REAL ESTATE MARKET

TBILISI | BATUMI | KUTAISI

#20 | Apr-Jun 2021

Market Highlights

REM lab. (Real Estate Market Laboratory)

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The Real Estate Index (REI) represents the real value of property. When observing real estate prices, the first thing to consider is the average price per square meter. However, the average price can rise if the sale of higher-quality properties (in central districts, well-renovated, etc.) also increases, which does not indicate that real estate prices are generally rising. Therefore, the Real Estate Index tracks pure price changes. The REI excludes the 'QUALITY EFFECT' and observes how the price of given properties change compared to the base period (January 2019 for Tbilisi, Q1 2019 for Batumi & Kutaisi). The REI includes the Sale Price Index (SPI) and the Rent Price Index (RPI). It is worth noting that only the SPI on residential real property is available for BAT and KUT, and that all indices are calculated using USD prices.

ABBREVIATIONS USED

ASP	Average Sale Price per sq.m.
ARP	Average Rent Price per sq.m.
SPI	Sale Price Index
RPI	Rent Price Index
MoM	Month-over-Month Change
YoY	Year-over-Year Change
X-RATE	Exchange Rate
TBS	Tbilisi City
BAT	Batumi City
KUT	Kutaisi City
MUN	Municipality
GEO	Georgia
RP	Residential Property
CP	Commercial Property
NAPR	National Agency of Public Registry
TCH|MDS	Tbilisi City Hall, Municipal Department for Supervision

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TBILISI RESIDENTIAL PROPERTY PRICE HIGHLIGHTS

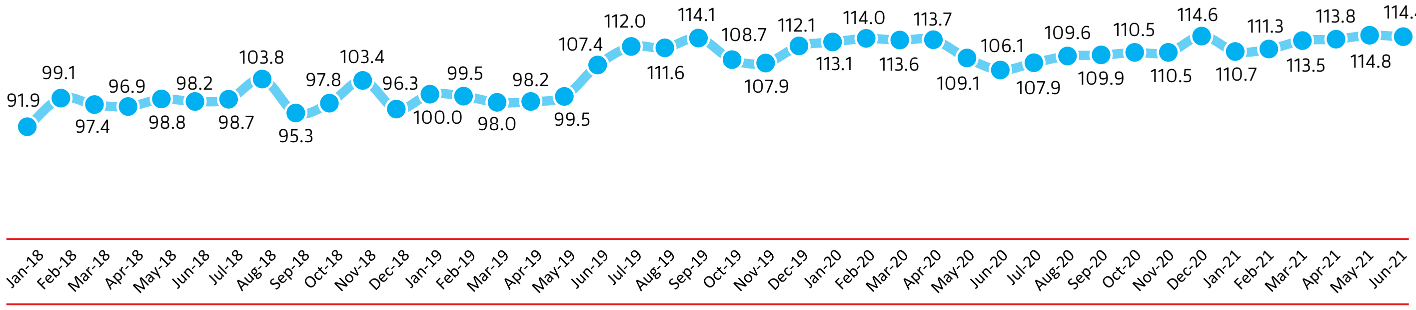
The Residential Sales Price Index (SPI) for Tbilisi increased moderately in April and May of 2021, however it decreased slightly in June and amounted to 114.4 index points (equaling 100 in the base period of January 2019). Compared to the second quarter of 2020, the SPI showed an increase in Q2 2021 – with the largest change of 7.9% (YoY) in June 2021.

Consistent downward trends in the Rent Price Index (RPI) in 2021 reversed in May, when the index rose to 78.5 index points. Although the RPI decreased slightly in June 2021, falling to 77.8. Compared to the previous year, the RPI, unlike the SPI, showed lower levels in every month of the second quarter; with the greatest decline (14.9% YoY) found in April 2021.

During Q2 2021, the Average Sales Price (ASP) in Tbilisi decreased from 934 USD per m2 in April 2021 to 922 USD in June 2021 (monthly average). Whereas the Average Rental Price (ARP) increased slightly in May 2021 and remained at 5.8 USD per m2 by the end of the quarter (monthly average).

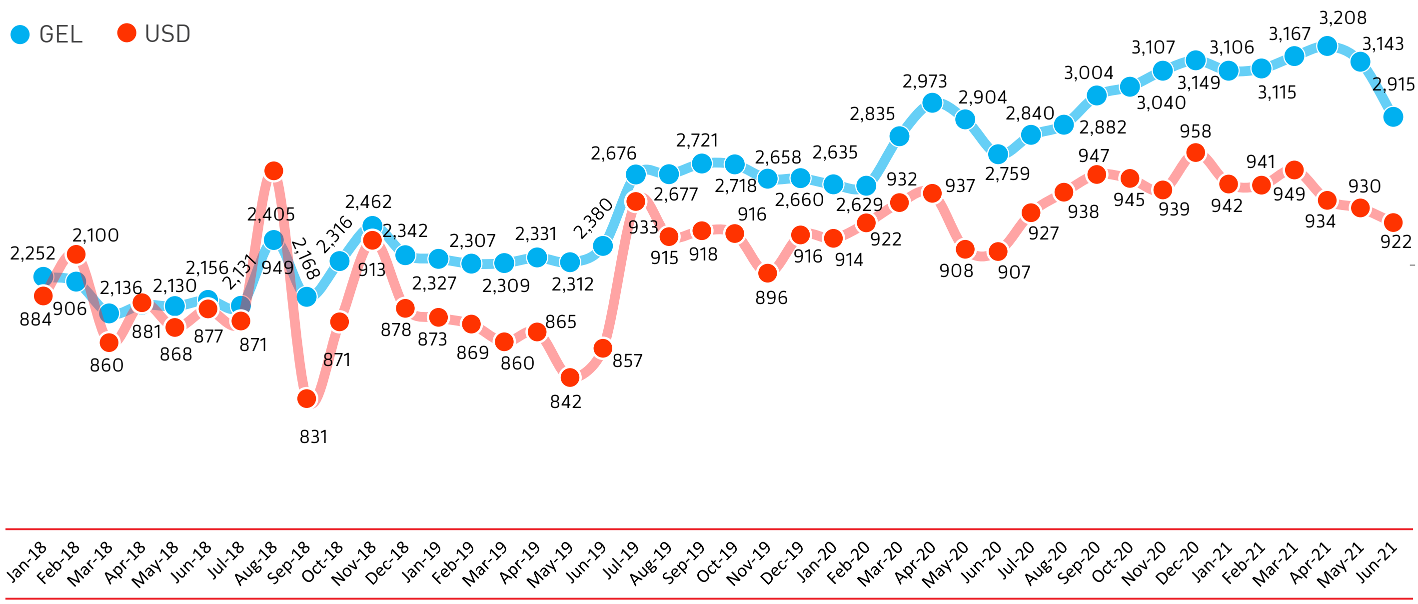
In Q2 2021, on average, the most expensive districts by ASP were Mtatsminda-Sololaki (1,410 USD), Vera (1,216 USD), and Vake-Bagebi (1,176 USD), while the cheapest district was Lilo at 423 USD per m2. By ARP, the most expensive districts in Q2 2021, on average, were Kiketi-Kojori (9.1 USD), Tsavkisi, Shindisi, Tabakhmela (8.0 USD), and Mtatsminda-Sololaki (7.5 USD).

Chart 1: SPI for Residential Properties, Tbilisi (monthly for 2018-2021)



Source: REM lab 2021

Chart 2: ASP for Residential Properties, Tbilisi (monthly for 2018-2021)



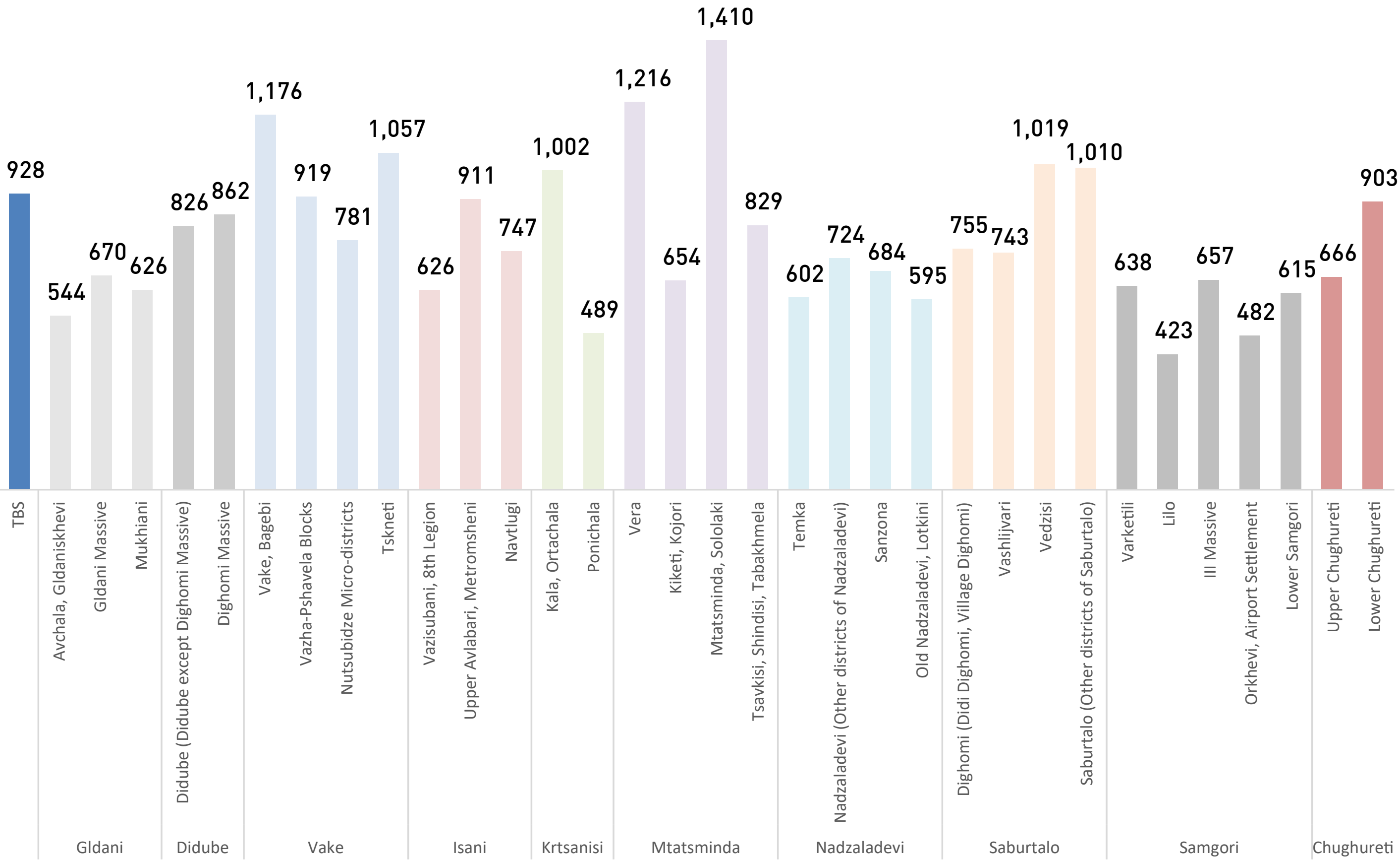
Source: REM lab 2021

Table 1: ASP for Residential Properties, Tbilisi (monthly for 2019-2021)

