

REAL ESTATE MARKET

TBILISI | BATUMI | KUTAI SI

18 | Jan-Dec 2020

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 Tbilisi Residential Sales Price Index (SPI) showed no significant fluctuations from the beginning of 2020; varying between 113 and 114 index points (the index equals 100 in the base period, January 2019). However, the COVID-19 pandemic and consequent economic effect of the lockdown hit the real estate market, resulting in significant deterioration of the SPI, which decreased by 4.1% (MoM) from April to May and a further 2.7% (MoM) from May to June. For the remainder of the year, the SPI presented an upward trend, reaching a peak in December 2020 of 114.6 index points. It is worth noting that the trend did not continue into 2021, with the SPI settling at 110.7 index points in January.

Unlike the SPI, the Rent Price Index (RPI) was characterized by a consistent downward trend throughout 2020, with the largest drops occurring during lockdown periods. More specifically, the RPI decreased by 5.9% (MoM) between April-May 2020, and by a further 7.0% from August to November 2020. Similar to the SPI, the RPI has a spike in December 2020, however it fell in January 2021 and settled at 78.2 index points.

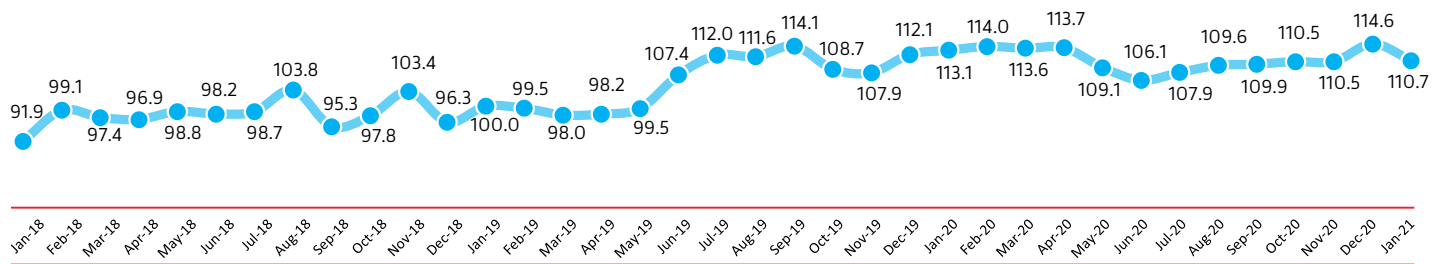
During 2020, the Average Sales Price (ASP) in Tbilisi varied between 914 and 958 USD per m² (monthly average), with an overall upward trend. Much like the SPI, the impact of the lockdowns is visible in average prices, resulting in a significant decrease throughout both phases of the lockdown – April to June and September to November. Between lockdowns and before April, the ASP presented an upward trend. Following a decrease in November 2020, the ASP spiked in December 2020, however it fell again in January 2021, reaching 942 USD per m².

Dissimilar to the ASP, the Average Rental Price (ARP) held a downward trend throughout 2020, varying between 6.0 USD and 7.0 USD per m² (monthly average). The ARP peaked in December 2020, however, like the ASP it decreased again in January 2021, settling at 5.9 USD per m².

In 2020, the most expensive districts by ASP were Mtatsminda-Sololaki (1,390 USD), Vera (1,188 USD), and Vake-Bagebi (1,121 USD), while the cheapest district was Lilo at 351 USD per m². By ARP, the most expensive districts were Mtatsminda-Sololaki (9.0 USD), Tsavkisi-Shindisi-Tabakhmela (8.7 USD), and Tskneti (8.4 USD), while the cheapest was Orkhevi-Airport Settlement (2.8 USD).

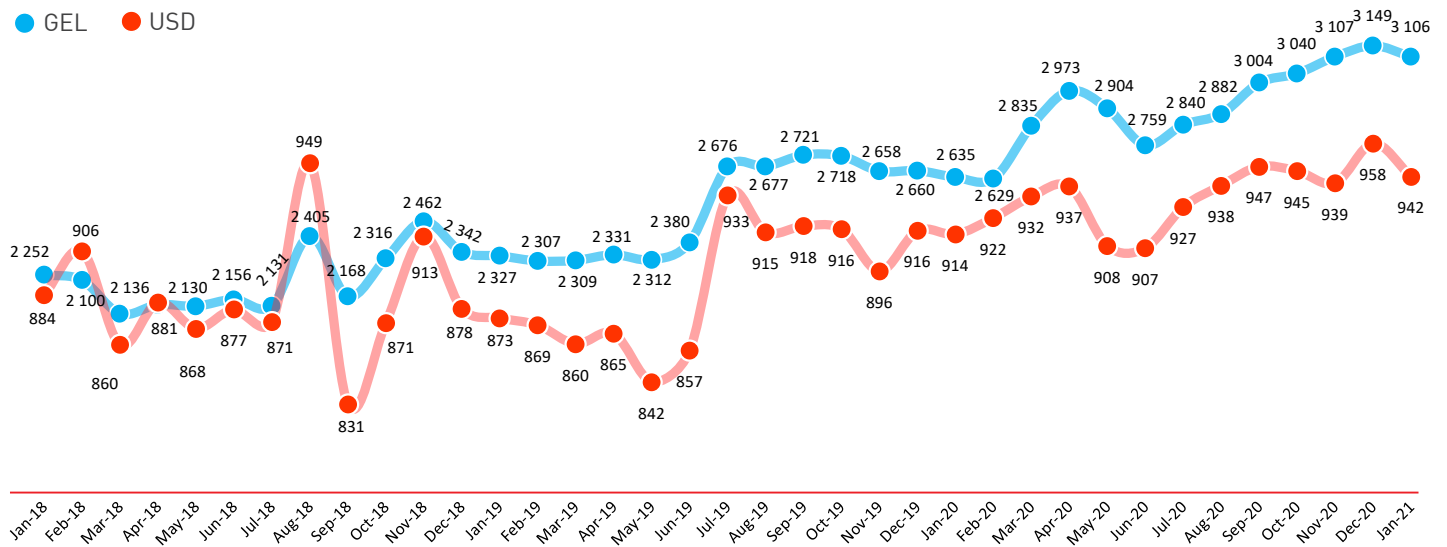
Compared to 2019, the ASP in USD increased (YoY) in all districts, except Lilo (-16%) and Orkhevi-Airport Settlement (-4%), with the greatest increase found in Tskneti (38%). The ARP (in USD) decreased (YoY) in most districts compared to 2019, with greatest decrease in Ponichala (-22%).

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)



