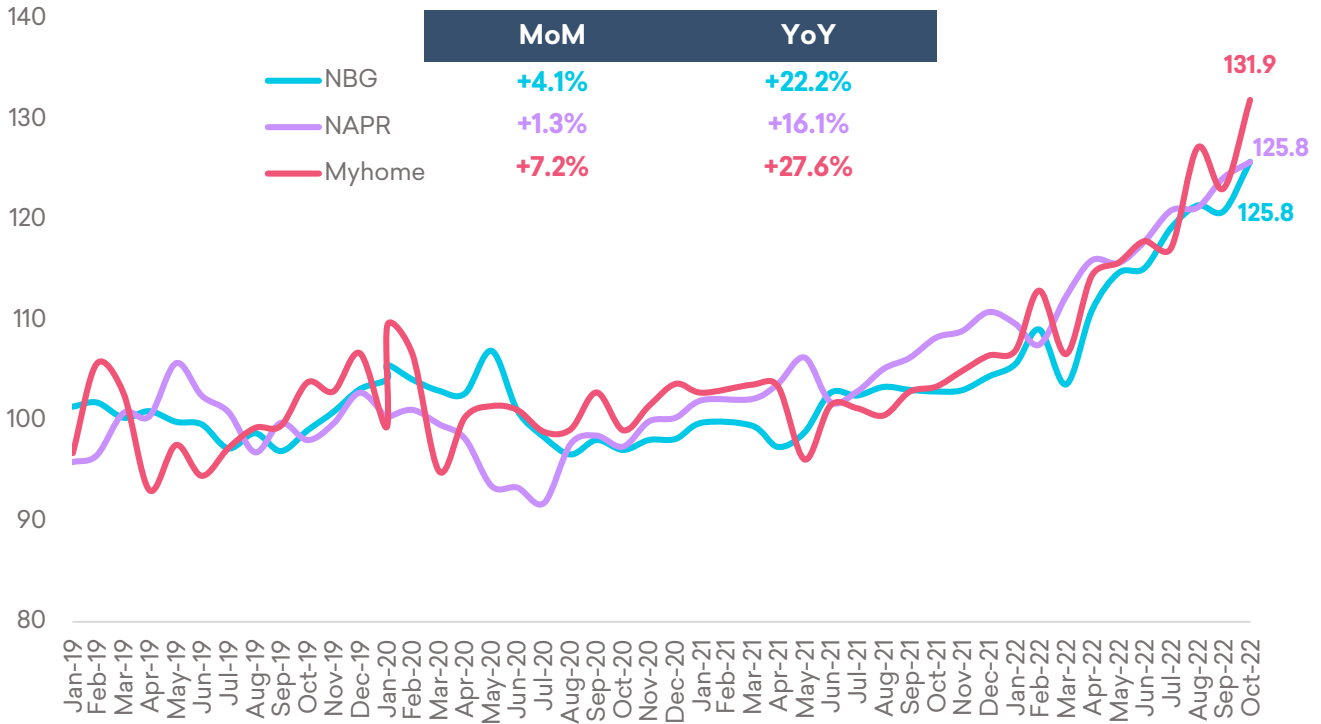
A8. Prices of material inputs to construction industries, Indices (2019 average = 100)



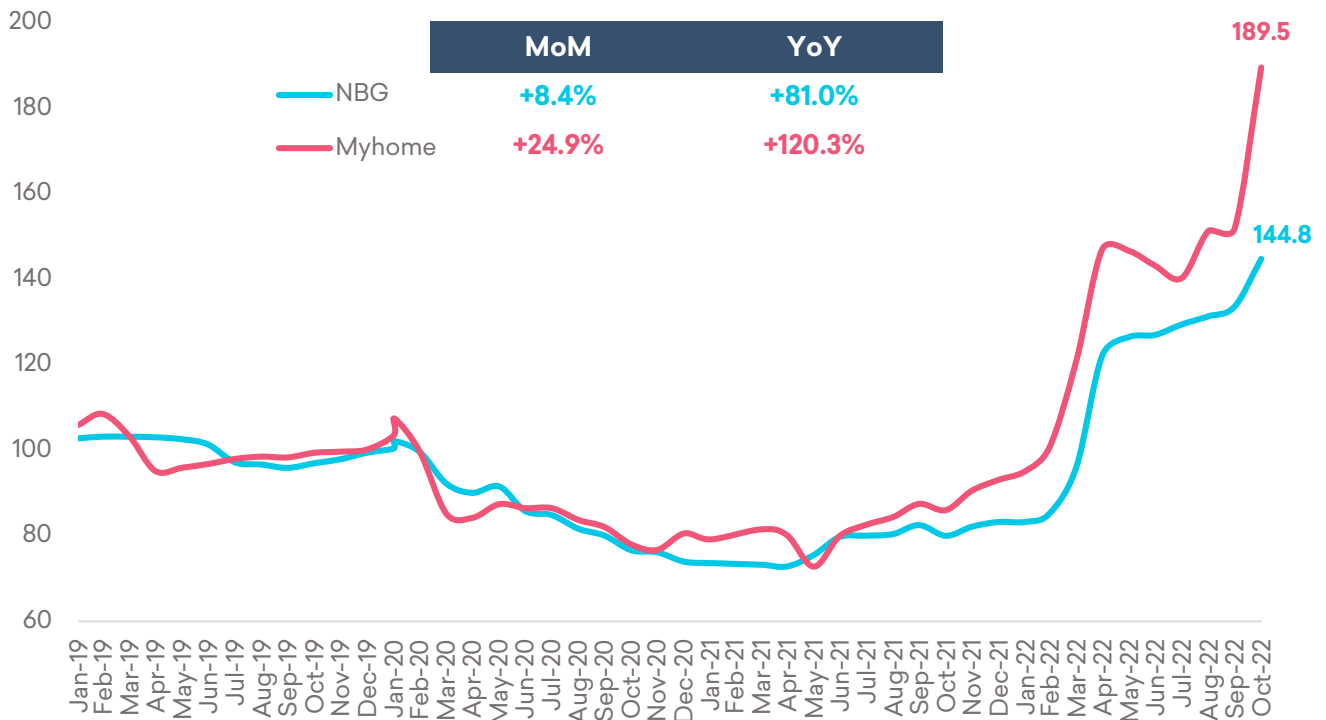
Source: NAPR, Myhome, Geostat.

# Annex: Price indices

A9. Sale price indices (2019 average = 100)



A10. Rent price indices (2019 average = 100)



Source: NBG, NAPR, Myhome,