M-Y	ASP (USD)	MoM(%)	YoY (%)	ASP (GEL)	MoM(%)	YoY (%)
Jan-19	873	-0.5%	-1.3%	2327	-0.7%	3.3%
Feb-19	869	-0.4%	-4.0%	2307	-0.9%	3.4%
Mar-19	860	-1.1%	0.0%	2309	0.1%	9.9%
Apr-19	865	0.6%	-1.7%	2331	1.0%	9.2%
May-19	842	-2.7%	-3.0%	2312	-0.8%	8.5%
Jun-19	857	1.8%	-2.3%	2380	2.9%	10.4%
Jul-19	933	8.9%	7.1%	2676	12.5%	25.6%
Aug-19	915	-1.9%	-3.6%	2677	0.0%	11.3%
Sep-19	918	0.3%	10.5%	2721	1.6%	25.5%
Oct-19	916	-0.2%	5.3%	2718	-0.1%	17.3%
Nov-19	896	-2.2%	-1.9%	2658	-2.2%	8.0%
Dec-19	916	2.2%	4.3%	2660	0.1%	13.6%
Jan-20	914	-0.2%	4.7%	2635	-1.0%	13.2%
Feb-20	922	0.9%	6.0%	2629	-0.2%	14.0%
Mar-20	932	1.1%	8.4%	2835	7.8%	22.8%
Apr-20	937	0.5%	8.3%	2973	4.9%	27.5%
May-20	908	-3.1%	7.9%	2904	-2.3%	25.6%
Jun-20	907	-0.1%	5.9%	2759	-5.0%	16.0%
Jul-20	927	2.2%	-0.6%	2840	2.9%	6.1%
Aug-20	938	1.1%	2.5%	2882	1.5%	7.7%
Sep-20	947	1.0%	3.2%	3004	4.2%	10.4%
Oct-20	945	-0.2%	3.1%	3040	1.2%	11.9%
Nov-20	939	-0.6%	4.8%	3107	2.2%	16.9%
Dec-20	958	2.1%	4.7%	3149	1.4%	18.4%
Jan-21	942	-1.7%	3.1%	3106	-1.4%	17.9%
Feb-21	941	-0.1%	2.1%	3115	0.3%	18.5%
Mar-21	949	0.8%	1.8%	3167	1.7%	11.7%
Apr-21	934	-1.7%	-0.4%	3208	1.3%	7.9%
May-21	930	-0.4%	2.4%	3143	-2.0%	8.2%
Jun-21	922	-0.8%	1.6%	2915	-7.3%	5.6%

Source: REM lab 2021

Chart 3: ASP for Residential Properties, Tbilisi & Districts (Average Q2 2021, USD)



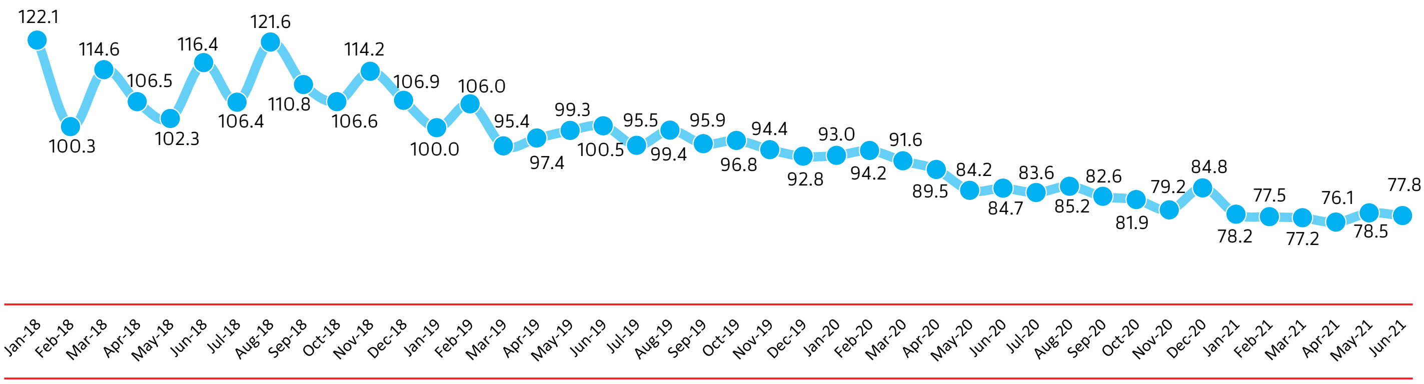
Source: REM lab 2021

Table 2: ASP for Residential Properties, Tbilisi & Districts (Average Q2 2021)

		ASP (USD)	YoY (%)	ASP (GEL)	YoY (%)
	TBS	928	1%	3,089	7%
Gldani	Avchala, Gldaniskhevi	544	23%	1,810	30%
	Gldani Massive	670	3%	2,230	10%
	Mukhiani	626	-4%	2,081	2%
Didube	Didube (Didube except Dighomi Massive)	826	2%	2,749	9%
	Dighomi Massive	862	6%	2,866	12%
Vake	Vake, Bagebi	1,176	7%	3,909	14%
	Vazha-Pshavela Blocks	919	-4%	3,055	2%
	Nutsubidze Micro-districts	781	8%	2,598	14%
	Tskneti	1,057	49%	3,516	58%
Isani	Vazisubani, 8th Legion	626	-1%	2,081	5%
	Upper Avlabari, Metromsheni	911	9%	3,033	16%
	Navtlugi	747	7%	2,487	14%
Krtsa-nisi	Kala, Ortachala	1,002	12%	3,336	19%
	Ponichala	489	4%	1,628	11%
Mtatsminda	Vera	1,216	8%	4,046	15%
	Kiketi, Kojori	654	16%	2,176	23%
	Mtatsminda, Sololaki	1,410	4%	4,693	10%
	Tsavkisi, Shindisi, Tabakhmela	829	5%	2,759	12%
Nadzaladevi	Temka	602	2%	2,003	8%
	Nadzaladevi (Other districts of Nadzaladevi)	724	3%	2,410	9%
	Sanzona	684	0%	2,276	6%
	Old Nadzaladevi, Lotkini	595	5%	1,981	11%
Saburtalo	Dighomi (Didi Dighomi, Village Dighomi)	755	2%	2,511	8%
	Vashlijvari	743	7%	2,470	13%
	Vedzisi	1,019	6%	3,391	12%
	Saburtalo (Other districts of Saburtalo)	1,010	3%	3,359	9%
Samgori	Varketili	638	2%	2,121	8%
	Lilo	423	24%	1,406	31%
	III Massive	657	15%	2,185	22%
	Orkhevi, Airport Settlement	482	16%	1,600	24%
	Lower Samgori	615	-1%	2,045	5%
Chugh-ureti	Upper Chughureti	666	0%	2,217	6%
	Lower Chughureti	903	1%	3,005	7%

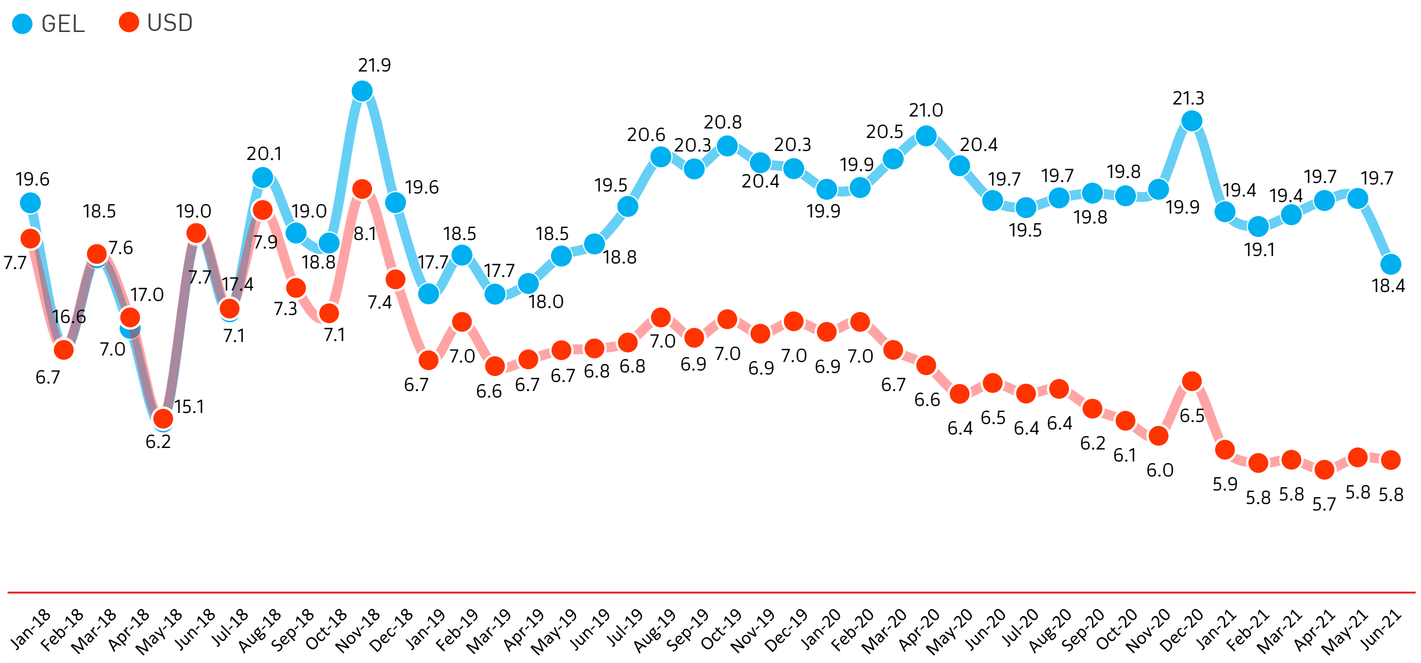
Source: REM lab 2021

Chart 4: RPI for Residential Properties, Tbilisi (monthly for 2018-2021)



Source: REM lab 2021

Chart 5: ARP for Residential Properties, Tbilisi (monthly for 2018-2021)