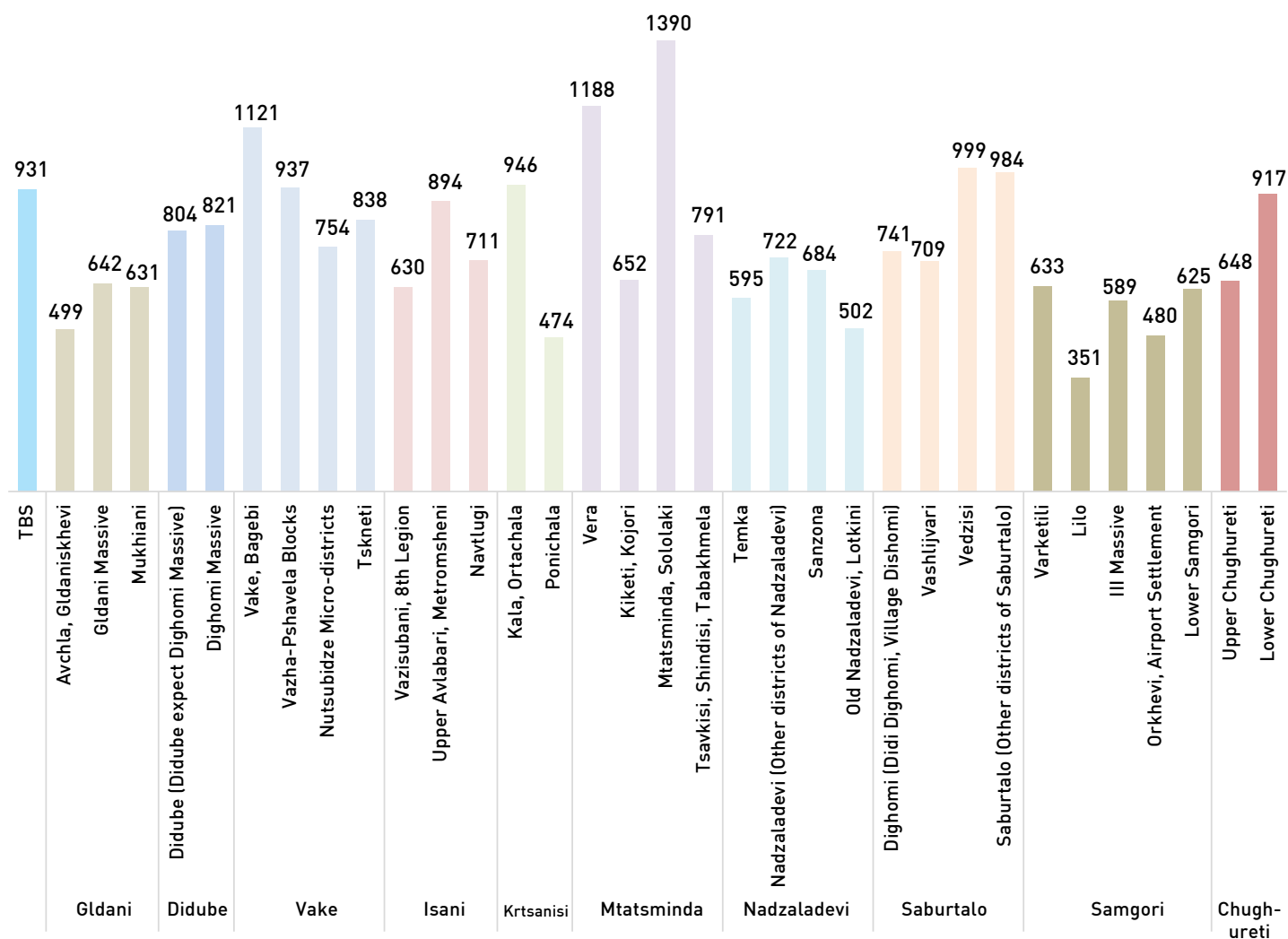
Source: REM lab 2021

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%

Source: REM lab 2021

Chart 3: ASP for Residential Properties, Tbilisi & Districts (Average 2020, USD)

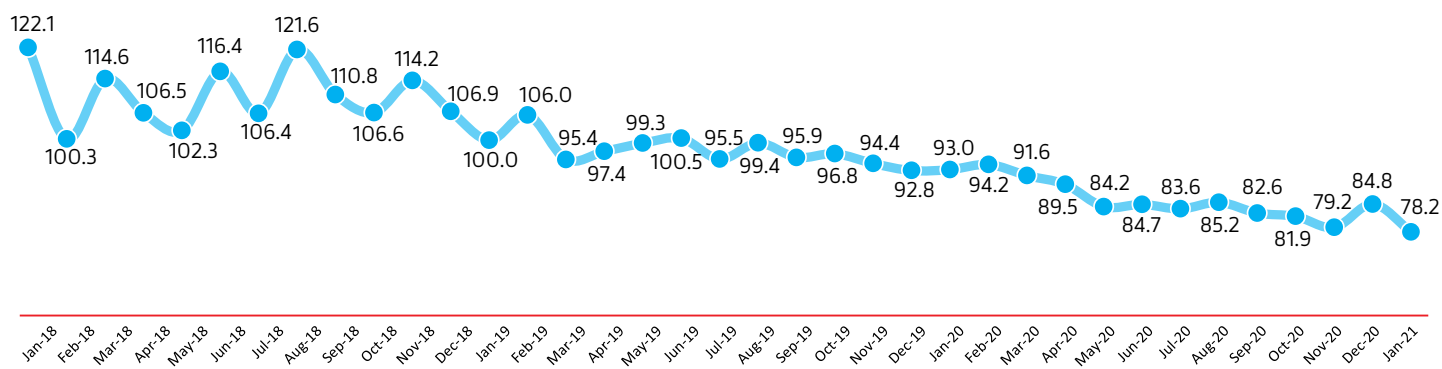


Source: REM lab 2021

Table 2: ASP for Residential Properties, Tbilisi & Districts (Average 2020)

		ASP (USD)	YoY (%)	ASP (GEL)	YoY (%)
	TBS	931	5%	2896	16%
Gldani	Avchla, Gldaniskhevi	499	8%	1555	19%
	Gldani Massive	642	13%	1996	25%
	Mukhiani	631	7%	1960	17%
Didube	Didube (Didube except Dighomi Massive)	804	10%	2500	21%
	Dighomi Massive	821	12%	2552	23%
Vake	Vake, Bagebi	1121	9%	3485	20%
	Vazha-Pshavela Blocks	937	12%	2911	23%
	Nutsubidze Micro-districts	754	12%	2348	23%
	Tskneti	838	38%	2612	52%
Isani	Vazisubani, 8th Legion	630	9%	1958	20%
	Upper Avlabari, Metromsheni	894	29%	2779	41%
	Navtlugi	711	11%	2212	22%
Krtsa-nisi	Kala, Ortachala	946	21%	2947	33%
	Ponichala	474	4%	1470	14%
Mtatsminda	Vera	1188	15%	3698	27%
	Kiketi, Kojori	652	22%	2021	33%
	Mtatsminda, Sololaki	1390	26%	4323	39%
	Tsavkisi, Shindisi, Tabakhmela	791	28%	2464	41%
Nadzaladevi	Temka	595	9%	1851	20%
	Nadzaladevi (Other districts of Nadzaladevi)	722	14%	2245	26%
	Sanzona	684	13%	2124	24%
	Old Nadzaladevi, Lotkini	502	11%	1037	-20%
Saburtalo	Dighomi (Didi Dighomi, Village Dishomi)	741	17%	2306	29%
	Vashlijvari	709	12%	2206	23%
	Vedzisi	999	12%	3106	23%
	Saburtalo (Other districts of Saburtalo)	984	11%	3060	22%
Samgori	Varketili	633	14%	1968	25%
	Lilo	351	-16%	998	-16%
	III Massive	589	13%	1835	25%
	Orkhevi, Airport Settlement	480	-4%	1494	6%
	Lower Samgori	625	12%	1942	23%
Chughureti	Upper Chughureti	648	19%	2014	30%
	Lower Chughureti	917	21%	2851	33%

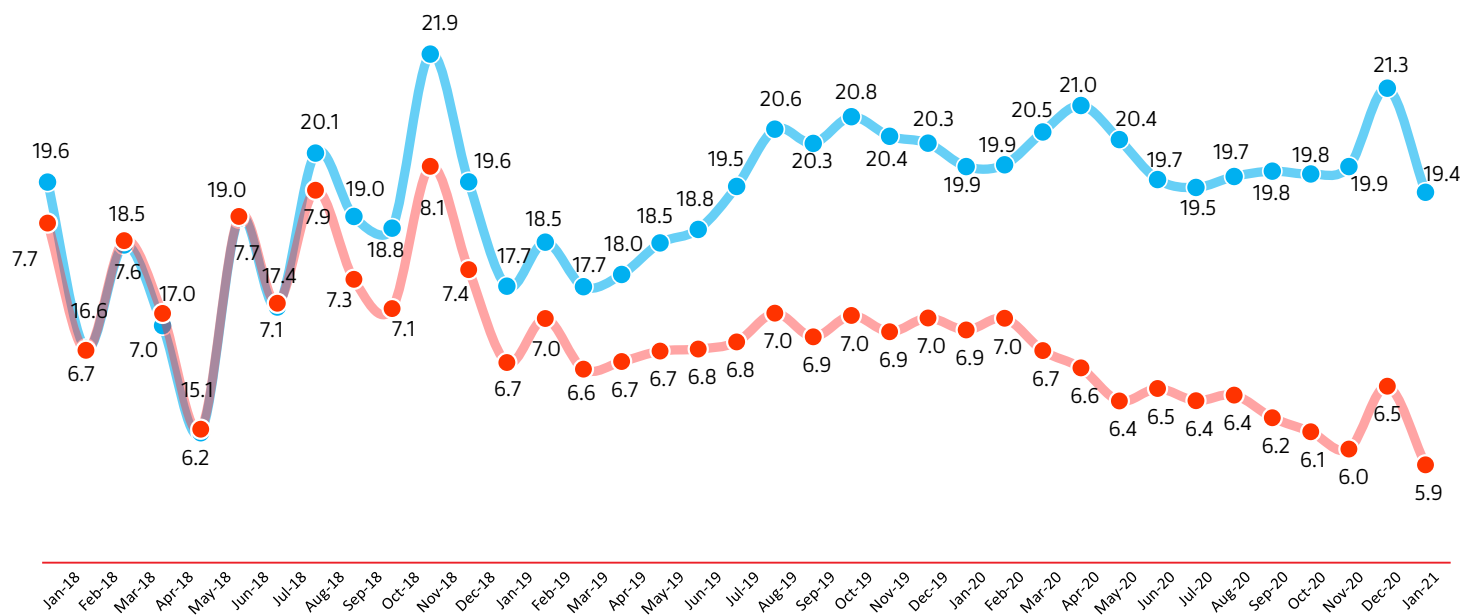
Source: REM lab 2021

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)

● GEL ● USD



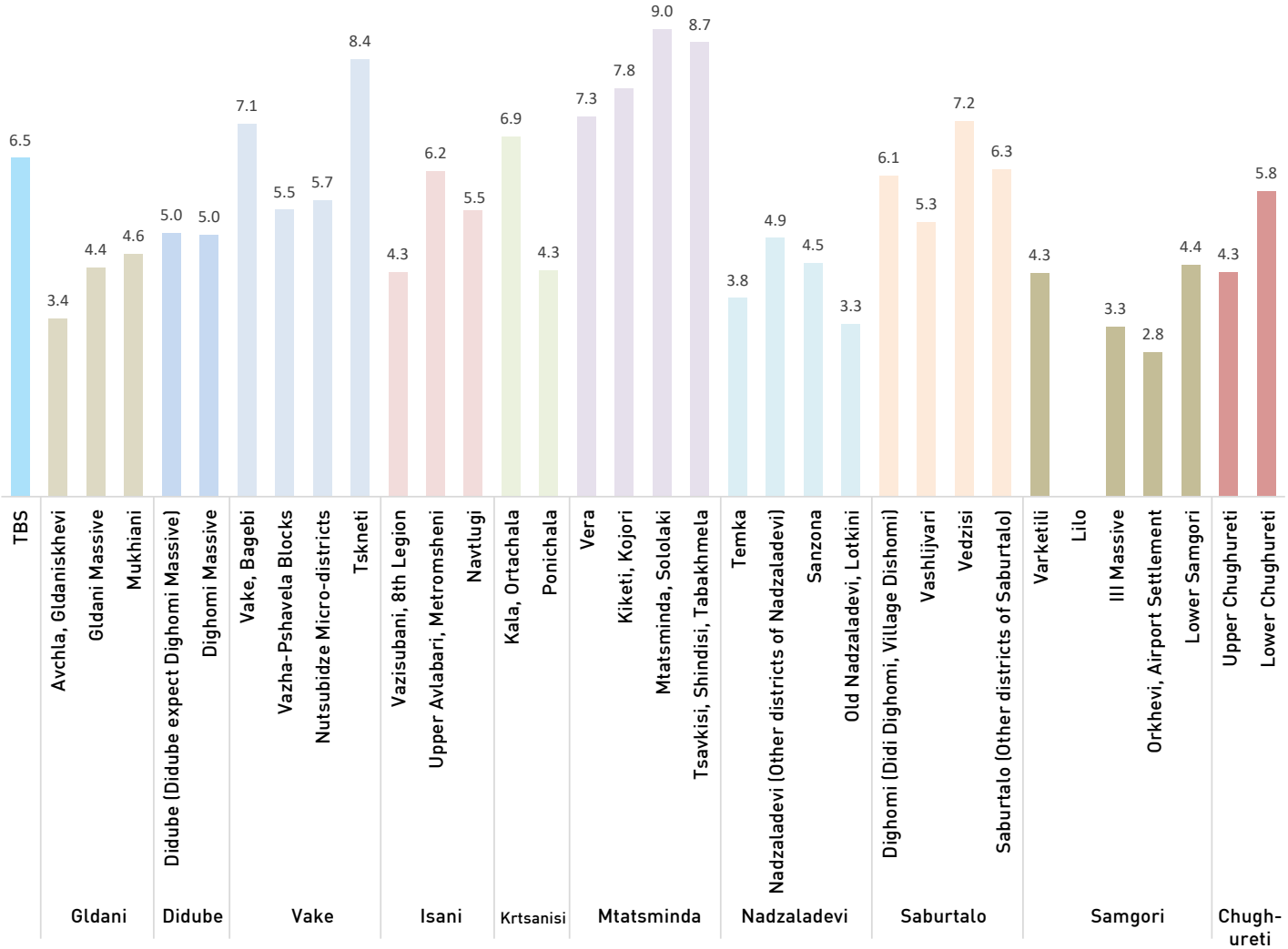
Source: REM lab 2021

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%

Source: REM lab 2021

Chart 6: ARP for Residential Properties, Tbilisi & Districts (Average 2020, USD)



Source: REM lab 2021

Table 4: ARP for Residential Properties, Tbilisi & Districts (Average 2020)

		ARP (USD)	YoY (%)	ASP (GEL)	YoY (%)
	TBS	6.5	-4%	20.1	6%
Gldani	Avchla, Gldaniskhevi	3.4	5%	7.2	21%
	Gldani Massive	4.4	10%	13.6	20%
	Mukhiani	4.6	-10%	14.4	-1%
Didube	Didube (Didube except Dighomi Massive)	5.0	-8%	15.7	1%
	Dighomi Massive	5.0	-1%	15.5	10%
Vake	Vake, Bagebi	7.1	-6%	22.1	4%
	Vazha-Pshavela Blocks	5.5	-14%	17.0	-5%
	Nutsubidze Micro-districts	5.7	-5%	17.6	4%
	Tskneti	8.4	-5%	26.0	5%
Isani	Vazisubani, 8th Legion	4.3	5%	13.3	15%
	Upper Avlabari, Metromsheni	6.2	-10%	19.3	-1%
	Navtlugi	5.5	-5%	17.0	4%
Krtsa-nisi	Kala, Ortachala	6.9	-7%	21.4	3%
	Ponichala	4.3	-22%	13.5	-14%
Mtatsminda	Vera	7.3	-7%	22.5	2%
	Kiketi, Kojori	7.8	-1%	24.4	11%
	Mtatsminda, Sololaki	9.0	-9%	27.8	0%
	Tsavkisi, Shindisi, Tabakhmela	8.7	7%	27.0	18%
Nadzaladevi	Temka	3.8	-4%	11.7	5%
	Nadzaladevi (Other districts of Nadzaladevi)	4.9	4%	15.3	14%
	Sanzona	4.5	0%	13.8	10%
	Old Nadzaladevi, Lotkini	3.3	14%	6.1	2%
Saburtalo	Dighomi (Didi Dighomi, Village Dishomi)	6.1	1%	19.1	11%
	Vashlijvari	5.3	-1%	16.3	9%
	Vedzisi	7.2	-10%	22.2	-2%
	Saburtalo (Other districts of Saburtalo)	6.3	-8%	19.4	1%
Samgori	Varketili	4.3	7%	13.3	18%
	Lilo				
	III Massive	3.3	-11%	8.3	-12%
	Orkhevi, Airport Settlement	2.8		3.6	
	Lower Samgori	4.4	-8%	13.8	1%
Chughureti	Upper Chughureti	4.3	-37%	12.3	22%
	Lower Chughureti	5.8	-4%	18.1	6%

Source: REM lab 2021

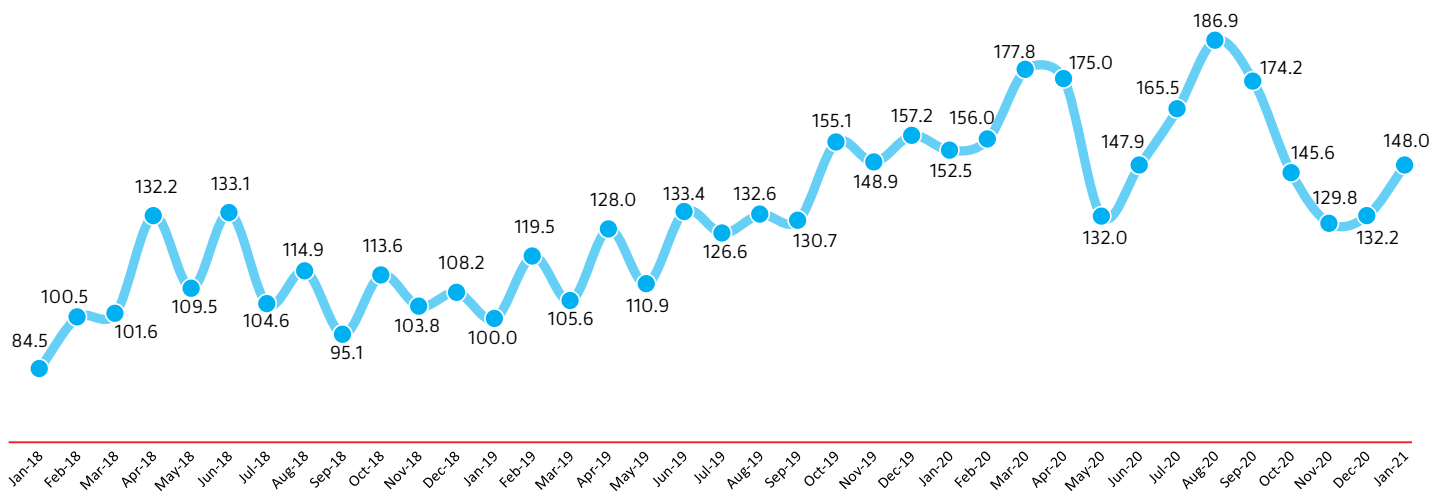
TBILISI COMMERCIAL PROPERTY PRICE HIGHLIGHTS

The SPI for commercial property in 2020 was particularly volatile and highly dependent on COVID-19 lockdown periods. The SPI started with a significant increase, following an even bigger decrease through March-May. Alongside the reopening of the economy in the summer, the SPI for commercial properties started to climb, reaching 186.9 index points in August. Though throughout the second lockdown phase the SPI declined, until a relative relaxation of restrictions in December 2020 (a 1.8% MoM increase). This increasing trend also continued in January 2021 when the SPI reached 148 index points.