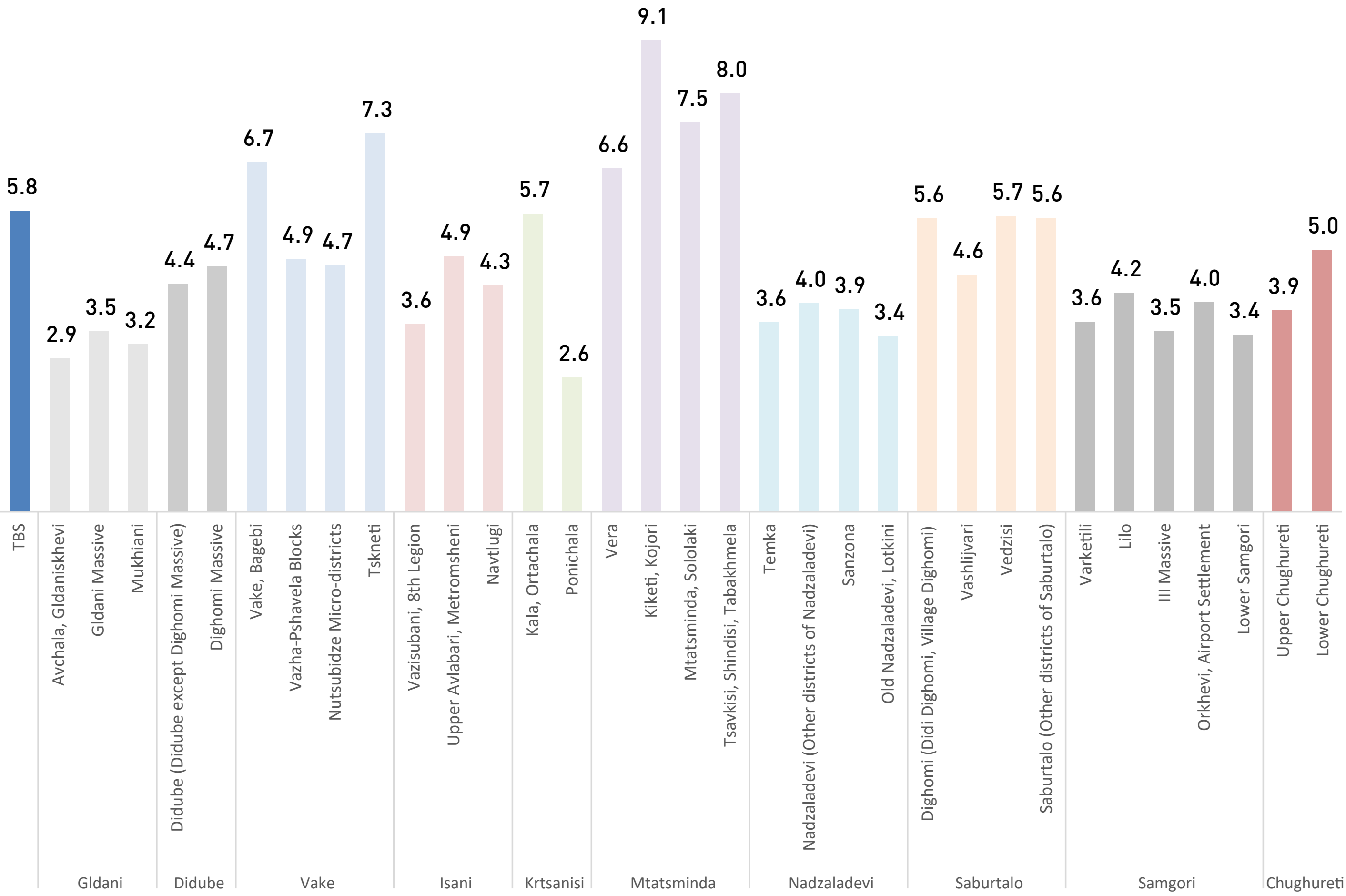
Source: REM lab 2021

Table 3: ARP for Residential Properties, Tbilisi (monthly for 2019-2021)

M-Y	ARP (USD)	MoM(%)	YoY (%)	ARP (GEL)	MoM(%)	YoY (%)
Jan-19	6.7	-9.4%	-13.5%	17.7	-9.5%	-9.5%
Feb-19	7.0	4.9%	3.5%	18.5	4.5%	11.5%
Mar-19	6.6	-5.4%	-12.7%	17.7	-4.3%	-4.1%
Apr-19	6.7	0.9%	-5.1%	18.0	1.3%	5.4%
May-19	6.7	1.2%	9.5%	18.5	3.1%	22.5%
Jun-19	6.8	0.2%	-12.8%	18.8	1.3%	-1.0%
Jul-19	6.8	0.8%	-4.1%	19.5	4.1%	12.5%
Aug-19	7.0	3.2%	-11.6%	20.6	5.2%	2.1%
Sep-19	6.9	-2.5%	-5.9%	20.3	-1.2%	6.9%
Oct-19	7.0	2.3%	-0.7%	20.8	2.3%	10.6%
Nov-19	6.9	-1.7%	-15.2%	20.4	-1.7%	-6.7%
Dec-19	7.0	1.5%	-4.9%	20.3	-0.6%	3.6%
Jan-20	6.9	-1.3%	3.6%	19.9	-2.1%	12.1%
Feb-20	7.0	1.3%	0.0%	19.9	0.2%	7.5%
Mar-20	6.7	-3.5%	2.1%	20.5	3.0%	15.7%
Apr-20	6.6	-1.9%	-0.7%	21.0	2.3%	16.9%
May-20	6.4	-3.7%	-5.5%	20.4	-2.9%	10.0%
Jun-20	6.5	1.4%	-4.4%	19.7	-3.5%	4.8%
Jul-20	6.4	-1.4%	-6.4%	19.5	-0.7%	-0.1%
Aug-20	6.4	0.7%	-8.7%	19.7	1.0%	-4.1%
Sep-20	6.2	-2.6%	-8.8%	19.8	0.5%	-2.4%
Oct-20	6.1	-1.7%	-12.4%	19.8	-0.3%	-4.9%
Nov-20	6.0	-2.1%	-12.7%	19.9	0.7%	-2.7%
Dec-20	6.5	7.8%	-7.3%	21.3	7.1%	4.8%
Jan-21	5.9	-9.1%	-14.6%	19.4	-8.8%	-2.3%
Feb-21	5.8	-1.9%	-17.3%	19.1	-1.6%	-4.0%
Mar-21	5.8	0.5%	-13.9%	19.4	1.3%	-5.6%
Apr-21	5.7	-1.5%	-13.5%	19.7	1.5%	-6.3%
May-21	5.8	1.9%	-8.5%	19.7	0.2%	-3.3%
Jun-21	5.8	-0.4%	-10.2%	18.4	-6.9%	-6.7%

Source: REM lab 2021

Chart 6: ARP for Residential Properties, Tbilisi & Districts (Average Q2 2021, USD)



Source: REM lab 2021

Table 4: ARP for Residential Properties, Tbilisi & Districts (Average Q2 2021)

		ARP (USD)	YoY (%)	ARP (GEL)	YoY (%)
	TBS	5.8	-11%	19.2	-5%
Gldani	Avchala, Gldaniskhevi	2.9	-16%	9.8	-11%
	Gldani Massive	3.5	-27%	11.5	-23%
	Mukhiani	3.2	-39%	10.7	-36%
Didube	Didube (Didube except Dighomi Massive)	4.4	-13%	14.6	-8%
	Dighomi Massive	4.7	-6%	15.7	0%
Vake	Vake, Bagebi	6.7	-4%	22.3	2%
	Vazha-Pshavela Blocks	4.9	-13%	16.1	-7%
	Nutsubidze Micro-districts	4.7	-18%	15.7	-13%
	Tskneti	7.3	-22%	24.1	-17%
Isani	Vazisubani, 8th Legion	3.6	-22%	12.0	-18%
	Upper Avlabari, Metromsheni	4.9	-20%	16.3	-15%
	Navtlugi	4.3	-25%	14.4	-21%
Krtsa-nisi	Kala, Ortachala	5.7	-20%	19.1	-15%
	Ponichala	2.6	-44%	8.6	-41%
Mtatsminda	Vera	6.6	-10%	21.9	-4%
	Kiketi, Kojori	9.1	32%	30.0	40%
	Mtatsminda, Sololaki	7.5	-19%	24.9	-14%
	Tsavkisi, Shindisi, Tabakhmela	8.0	-14%	26.7	-8%
Nadzaladevi	Temka	3.6	1%	12.1	7%
	Nadzaladevi (Other districts of Nadzaladevi)	4.0	-21%	13.3	-17%
	Sanzona	3.9	-15%	12.9	-10%
	Old Nadzaladevi, Lotkini	3.4	15%	11.2	26%
Saburtalo	Dighomi (Didi Dighomi, Village Dighomi)	5.6	-7%	18.8	-1%
	Vashlijvari	4.6	-16%	15.2	-11%
	Vedzisi	5.7	-27%	18.9	-22%
	Saburtalo (Other districts of Saburtalo)	5.6	-10%	18.8	-4%
Samgori	Varketili	3.6	-17%	12.1	-12%
	Lilo	4.2		4.4	
	III Massive	3.5	2%	11.5	8%
	Orkhevi, Airport Settlement	4.0		13.4	
	Lower Samgori	3.4	-26%	11.3	-22%
Chugh-ureti	Upper Chughureti	3.9	-13%	12.8	-8%
	Lower Chughureti	5.0	-14%	16.7	-9%

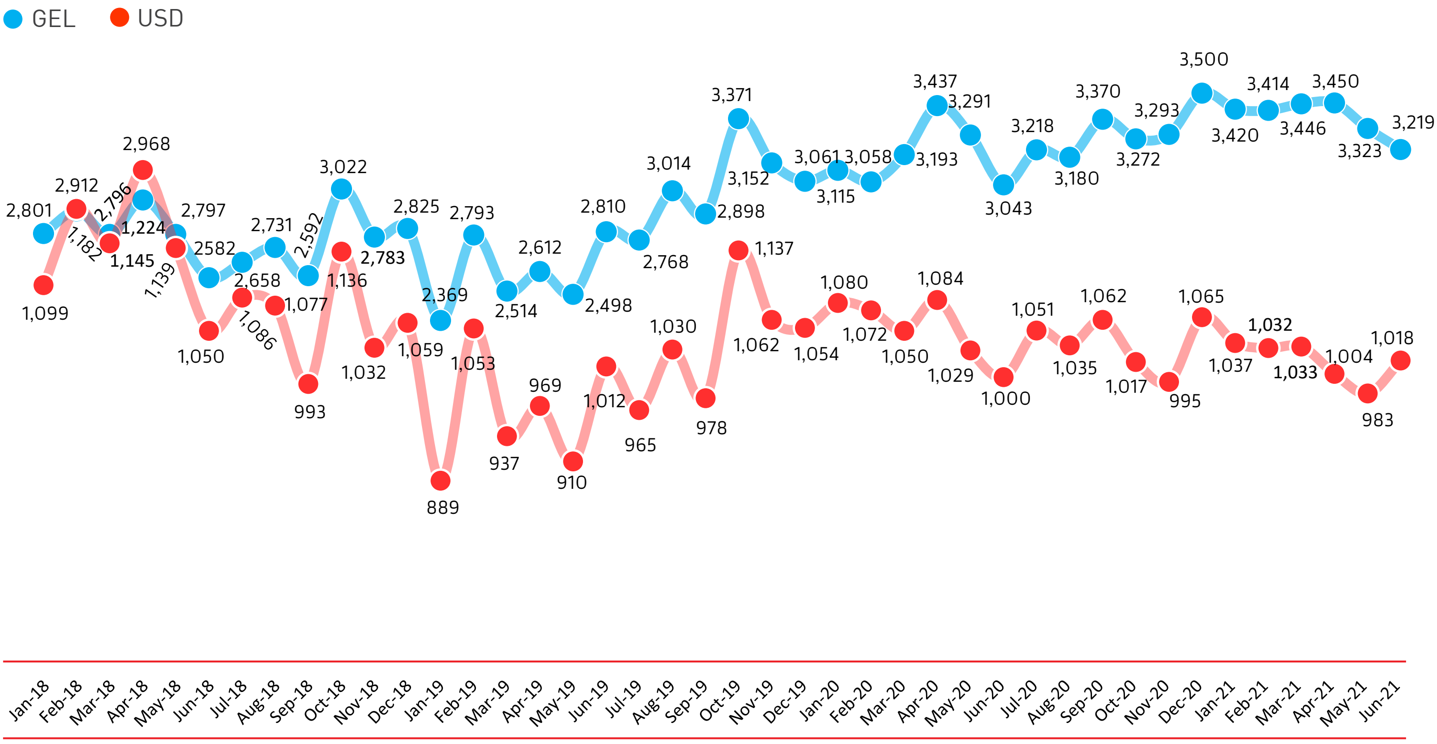
Source: REM lab 2021

TBILISI COMMERCIAL PROPERTY PRICE HIGHLIGHTS

After a moderate decrease in Q1, on average the Rent Price Index (RPI) for commercial properties increased significantly (11.9%) in Q2 2021, compared to the previous quarter.