Similar to the SPI, the RPI for commercial property was also volatile throughout 2020, with downward movements during both phases of the COVID-19 lockdowns. The RPI had a temporary spike in December 2020, though it decreased again in January 2021 to 86.2 index points.

Throughout 2020, the ASP varied between 995 USD and 1,084 USD per m², and the ARP between 7.3 USD and 8.3 USD per m². Both ASP and ARP demonstrated decreasing patterns during the lockdown periods of 2020.

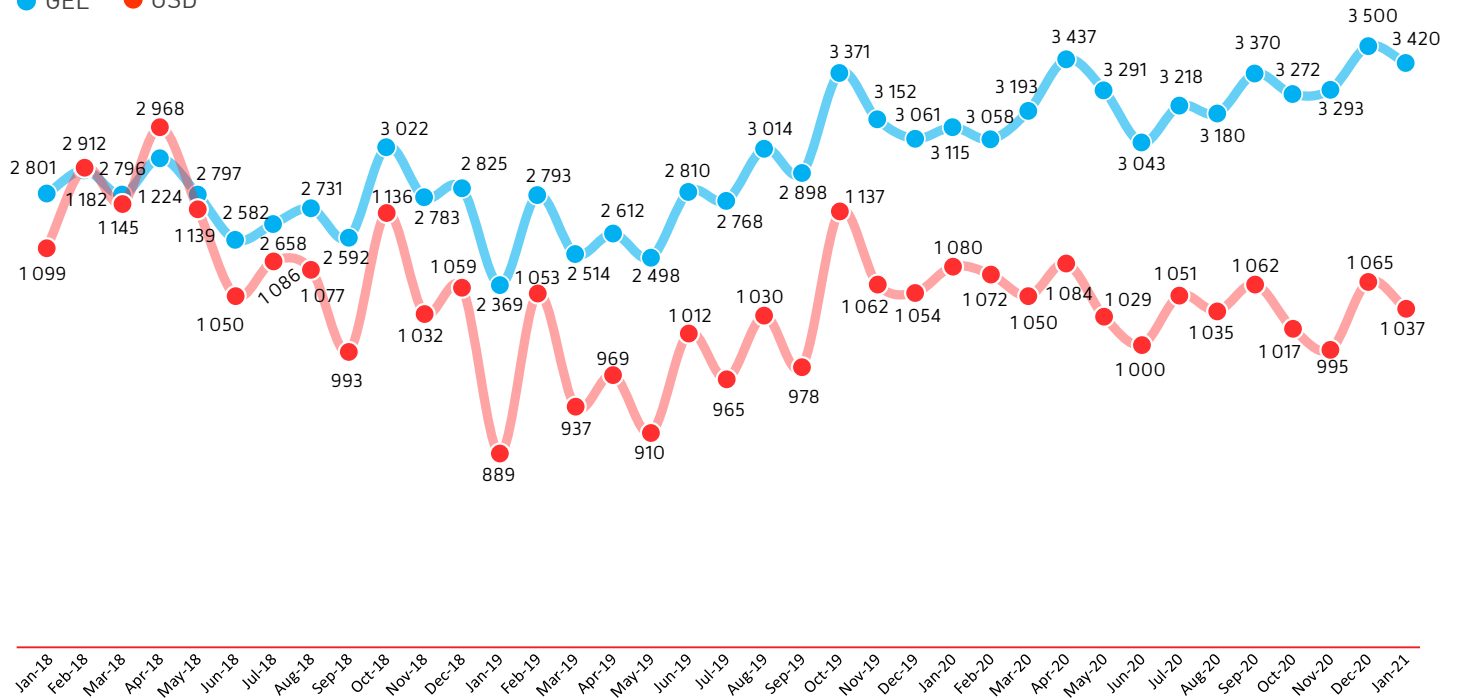
On average, for commercial properties in 2020 the ASP increased by 4.6% (YoY) compared to 2019, and reached 1,045 USD per m². Whereas the ARP decreased by 8% (YoY) and reached 7.7 USD per m².

Chart 6: SPI for Commercial Properties, Tbilisi (monthly for 2018-2021)

Source: REM lab 2021

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

● GEL ● USD

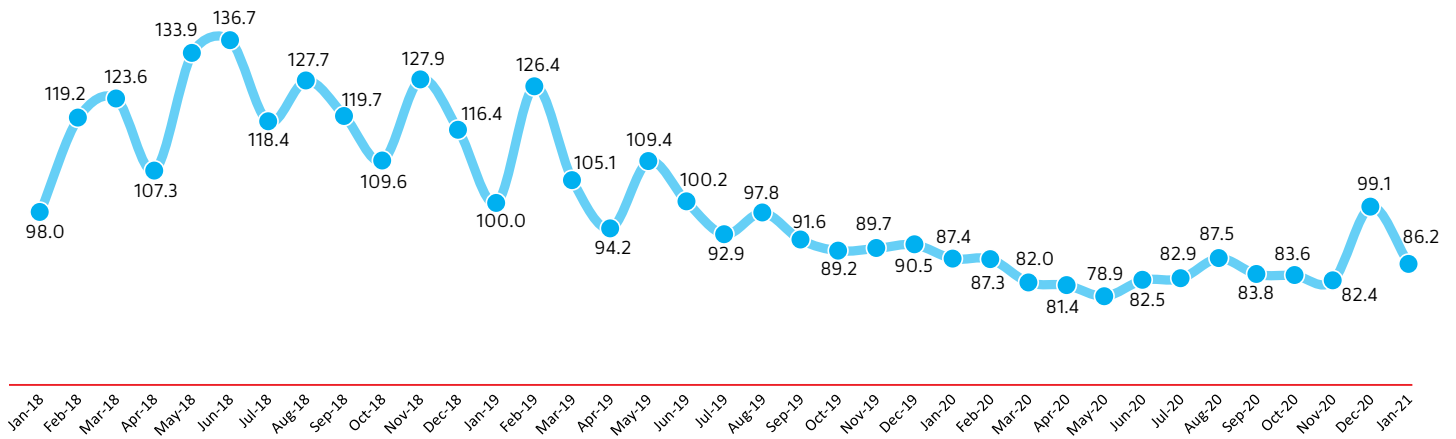


Source: REM lab 2021

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%

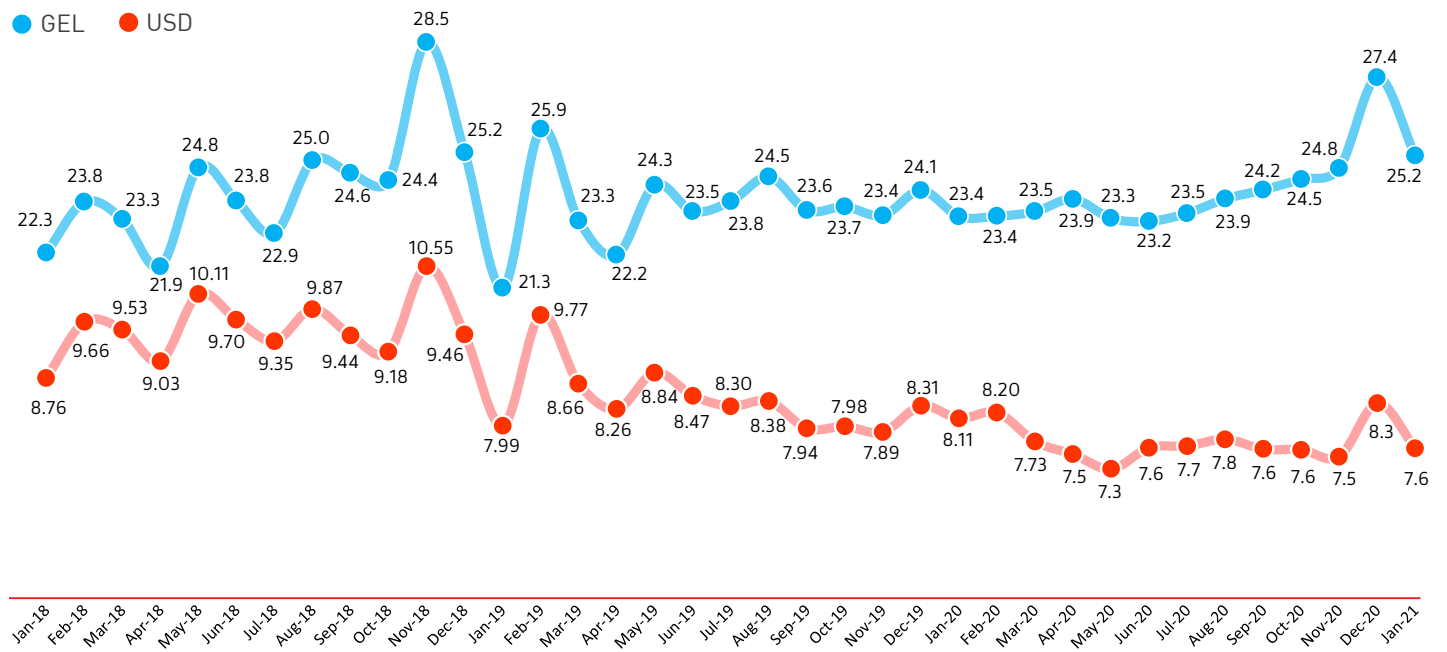
Source: REM lab 2021

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)

● GEL ● USD



Source: REM lab 2021

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

M-Y	ASP (USD)	MoM(%)	YoY (%)	ASP (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%

Source: REM lab 2021

TBILISI AND GEORGIA REAL PROPERTY SALES

In comparison to 2019, the GEO real property market contracted significantly, by 29.4% in 2020 (from 163,016 units sold in 2019 to 115,042 in 2020). This annual decrease was observed across every month of 2020, with the highest decline found in April (-93.7% YoY and -92.6% MoM) at the beginning of the pandemic.

Tbilisi dominated the real property market with a 37.3% share in total sales in 2020 (Tbilisi held 41.6% of total sales in 2019). The Tbilisi market was followed by Kakheti and Adjara, with a respective 11.7% and 11.2% of GEO sales. Adjara experienced the highest annual decrease in sales (-41.2%), followed by Tbilisi (-36.8%), Guria (-28.2%), and Samtskhe-Javakheti (-27.6%). In total, the market outside the capital shrank by 24.2%.

Almost half of GEO sales were registered in the three largest cities: Tbilisi, Batumi and Kutaisi.

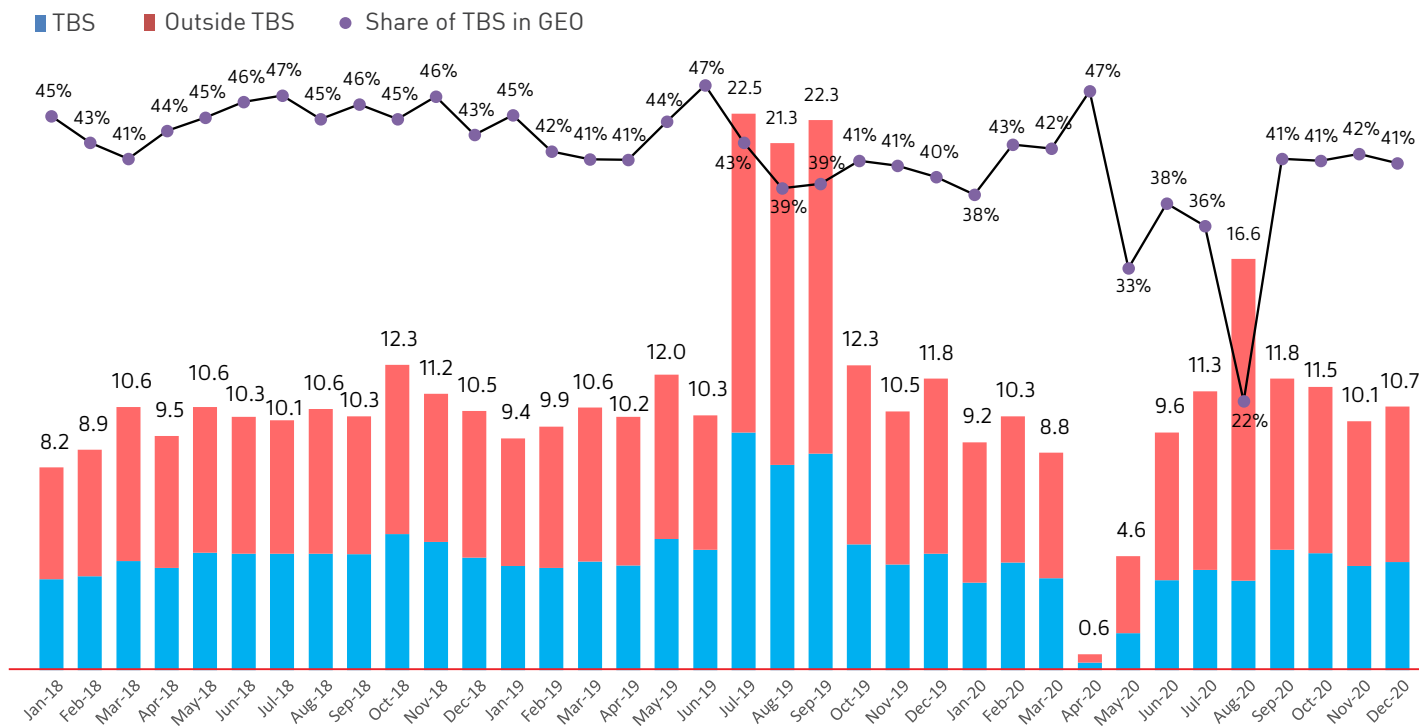
In Tbilisi, the highest share of total sales (14%) were registered in Dighomi, followed by Saburtalo with 8%, and Gldani Massive with 7%. In 2020, sales decreased in every district of Tbilisi except Avchala-Gldaniskhevi, which experienced a 8% YoY increase. The largest decline was observed in lower Chugureti (-56%), followed by Saburtalo (-54%), and Kala-Ortachala (-53%).

For 2020, the TOP 3 regions by GEO sales were:

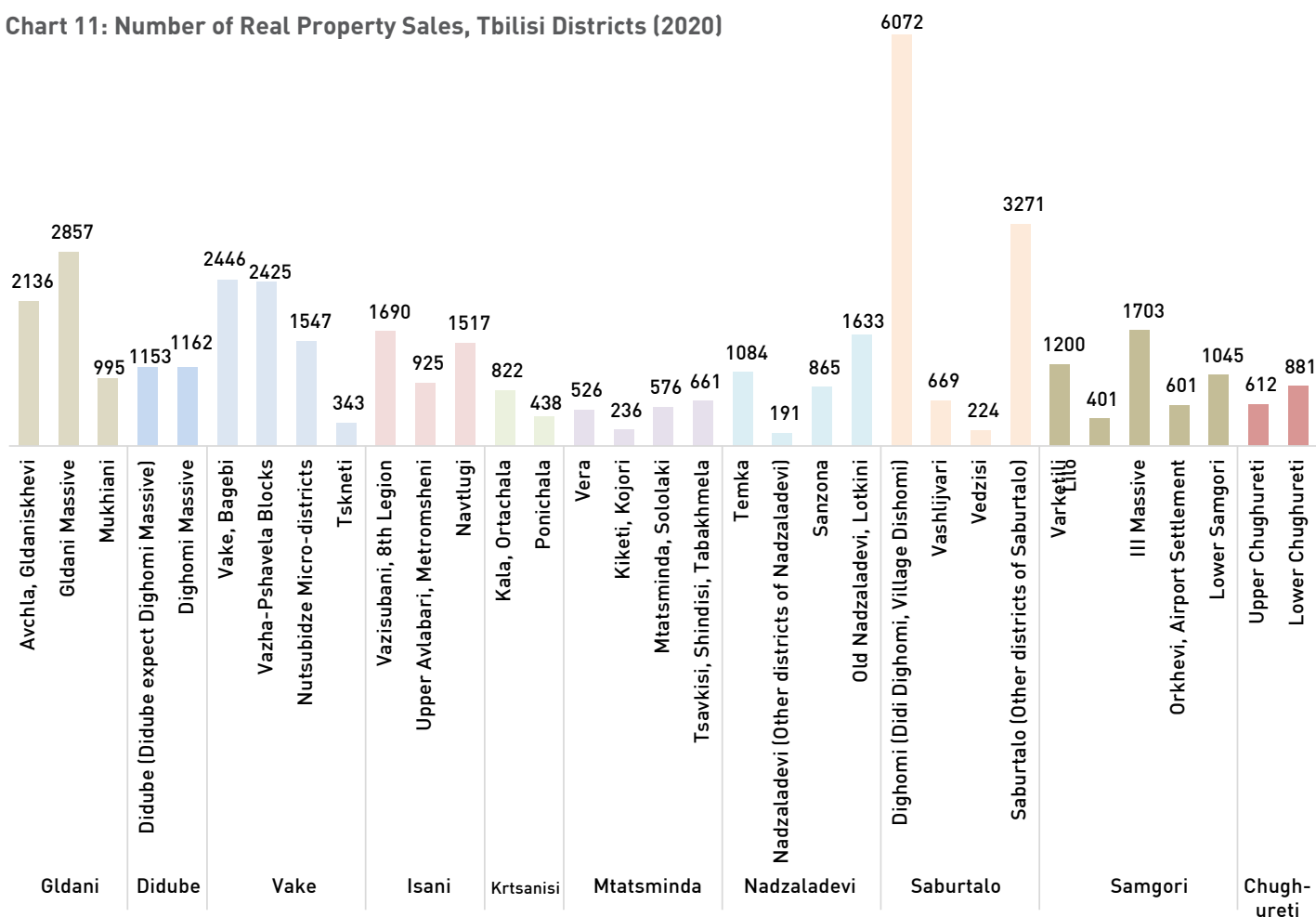
Tbilisi (42,907 units, 37.3%)
Kakheti (13,484 units, 11.7%)
Adjara (12,877 units, 11.2%)