During Q2 2021, the ASP for commercial properties increased from 1,004 USD per m2 in April 2021 to 1,018 USD in June 2021 (monthly average). However, the ASP for commercial properties decreased by 3.5% compared to the previous year. While the ARP rose from 7.6 USD per m2 in April to 8.5 USD in June 2021 (monthly average). Moreover, the ARP for Q2 2021 increased by 9.0% on average compared to the previous year.

Chart 7: ASP for Commercial Properties, Tbilisi (monthly for 2018-2021)



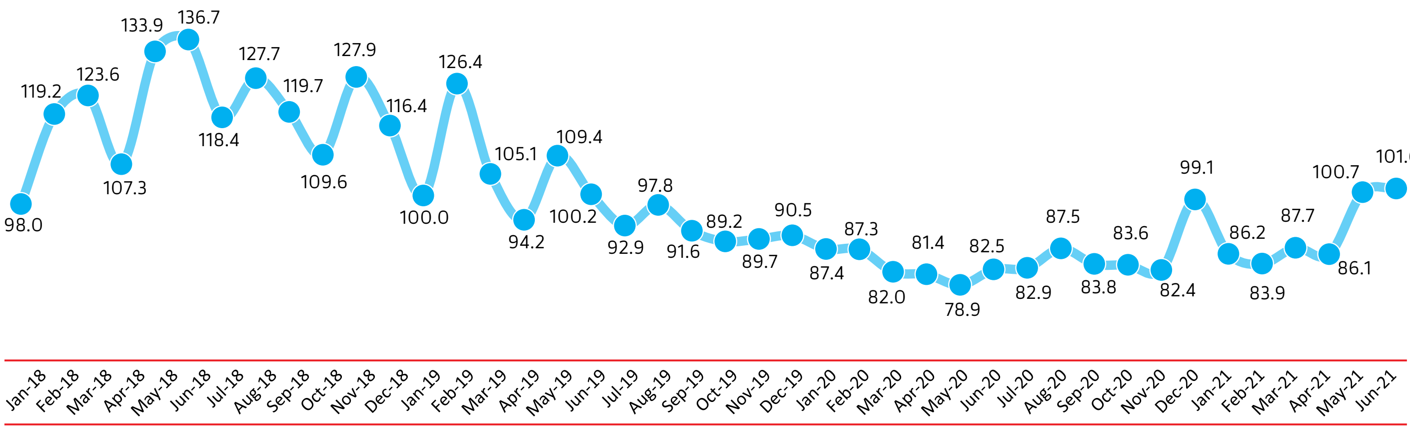
Source: REM lab 2021

Table 5: ASP for Commercial Properties, Tbilisi (monthly for 2019-2021)

M-Y	ASP (USD)	MoM(%)	YoY (%)	ASP (GEL)	MoM(%)	YoY (%)
Jan-19	889	-16.1%	-19.2%	2369	-16.2%	-15.4%
Feb-19	1053	18.5%	-10.9%	2793	17.9%	-4.1%
Mar-19	937	-11.0%	-18.2%	2514	-10.0%	-10.1%
Apr-19	969	3.5%	-20.8%	2612	3.9%	-12.0%
May-19	910	-6.2%	-20.2%	2498	-4.3%	-10.7%
Jun-19	1012	11.3%	-3.7%	2810	12.5%	8.9%
Jul-19	965	-4.7%	-11.2%	2768	-1.5%	4.1%
Aug-19	1030	6.8%	-4.4%	3014	8.9%	10.4%
Sep-19	978	-5.1%	-1.6%	2898	-3.8%	11.8%
Oct-19	1137	16.3%	0.1%	3371	16.3%	11.6%
Nov-19	1062	-6.6%	2.9%	3152	-6.5%	13.2%
Dec-19	1054	-0.8%	-0.5%	3061	-2.9%	8.3%
Jan-20	1080	2.6%	21.6%	3115	1.8%	31.5%
Feb-20	1072	-0.7%	1.9%	3058	-1.8%	9.5%
Mar-20	1050	-2.1%	12.1%	3193	4.4%	27.0%
Apr-20	1084	3.2%	11.8%	3437	7.6%	31.6%
May-20	1029	-5.0%	13.1%	3291	-4.2%	31.7%
Jun-20	1000	-2.8%	-1.2%	3043	-7.5%	8.3%
Jul-20	1051	5.0%	8.9%	3218	5.7%	16.3%
Aug-20	1035	-1.5%	0.5%	3180	-1.2%	5.5%
Sep-20	1062	2.7%	8.7%	3370	6.0%	16.3%
Oct-20	1017	-4.3%	-10.6%	3272	-2.9%	-3.0%
Nov-20	995	-2.1%	-6.3%	3293	0.7%	4.5%
Dec-20	1065	7.0%	1.1%	3500	6.3%	14.3%
Jan-21	1037	-2.6%	-4.0%	3420	-2.3%	9.8%
Feb-21	1032	-0.5%	-3.8%	3414	-0.2%	11.6%
Mar-21	1033	0.2%	-1.6%	3446	1.0%	7.9%
Apr-21	1004	-2.8%	-7.4%	3450	0.1%	0.4%
May-21	983	-2.1%	-4.5%	3323	-3.7%	1.0%
Jun-21	1018	3.6%	1.8%	3219	-3.1%	5.8%

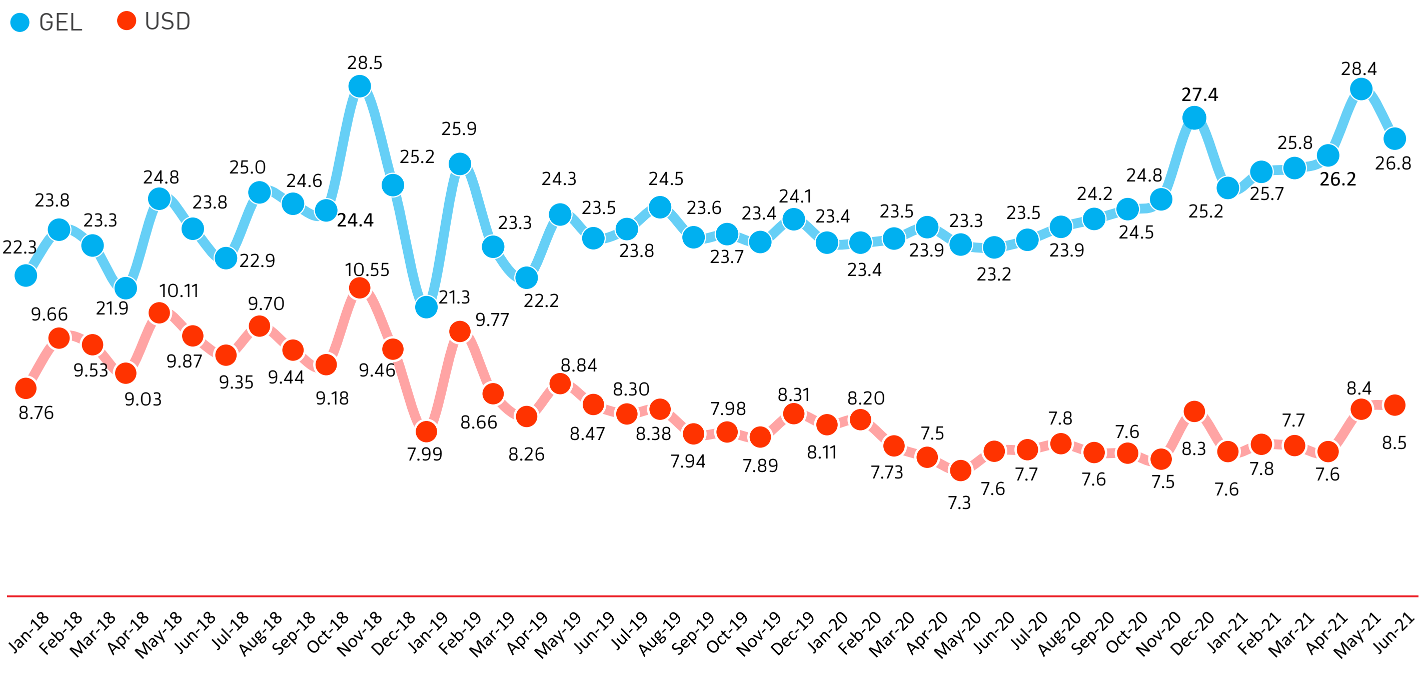
Source: REM lab 2021

Chart 8: RPI for Commercial Properties, Tbilisi (monthly for 2018-2021)



Source: REM lab 2021

Chart 9: ARP for Commercial Properties, Tbilisi (monthly for 2018-2021)



Source: REM lab 2021

Table 6: ARP for Commercial Property, Tbilisi (monthly for 2019-2021)

M-Y	ARP (USD)	MoM(%)	YoY (%)	ARP (GEL)	MoM(%)	YoY (%)
Jan-19	8.0	-15.6%	-8.8%	21.3	-15.7%	-4.6%
Feb-19	9.8	22.4%	1.2%	25.9	21.8%	9.0%
Mar-19	8.7	-11.4%	-9.1%	23.3	-10.3%	-0.2%
Apr-19	8.3	-4.7%	-8.6%	22.2	-4.3%	1.5%
May-19	8.8	7.1%	-12.5%	24.3	9.2%	-2.1%
Jun-19	8.5	-4.2%	-12.6%	23.5	-3.2%	-1.3%
Jul-19	8.3	-2.0%	-11.2%	23.8	1.2%	4.1%
Aug-19	8.4	1.0%	-15.0%	24.5	3.0%	-1.9%
Sep-19	7.9	-5.2%	-15.9%	23.6	-4.0%	-4.4%
Oct-19	8.0	0.4%	-13.1%	23.7	0.4%	-3.1%
Nov-19	7.9	-1.1%	-25.3%	23.4	-1.1%	-17.8%
Dec-19	8.3	5.3%	-12.2%	24.1	3.1%	-4.4%
Jan-20	8.1	-2.4%	1.5%	23.4	-3.2%	9.8%
Feb-20	8.2	1.1%	-16.1%	23.4	0.0%	-9.8%
Mar-20	7.7	-5.7%	-10.7%	23.5	0.6%	1.1%
Apr-20	7.5	-2.6%	-8.8%	23.9	1.5%	7.4%
May-20	7.3	-3.2%	-17.6%	23.3	-2.4%	-4.0%
Jun-20	7.6	4.7%	-9.9%	23.2	-0.4%	-1.2%
Jul-20	7.7	0.3%	-7.7%	23.5	1.0%	-1.5%
Aug-20	7.8	1.4%	-7.3%	23.9	1.8%	-2.6%
Sep-20	7.6	-2.1%	-4.2%	24.2	1.1%	2.5%
Oct-20	7.6	-0.1%	-4.7%	24.5	1.3%	3.4%
Nov-20	7.5	-1.5%	-5.0%	24.8	1.3%	5.9%
Dec-20	8.3	11.4%	0.5%	27.4	10.7%	13.7%
Jan-21	7.6	-8.6%	-5.9%	25.2	-8.3%	7.6%
Feb-21	7.8	1.7%	-5.4%	25.7	2.1%	9.8%
Mar-21	7.7	-0.3%	0.0%	25.8	0.5%	9.7%
Apr-21	7.6	-1.4%	1.3%	26.2	1.6%	9.8%
May-21	8.4	10.0%	15.0%	28.4	8.2%	21.6%
Jun-21	8.5	0.9%	10.8%	26.8	-5.7%	15.2%

Source: REM lab 2021

TBILISI AND GEORGIA REAL PROPERTY SALES

In comparison to Q1, the GEO real property market expanded by 15.9% in Q2 2021 (from 30,825 units sold in Q1 to 35,735 units in Q2), and held an annual growth of 140% (YoY) compared to Q2 2020. This annual increase was largely triggered by a significant upsurge in April 2021 sales (from 649 units sold in April 2020 to 12,515 in April 2021).

Tbilisi dominated the real property market with a 38.5% share in total sales in Q2 2021 (the capital held 39.3% of total sales in Q1 2021). The Tbilisi market was followed by Adjara and Kakheti, with 11.9% and 10.0% of GEO sales, respectively.

In Q2 2021, Racha-Lechkhumi & Kvemo Svaneti experienced the highest increase (YoY) in sales (312%), followed by Adjara (257%) and Tbilisi (153%). In total, the market outside the capital grew by 133% (YoY). More than half (51.3%) of GEO sales were registered in the three largest cities: Tbilisi, Batumi, and Kutaisi.

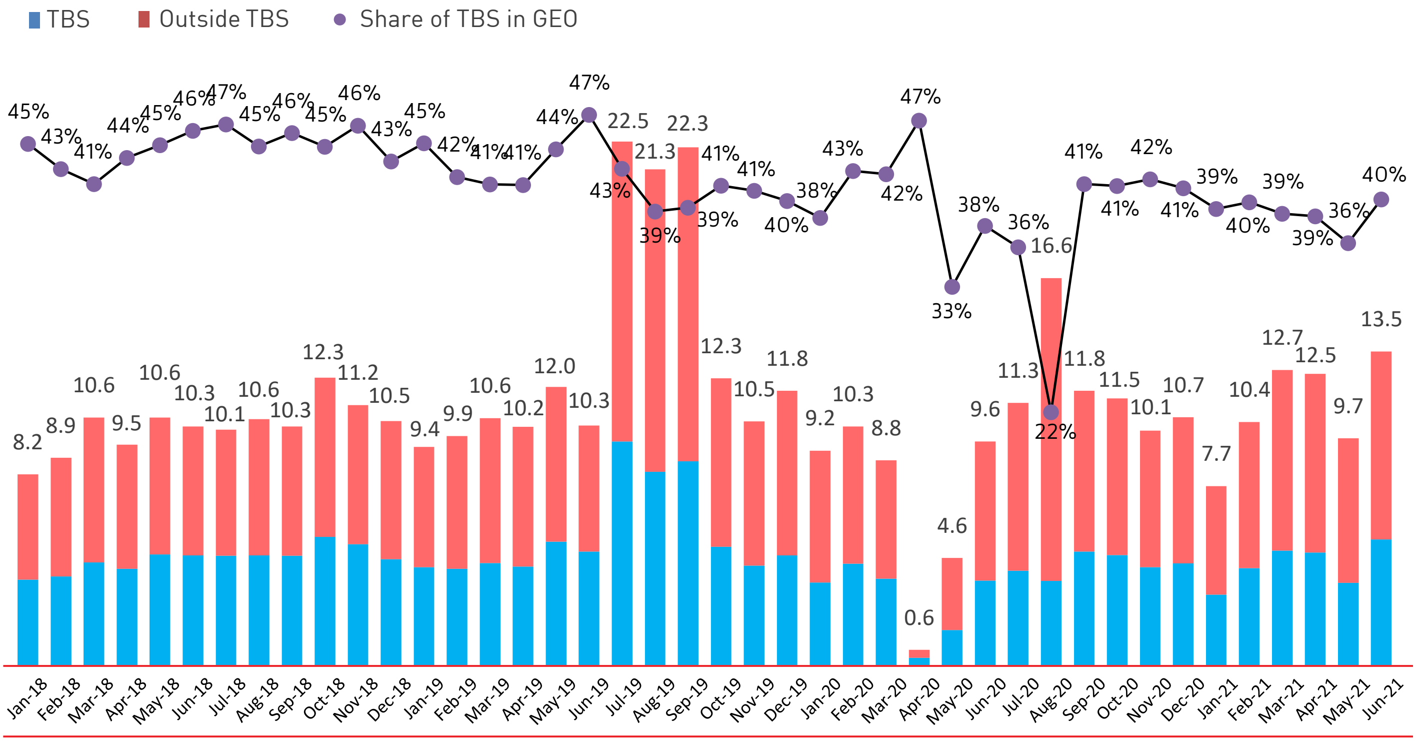
For Q2 2021, the TOP 3 GEO regions by sales

Tbilisi (13,762 units, 38.5%)
Adjara (4,243 units, 11.9%)
Kakheti (3,570 units, 10.0%)

For Q1 2021, the TOP 3 Tbilisi districts by sales were:

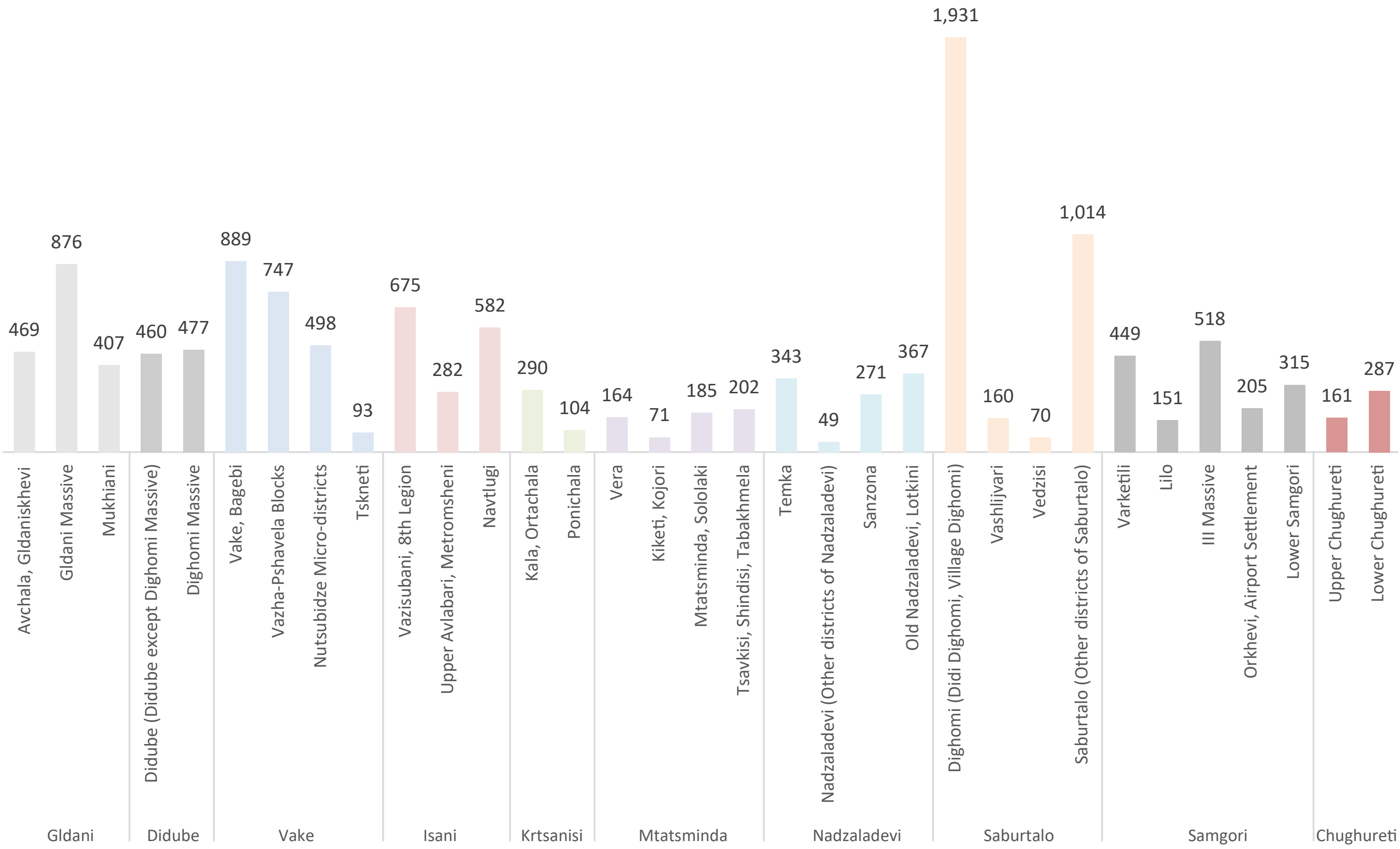
Dighomi (Didi Dighomi, Dighomi Village) (1,931 units, 14.0%)
Saburtalo (Excluding Dighomi, Vashlijvari, and Vedzisi) (1,014 units, 7.4%)
Vake-Bagebi (889 units, 6.5%)

Chart 10: Number of Real Property Sales (thousands), Tbilisi and Georgia (monthly for 2018-2021)



Source: REM lab 2021

Chart 11: Number of Real Property Sales, Tbilisi Districts (Q2 2021)



Note: The district division of Tbilisi is based on Resolution №16-35, on the division of administrative units into districts, within the administrative boundaries of the Tbilisi Municipality.