For 2020, the TOP 3 Tbilisi districts by sales were:

Dighomi (6,072 units, 14%)
Saburtalo (3,271 units, 8%)
Gldani Massive (2,857 units, 7%)

Chart 10: Number of Real Property Sales (thousands), Tbilisi and Georgia (monthly for 2018-2020)

Source: REM lab 2021

Chart 11: Number of Real Property Sales, Tbilisi Districts (2020)

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 (2020)

REGION	NUMBER (UNIT)	SHARE IN GEO (%)	YoY (%)
Tbilisi	42,907	37%	-37%
Ajara	12,877	11%	-41%
Guria	2,554	2%	-28%
Imereti	10,126	9%	-21%
Kakheti	13,484	12%	-25%
Mtskheta-Mtianeti	7,992	7%	-2%
Racha-Lechkhumi & Kvemo Svaneti	528	0%	-18%
Samegrelo-Zemo Svaneti	4,451	4%	-24%
Samtskhe-Javakheti	4,059	4%	-28%
Kvemo Kartli	9,204	8%	-13%
Shida Kartli	6,860	6%	-15%

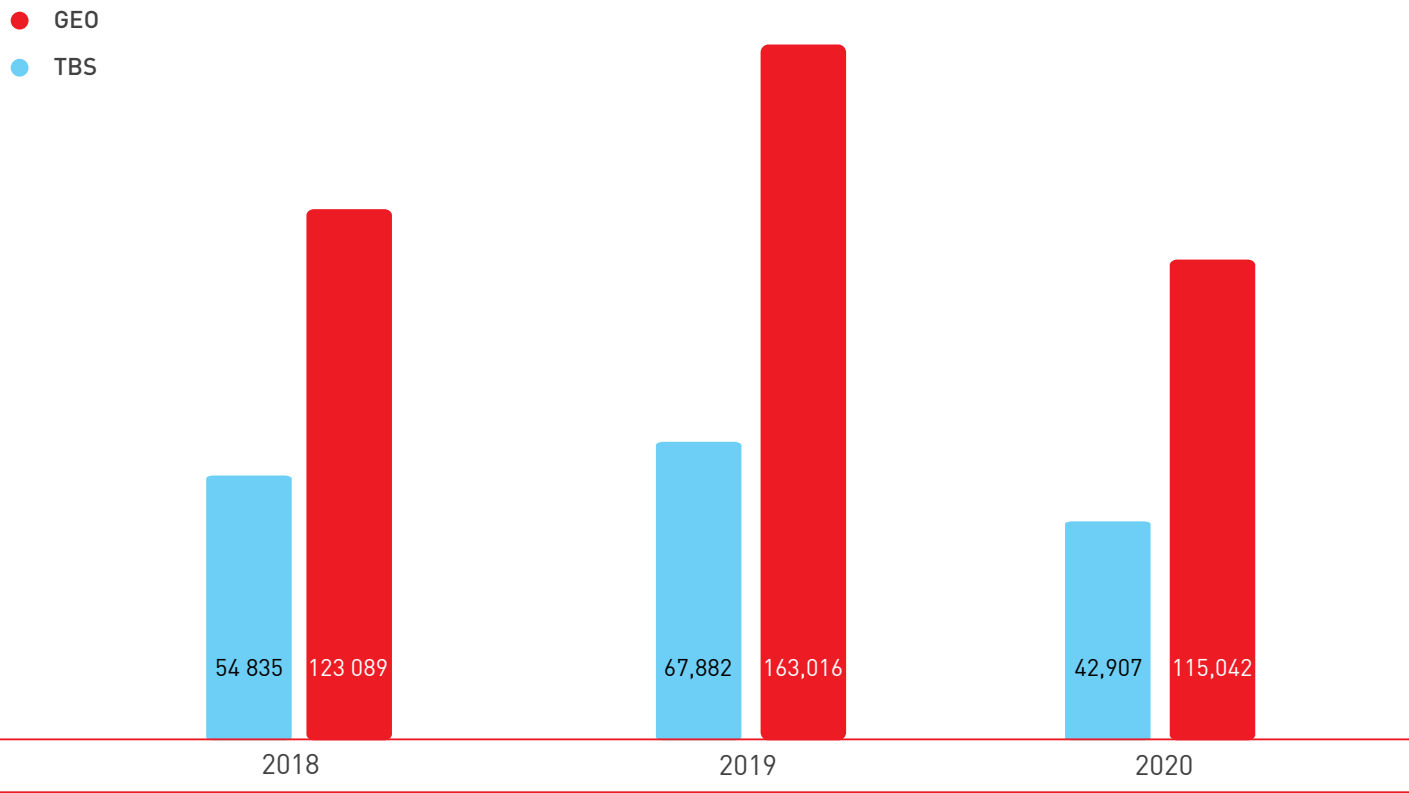
Source: NAPR 2021

Table 8: Number of Real Property Sales, Top Cities & Municipalities (2020)

CITY/MUNICIPALITY	NUMBER (UNIT)	SHARE IN GEO (%)
TBILISI	42,907	37%
BATUMI	11,368	10%
MTSKHETA MUNICIPALITY	4,115	4%
GORI MUNICIPALITY	3,429	3%
GURJAANI MUNICIPALITY	2,942	3%

Source: NAPR 2021

Chart 12: Number of Real Property Sales, Tbilisi and Georgia (Annual Trend, 2018-2020)



Source: TCH|MDS 2020

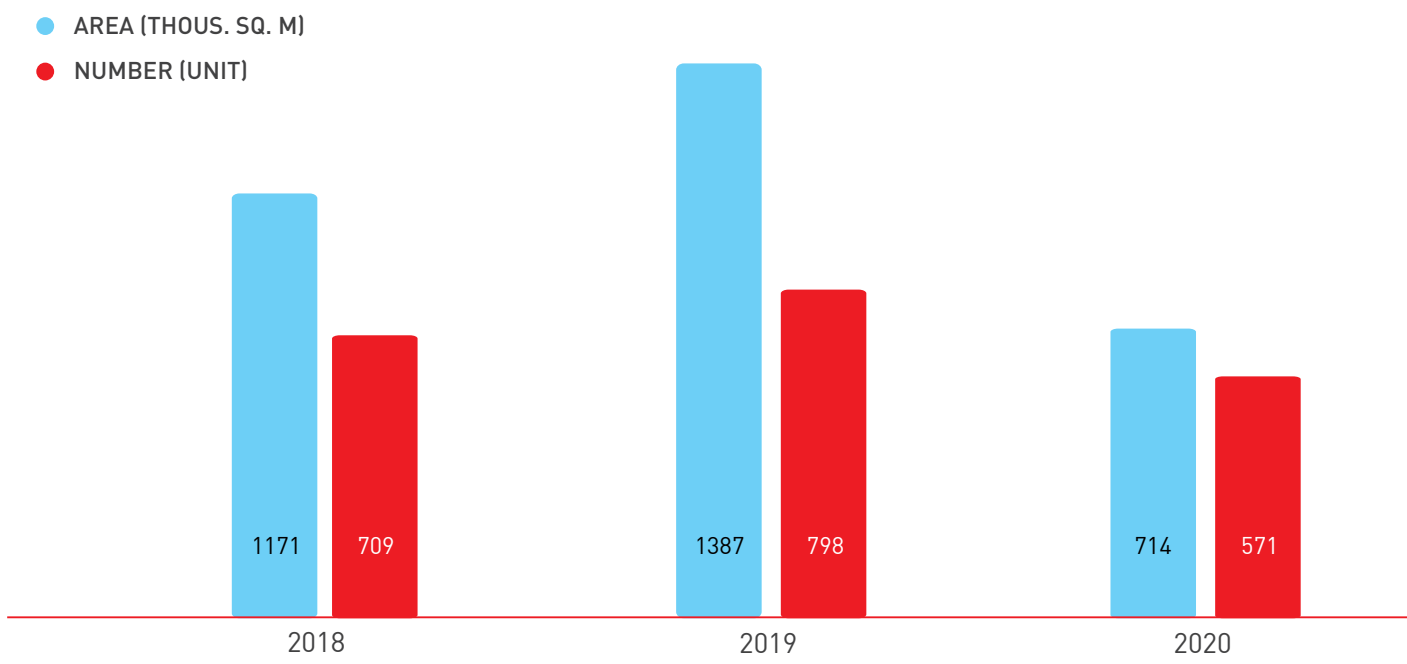
TBILISI REAL PROPERTY SUPPLY

In total, 571 new buildings, with an area of 714,422 m², were completed in Tbilisi in 2020. Compared to 2019, the capital's real property supply significantly declined both in the number of buildings (-28.4% YoY) and their total area (-48.5% YoY).

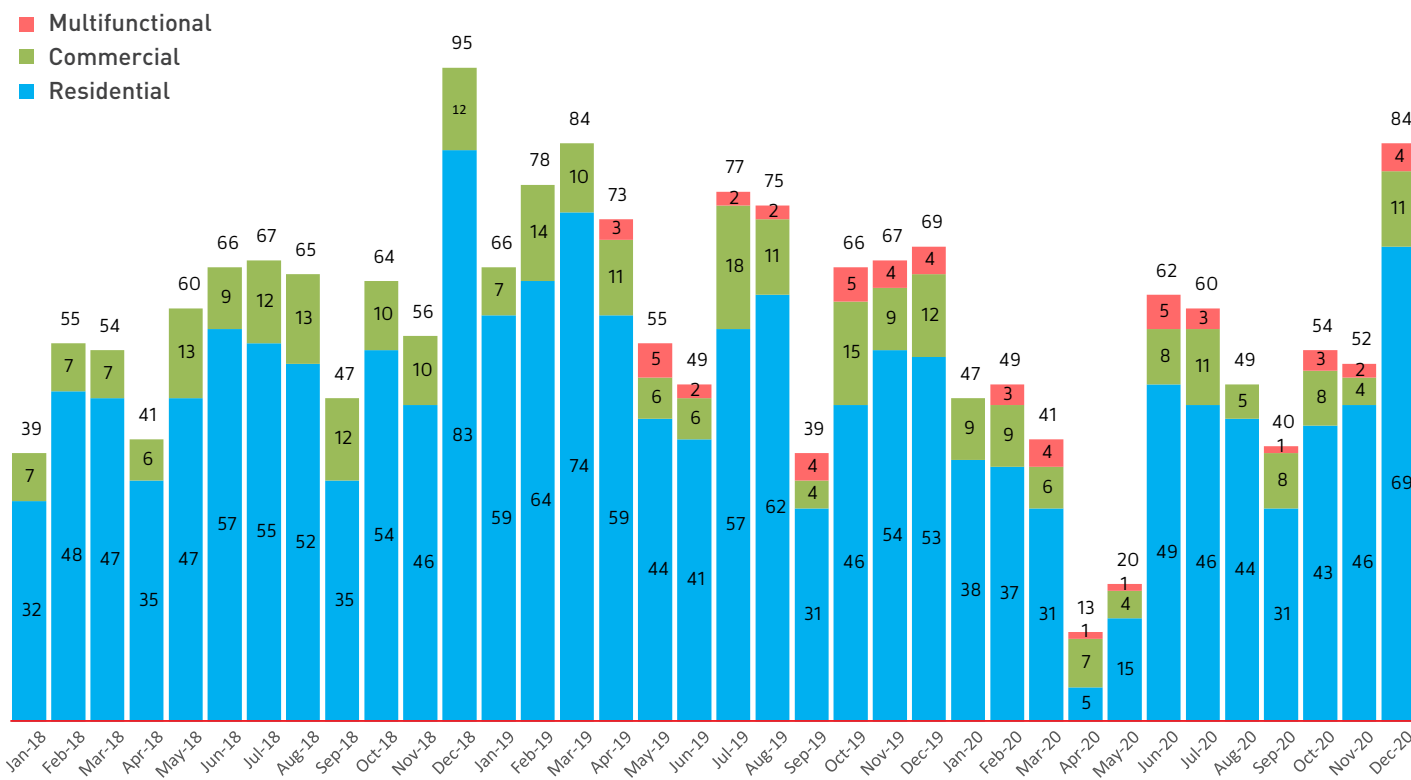
In 2020, Tbilisi's real property supply was composed of the following: 454 units of residential buildings (with a total area of 361,916 m²), 90 commercial buildings (with a total area of 182,011 m²), and 27 multi-functional buildings (with a total area of 170,495 m²).

The annual change of real property supply was negative in almost every month of 2020. The highest decrease was observed in April (-82.2% YoY in the number of units and -87.4% YoY in the total area of buildings), correlating to the beginning of the first lockdown.

The highest shares of new building area in 2020 (13.0% of the total area) were completed in Dighomi (Didi Dighomi, Village Dighomi), followed by Dighomi Massive (9.8%), and Vake-Bagebi (8.8%)

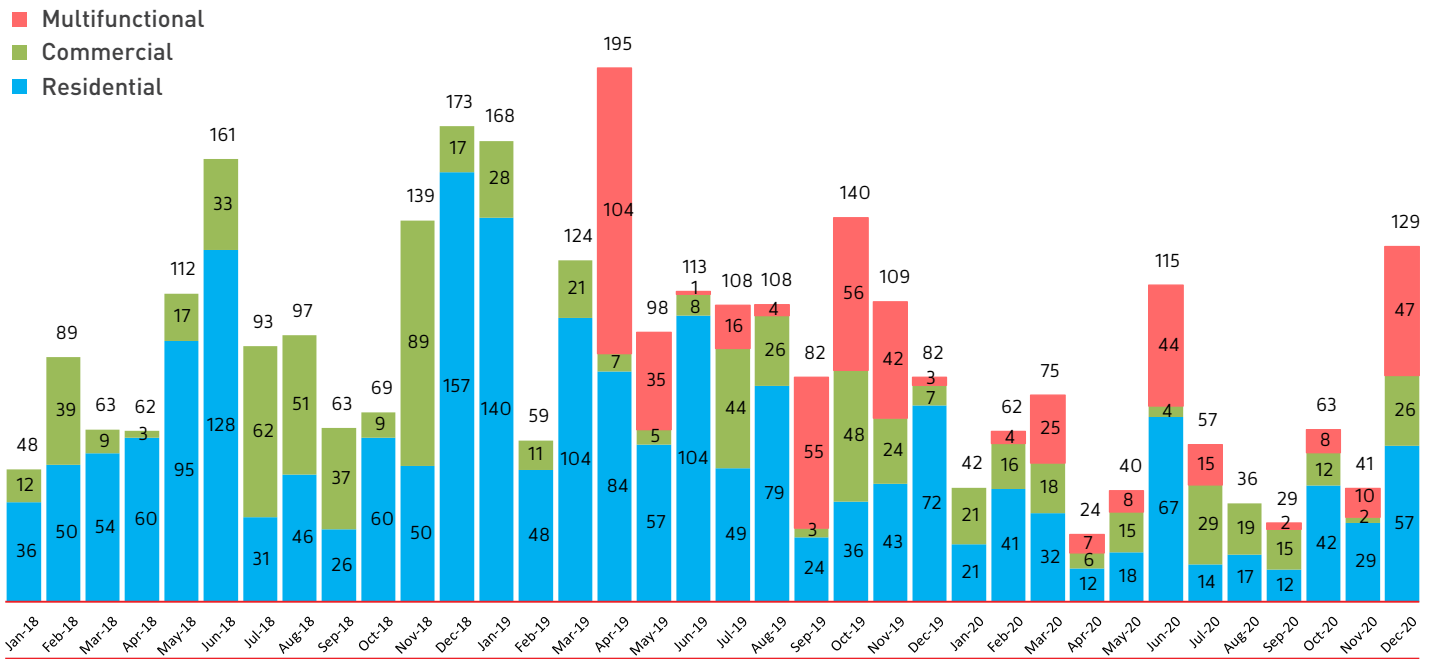
Chart 13: Supply of New Buildings, Unit & Area, Tbilisi (Annual Trend, 2018-2020)