Table 7: Number of Real Property Sales, Regions of Georgia (Q2 2021)

REGION	NUMBER (UNIT)	SHARE IN GEO (%)	YoY change (%)
Tbilisi	13,762	39%	153%
Adjara	4,243	12%	257%
Guria	858	2%	142%
Imereti	2,909	8%	136%
Kakheti	3,570	10%	87%
Mtskheta-Mtianeti	2,540	7%	107%
Racha-Lechkhumi & Kvemo Svaneti	317	1%	312%
Samegrelo-Zemo Svaneti	1,515	4%	146%
Samtskhe-Javakheti	1,119	3%	137%
Kvemo Kartli	2,837	8%	115%
Shida Kartli	2,065	6%	99%

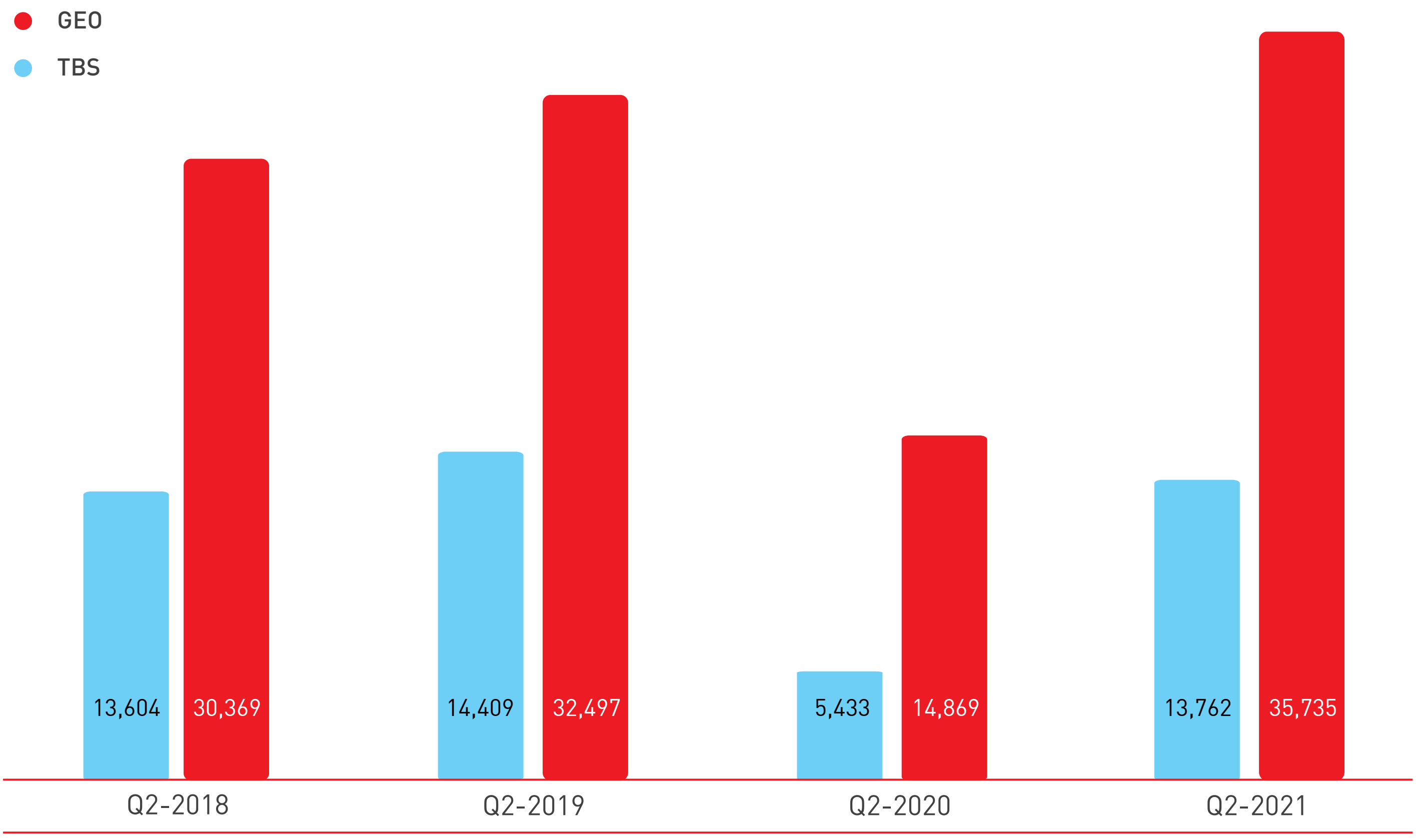
Source: NAPR 2021

Table 8: Number of Real Property Sales, Top Cities & Municipalities (Q2 2021)

CITY/MUNICIPALITY	NUMBER (UNIT)	SHARE IN GEO (%)
TBILISI	13,762	39%
BATUMI	3,724	10%
MTSKHETA MUN	1,526	4%
GORI MUN	1,099	3%
GARDABANI MUN	859	2%

Source: NAPR 2021

Chart 12: Number of Real Property Sales, Tbilisi and Georgia (Q2 2018-2021)



Source: TCH|MDS 2020

TBILISI REAL PROPERTY SUPPLY

In Q2 2021, a total 141 new buildings, with an area of 171,656 m2, were completed in Tbilisi. The capital's real property supply, compared to Q2 2020, increased by number of buildings (48.4% YoY) but declined slightly in their total area (-4.8% YoY).

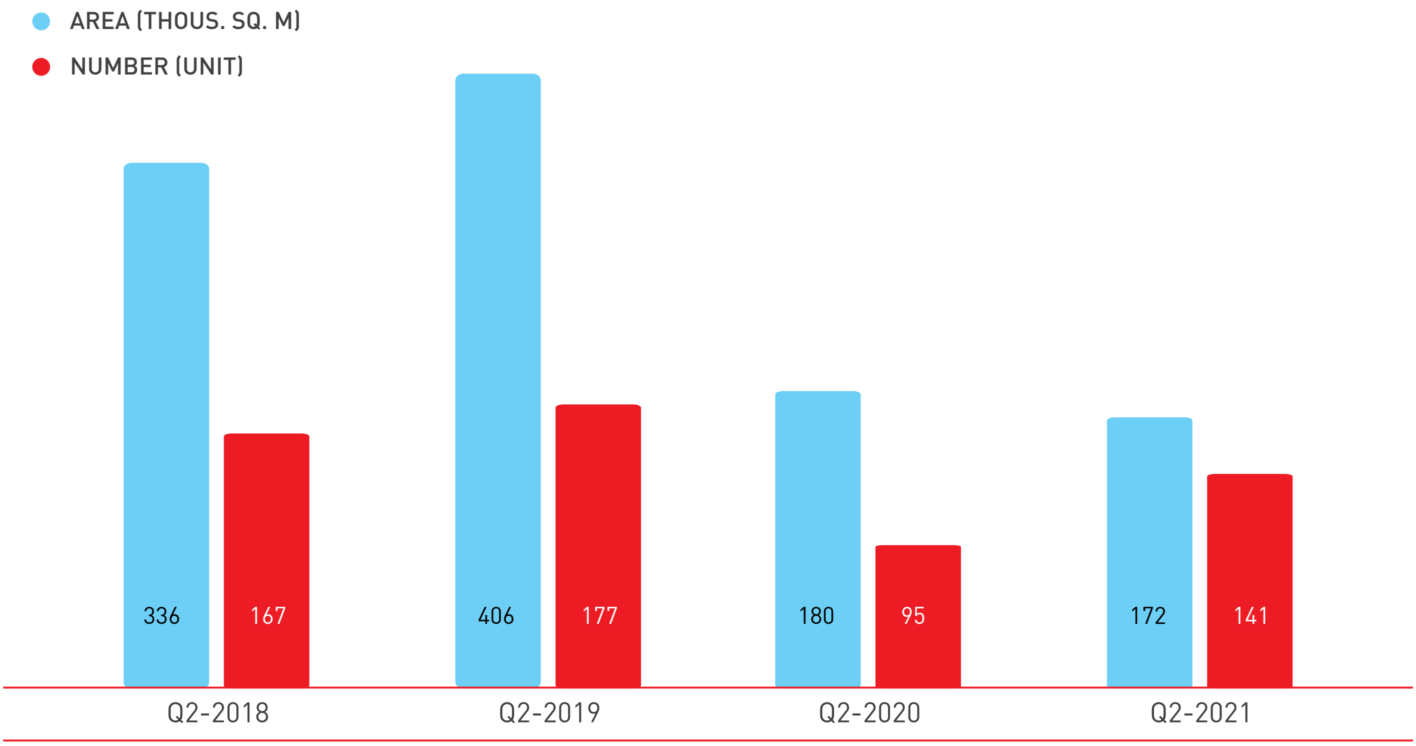
In Q2 2021 Tbilisi's new real property supply was composed of the following: 117 units of residential buildings (with a total area of 96,807 m2), 16 commercial buildings (with a total area of 23,795 m2), and 8 multi-functional buildings (with a total area of 51,054 m2).

The annual change in the number of buildings was positive through April-June 2021, with the highest increase in April 2021 (269.2% YoY), compared to 2020. Considering the total area of buildings, the annual change was negative for only May 2021 (-45.9% YoY).

In Q2 2021, the largest share of new building area (16.9% of total area) was completed in Vazha-Pshavela Blocks, followed by Avchala-Gldaniskhevi (16.7%).

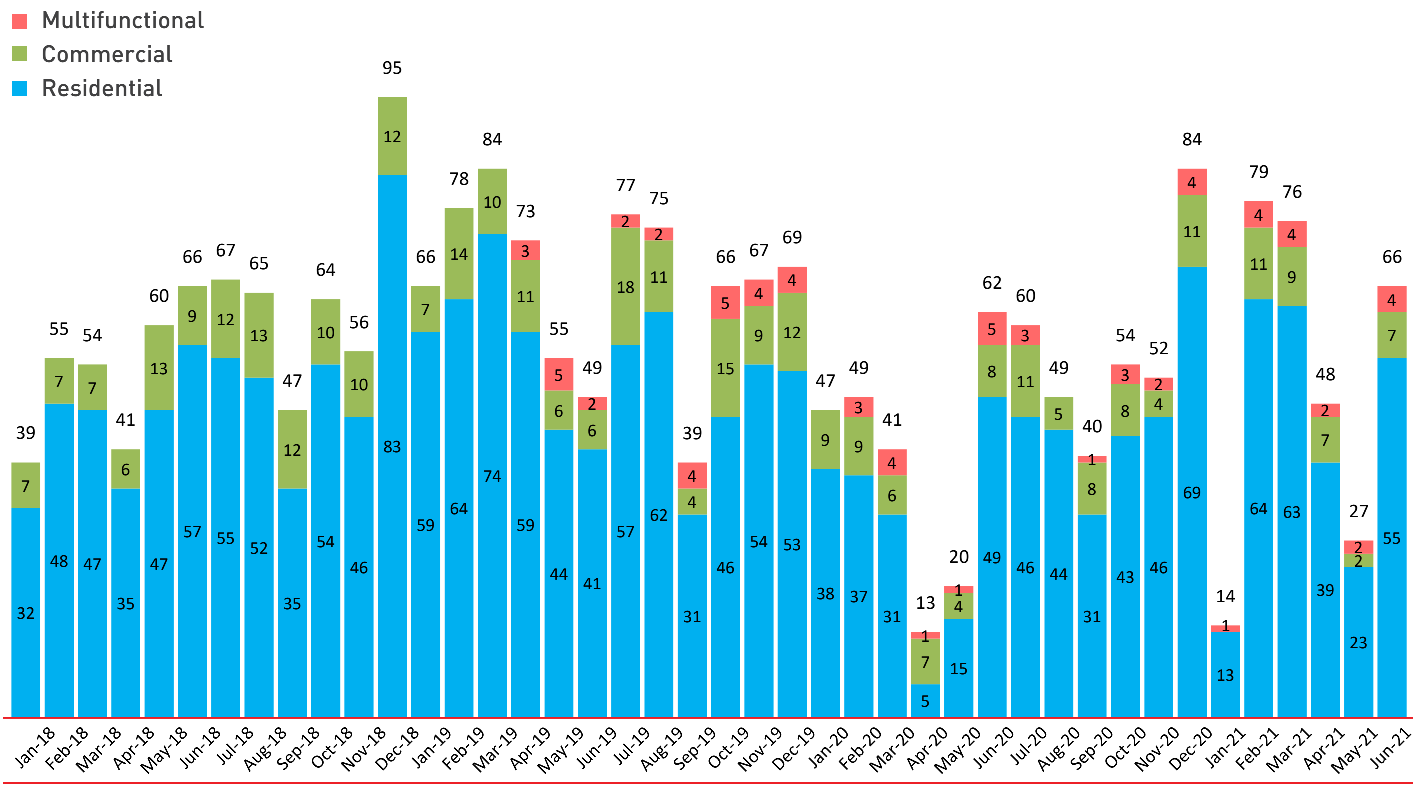
Multi-functional buildings (MF) have been identified as a separate category, since at this stage it is impossible to define which part is commercial and which residential.

Chart 13: Supply of New Buildings, Unit & Area, Tbilisi (Q2, 2018-2021)



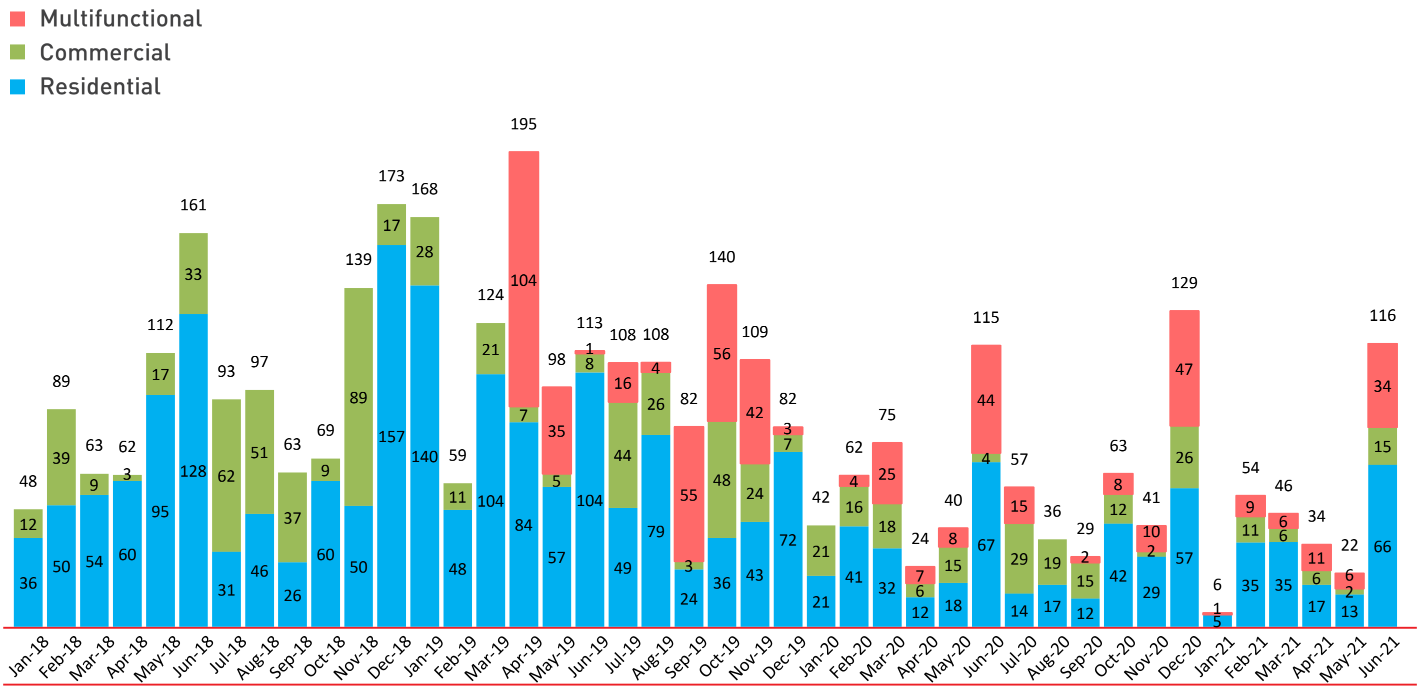
Source: TCH|MDS 2020

Chart 14: Supply of New Buildings, Units, Tbilisi (monthly for 2018-2021)



Source: REM lab 2021

Chart 15: Supply of New Buildings, Area (Thous. Sq. m), Tbilisi (monthly for 2018-2021)



Source: REM lab 2021

Table 9: Supply of New Buildings, Tbilisi Districts (Q2, 2020-2021)

		2020 Q2		2021 Q2		YoY change	
		ALL (UNIT)	ALL (SQ.M)	ALL (UNIT)	ALL (SQ.M)	ALL (UNIT)	ALL (SQ.M)
Gldani	Avchala, Gldaniskhevi	4	1,160	6	28,737	50%	2377%
	Gldani Massive	2	465	4	1,021	100%	119%
	Mukhiani	4	9,981	3	4,811	-25%	-52%
Didube	Didube (Didube except Dighomi Massive)			2	11,624		
	Dighomi Massive			2	2,925		
Vake	Vake, Bagebi	5	35,459	3	7,464	-40%	-79%
	Vazha-Pshavela Blocks	5	15,816	3	29,028	-40%	84%
	Nutsubidze Micro-districts	6	1,399	8	2,199	33%	57%
	Tskneti	6	3,132	6	2,113	0%	-33%
Isani	Vazisubani, 8th Legion	3	8,020	1	6,787	-67%	-15%
	Upper Avlabari, Metromsheni	1	432	7	2,265	600%	424%
	Navtlugi	2	173	2	6,970	0%	3933%
Krtsanisi	Kala, Ortachala	5	5,223	2	3,190	-60%	-39%
	Ponichala	1	548	1	869	0%	58%
Mtatsminda	Vera	1	192			-100%	-100%
	Kiketi, Kojori	2	510	3	607	50%	19%
	Mtatsminda, Sololaki						
	Tsavkisi, Shindisi, Tabakhmela	4	869	14	3,822	250%	340%
Nadzaladevi	Temka						
	Nadzaladevi (Other districts of Nadzaladevi)						
	Sanzona	4	14,083	2	3,916	-50%	-72%
	Old Nadzaladevi, Lotkini	2	809	2	4,472	0%	453%
Saburtalo	Dighomi (Didi Dighomi, Village Dighomi)	22	37,742	39	13,586	77%	-64%
	Vashlijvari	1	1,021	4	2,332	300%	128%
	Vedzisi	1	211	1	1,109	0%	425%
	Saburtalo (Other districts of Saburtalo)	1	7,644	1	543	0%	-93%
Samgori	Varketili			6	12,557		
	Lilo	2	2,566	1	1,806	-50%	-30%
	III Massive	2	10,921	3	11,015	50%	1%
	Orkhevi, Airport Settlement	2	7,903	4	1,005	100%	-87%
	Lower Samgori	1	1,002	3	776	200%	-23%
Chughureti	Upper Chughureti	5	12,913	6	1,457	20%	-89%
	Lower Chughureti	1	58	2	2,649	100%	4477%

Source: REM lab 2021

BATUMI & KUTAISI REAL PROPERTY HIGHLIGHTS

In Q2 2021, the real property market increased significantly (259% YoY) in Batumi and (153% YoY) Kutaisi. Resultingly, 3,724 transactions were registered in Batumi and 844 in Kutaisi.

The SPI for Batumi residential properties increased by 1.4% (YoY) and settled at 83.5 index points in Q2 2021. Compared to the previous quarter, the Batumi SPI decreased by 1.5% (QoQ).

For Kutaisi, the SPI increased by 2.2% (YoY) and amounted to 126.9 points. Compared to the previous quarter, the Kutaisi SPI decreased by 6.1% (QoQ).

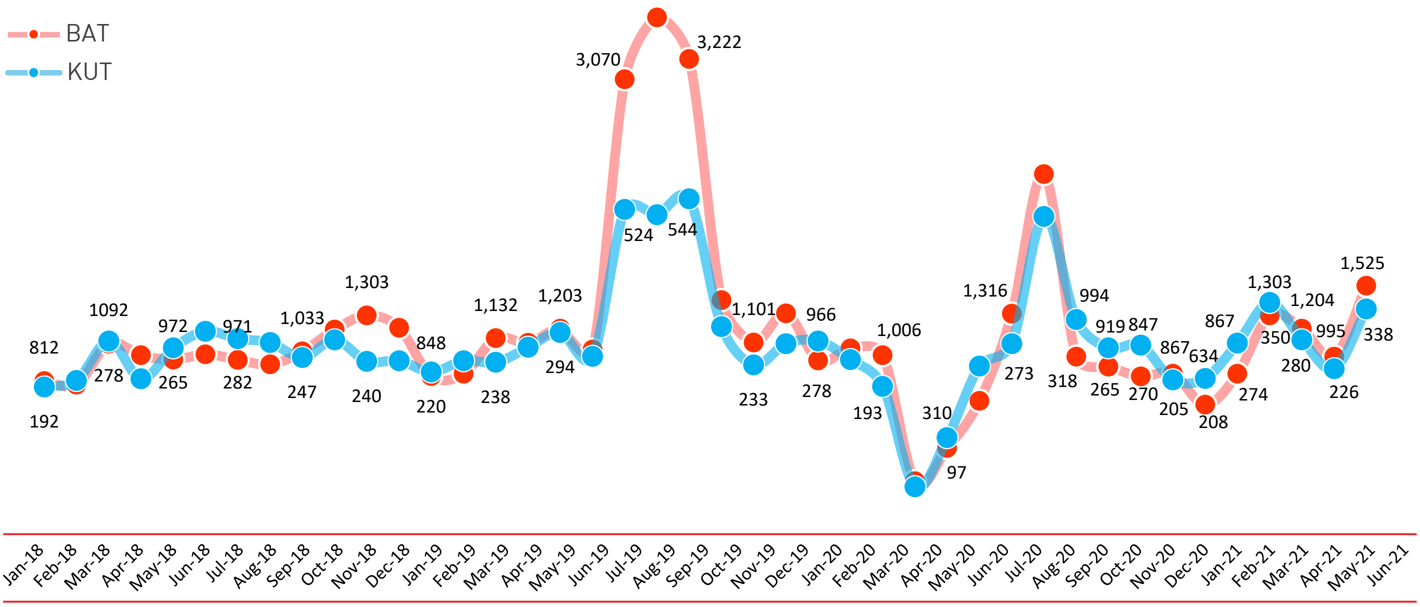
In Q2 2021, the ASP of residential properties decreased by 4.9% YoY (3.1% QoQ) in Batumi and increased by 11.0% YoY (-4.1% QoQ) in Kutaisi, amounting to 711 and 438 USD per m2, respectively.

Table 10: Number of Real Property Sales, Batumi & Kutaisi (monthly for 2019-2021)

M-Y	BAT(UNIT)	MoM(%)	YoY (%)	KUT(UNIT)	MoM(%)	YoY (%)
Jan-19	848	-29.9%	4.4%	220	-8.7%	14.6%
Feb-19	866	2.1%	10.3%	241	9.5%	18.1%
Mar-19	1132	30.7%	3.7%	238	-1.2%	-14.4%
Apr-19	1097	-3.1%	9.2%	266	11.8%	28.5%
May-19	1203	9.7%	23.8%	294	10.5%	10.9%
Jun-19	1046	-13.1%	3.4%	249	-15.3%	-15.9%
Jul-19	3070	193.5%	216.2%	524	110.4%	85.8%
Aug-19	3534	15.1%	277.6%	514	-1.9%	86.9%
Sep-19	3222	-8.8%	211.9%	544	5.8%	120.2%
Oct-19	1417	-56.0%	18.5%	305	-43.9%	8.9%
Nov-19	1101	-22.3%	-15.5%	233	-23.6%	-2.9%
Dec-19	1318	19.7%	8.9%	273	17.2%	13.3%
Jan-20	966	-26.7%	13.9%	278	1.8%	26.4%
Feb-20	1055	9.2%	21.8%	243	-12.6%	0.8%
Mar-20	1006	-4.6%	-11.1%	193	-20.6%	-18.9%
Apr-20	63	-93.7%	-94.3%	5	-97.4%	-98.1%
May-20	310	392.1%	-74.2%	97	1840.0%	-67.0%
Jun-20	664	114.2%	-36.5%	231	138.1%	-7.2%
Jul-20	1316	98.2%	-57.1%	273	18.2%	-47.9%
Aug-20	2361	79.4%	-33.2%	511	87.2%	-0.6%
Sep-20	994	-57.9%	-69.1%	318	-37.8%	-41.5%
Oct-20	919	-7.5%	-35.1%	265	-16.7%	-13.1%
Nov-20	847	-7.8%	-23.1%	270	1.9%	15.9%
Dec-20	867	2.4%	-34.2%	205	-24.1%	-24.9%
Jan-21	634	-26.9%	-34.4%	208	1.5%	-25.2%
Feb-21	867	36.8%	-17.8%	274	31.7%	12.8%
Mar-21	1303	50.3%	29.5%	350	27.7%	81.3%
Apr-21	1204	-7.6%	1811.1%	280	-20.0%	5500.0%
May-21	995	-17.4%	221.0%	226	-19.3%	133.0%
Jun-21	1525	53.3%	129.7%	338	49.6%	46.3%

Source: REM lab 2021

Chart 16: Number of Real Property Sales, Batumi & Kutaisi (monthly for 2018-2021)



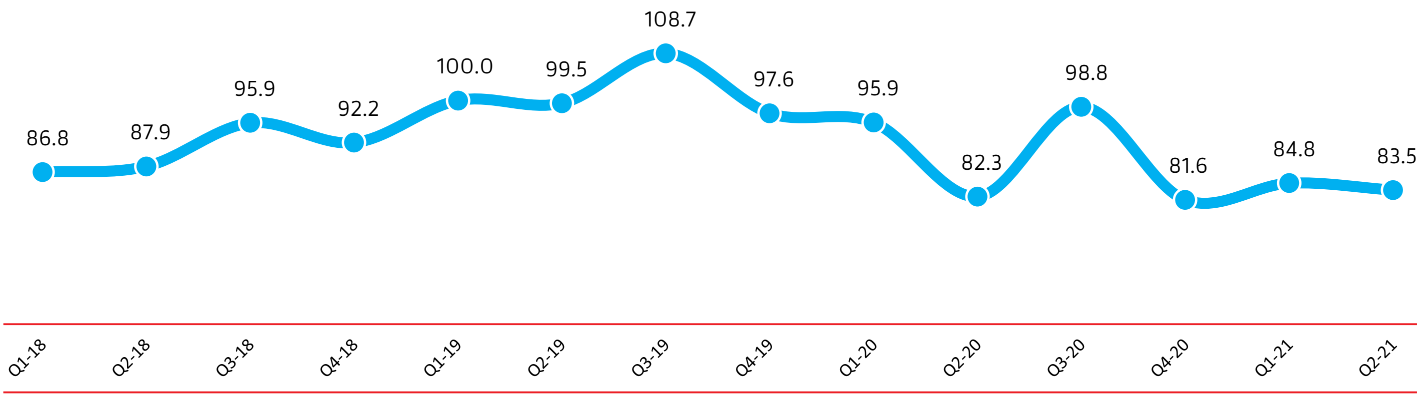
Source: REM lab 2021

Table 11: ASP for Residential Properties, Batumi (quarterly, 2018-2021)

Q-Y	ASP (USD)	QoQ (%)	ASP (GEL)	QoQ (%)
Q1-18	772		1919	
Q2-18	795	3.0%	1945	1.3%
Q3-18	802	0.9%	2030	4.4%
Q4-18	842	5.0%	2253	11.0%
Q1-19	827	-1.8%	2207	-2.0%
Q2-19	834	0.8%	2285	3.5%
Q3-19	798	-4.3%	2330	2.0%
Q4-19	783	-1.9%	2306	-1.0%
Q1-20	760	-2.9%	2223	-3.6%
Q2-20	745	-2.0%	2337	5.1%
Q3-20	755	1.4%	2344	0.3%
Q4-20	738	-2.3%	2414	3.0%
Q1-21	690	-6.5%	2286	-5.3%
Q2-21	711	3.1%	2364	3.4%

Source: REM lab 2021

Chart 17: SPI of Residential Property, Batumi (quarterly, 2018-2021)



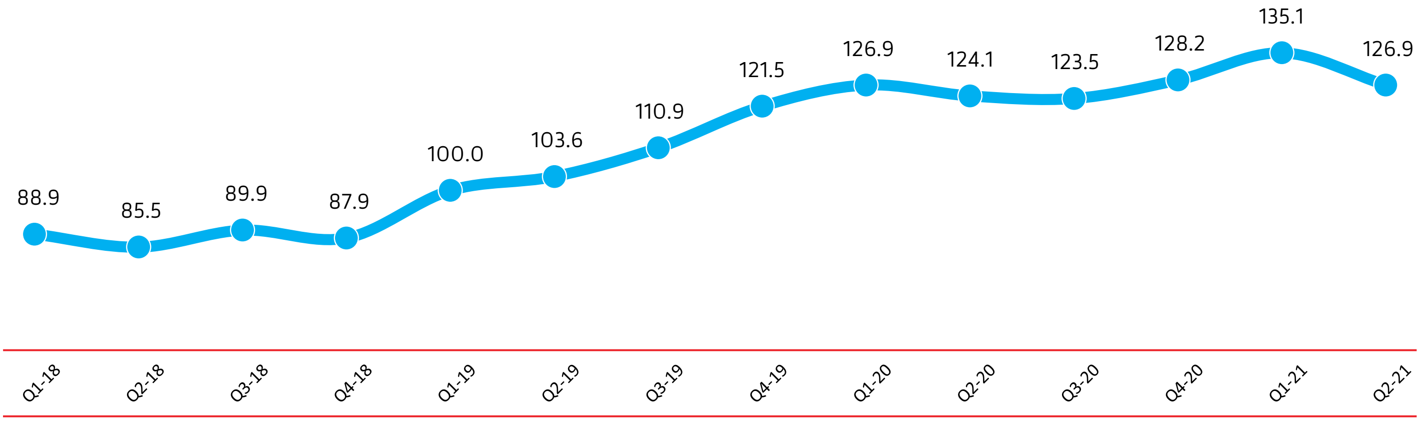
Source: REM lab 2021

Table 12: ASP for Residential Properties, Kutaisi (quarterly, 2018-2021)

Q-Y	ASP (USD)	QoQ (%)	ASP (GEL)	QoQ (%)
Q1-18	391		973	
Q2-18	351	-10.2%	859	-11.6%
Q3-18	391	11.2%	989	15.1%
Q4-18	399	2.0%	1067	7.9%
Q1-19	417	4.5%	1112	4.2%
Q2-19	374	-10.3%	1024	-7.9%
Q3-19	444	18.7%	1296	26.6%
Q4-19	440	-0.9%	1295	0.0%
Q1-20	409	-7.0%	1196	-7.6%
Q2-20	395	-3.4%	1239	3.6%
Q3-20	404	2.3%	1254	1.2%
Q4-20	431	6.7%	1410	12.4%
Q1-21	457	6.0%	1514	7.4%
Q2-21	438	-4.1%	1458	-3.7%

Source: REM lab 2021

Chart 18: SPI for Residential Properties, Kutaisi (quarterly, 2018-2021)



Source: REM lab 2021

Table 13: Monthly Trend of USD|GEL Exchange Rate (2019-2021)

M-Y	USD/GEL	MoM(%)	YoY (%)
Jan-19	2.6654	-0.1%	4.6%
Feb-19	2.6531	-0.5%	7.7%
Mar-19	2.6841	1.2%	9.9%
Apr-19	2.6943	0.4%	11.1%
May-19	2.7465	1.9%	11.9%
Jun-19	2.7767	1.1%	13.0%
Jul-19	2.8686	3.3%	17.2%
Aug-19	2.9263	2.0%	15.5%
Sep-19	2.9646	1.3%	13.6%
Oct-19	2.9653	0.0%	11.4%
Nov-19	2.9673	0.1%	10.0%
Dec-19	2.9055	-2.1%	8.9%
Jan-20	2.8829	-0.8%	8.2%
Feb-20	2.8516	-1.1%	7.5%
Mar-20	3.0407	6.6%	13.3%
Apr-20	3.1717	4.3%	17.7%
May-20	3.1980	0.8%	16.4%
Jun-20	3.0419	-4.9%	9.5%
Jul-20	3.0628	0.7%	6.8%
Aug-20	3.0735	0.3%	5.0%
Sep-20	3.1723	3.2%	7.0%
Oct-20	3.2177	1.4%	8.5%
Nov-20	3.3087	2.8%	11.5%
Dec-20	3.2864	-0.7%	13.1%
Jan-21	3.2973	0.3%	14.4%
Feb-21	3.3092	0.4%	16.0%
Mar-21	3.3356	0.8%	9.7%
Apr-21	3.4367	3.0%	8.4%
May-21	3.3813	-1.6%	5.7%
Jun-21	3.1616	-6.5%	3.9%

Source: REM lab 2021