Source: TCH|MDS 2020

Chart 14: Supply of New Buildings, Units, Tbilisi (monthly for 2018-2020)

Source: REM lab 2021

Chart 15: Supply Of New Buildings, Area (Thous. Sq. m), Tbilisi (monthly for 2018-2020)



Source: REM lab 2021

Table 9: Supply of New Buildings, Tbilisi Districts (Annual, 2018-2020)

		2018		2019		2020		YoY change 2018-2019		YoY change 2019-2020	
		ALL (UNIT)	ALL (SQ.M)	ALL (UNIT)	ALL (SQ.M)	ALL (UNIT)	ALL (SQ.M)	ALL (UNIT)	ALL (SQ.M)	ALL (UNIT)	ALL (SQ.M)
Gldani	Avchla, Gldaniskhevi	20	9,444	37	63,310	23	19,454	85%	570%	-38%	-69%
	Gldani Massive	30	109,444	27	20,691	20	23,726	-10%	-81%	-26%	15%
	Mukhiani	23	21,818	29	15,825	24	25,154	26%	-27%	-17%	59%
Didube	Didube	6	58,295	6	20,772	0	-	0%	-64%	-100%	-100%
	Dighomi Massive	14	37,142	14	35,725	7	69,686	0%	-4%	-50%	95%
Vake	Vake, Bagebi	11	81,124	17	113,258	12	62,995	55%	40%	-29%	-44%
	Vazha-Pshavela Blocks	13	61,145	15	93,032	12	41,438	15%	52%	-20%	-55%
	Nutsubidze Micro-districts	55	29,852	44	56,360	31	25,328	-20%	89%	-30%	-55%
	Tskneti	18	8,601	29	12,734	20	9,160	61%	48%	-31%	-28%
Isani	Vazisubani, 8th Legion	11	27,201	12	39,360	9	10,086	9%	45%	-25%	-74%
	Upper Avlabari, Metromsheni	12	7,777	25	66,226	16	31,731	108%	752%	-36%	-52%
	Navtlugi	6	16,027	24	103,226	9	21,346	300%	544%	-63%	-79%
Krtsanisi	Kala, Ortachala	11	16,254	29	94,153	17	48,590	164%	479%	-41%	-48%
	Ponichala	15	10,873	8	1,845	5	1,311	-47%	-83%	-38%	-29%
Mtatsminda	Vera	7	8,820	3	817	6	5,064	-57%	-91%	100%	520%
	Kiketi, Kojori	13	3,082	11	2,521	11	2,651	-15%	-18%	0%	5%
	Mtatsminda, Sololaki	13	91,036	10	17,054	8	1,593	-23%	-81%	-20%	-91%
	Tsavkisi, Shindisi, Tabakhmela	19	9,169	44	16,310	33	20,107	132%	78%	-25%	23%
Nadzaladevi	Temka	15	26,894	13	28,714	8	5,650	-13%	7%	-38%	-80%
	Nadzaladevi	4	684	4	27,944	1	146	0%	3988%	-75%	-99%
	Sanzona	10	54,459	18	35,099	14	27,467	80%	-36%	-22%	-22%
	Old Nadzaladevi, Lotkini	24	23,098	25	30,914	18	23,356	4%	34%	-28%	-24%
Saburtalo	Dighomi	186	177,073	211	137,957	150	92,728	13%	-22%	-29%	-33%
	Vashlijvari	9	19,950	9	30,000	4	2,179	0%	50%	-56%	-93%
	Vedzisi	3	6,135	5	6,246	3	4,973	67%	2%	-40%	-20%
	Saburtalo	16	128,186	12	210,828	12	54,703	-25%	64%	0%	-74%
Samgori	Varketili	18	17,373	18	39,292	13	3,993	0%	126%	-28%	-90%
	Lilo	9	5,189	18	10,674	10	12,742	100%	106%	-44%	19%
	III Massive	3	6,751	2	6,708	5	15,708	-33%	-1%	150%	134%
	Orkhevi, Airport Settlement	12	7,296	11	4,170	13	10,600	-8%	-43%	18%	154%
	Lower Samgori	15	34,255	17	26,856	12	7,888	13%	-22%	-29%	-71%
Chughureti	Upper Chughureti	50	14,846	50	11,558	41	25,914	0%	-22%	-18%	124%
	Lower Chughureti	4	7,757	5	6,817	4	6,953	25%	-12%	-20%	2%

Source: REM lab 2021

BATUMI & KUTAIISI REAL PROPERTY HIGHLIGHTS

In 2020, the real property market decreased significantly, by 58.0% (YoY) in Batumi and by 44.2% (YoY) in Kutaisi. As a result, there were only 8,341 transactions registered in Batumi and 2,175 in Kutaisi.

Year-on-year, the change for both Batumi and Kutaisi real property sales has been negative since March, with the highest drops observed in April. The only exception was during November in Kutaisi when sales showed a one-time positive YoY change.

The SPI for Batumi decreased for the first two quarters of 2020. Thereafter it increased significantly in Q3 (20%, QoQ), but was followed by a drop in Q4 (17.4%, QoQ). The SPI for Batumi residential properties settled at 81.6 index points in Q4 2020. While the year-on-year changes for Batumi were negative for every quarter of 2020.

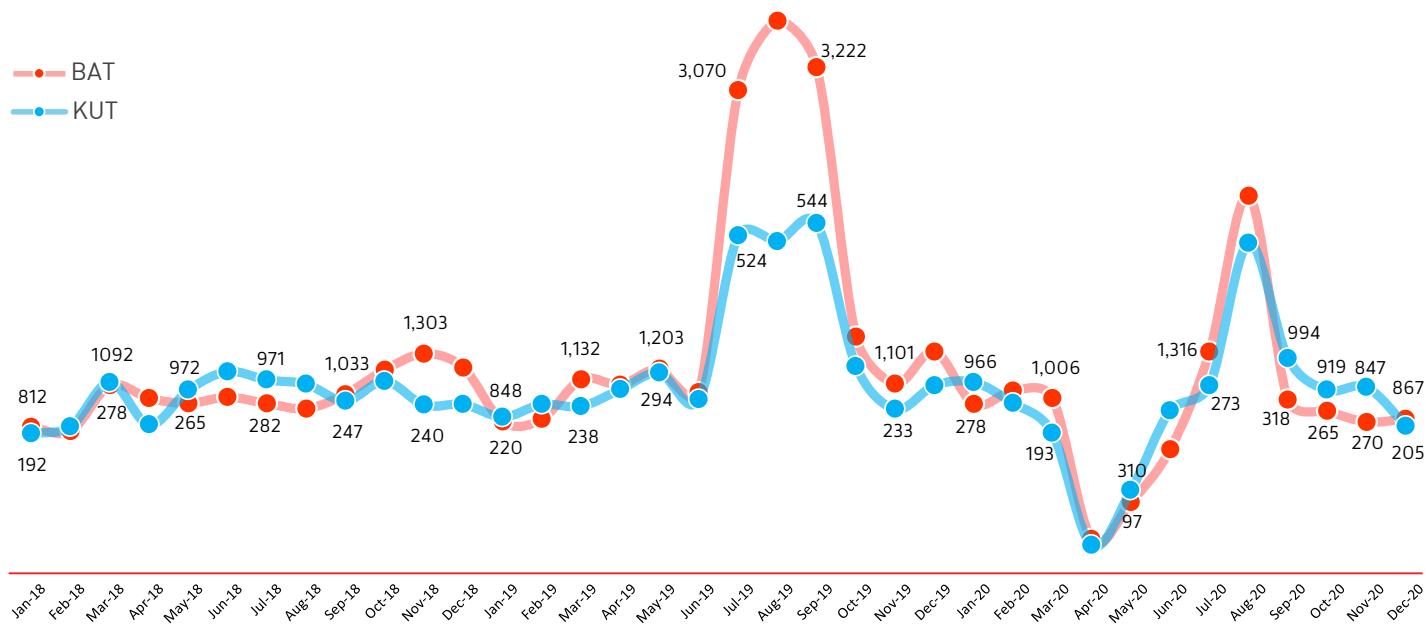
For Kutaisi, the SPI increased in Q1 and Q4 of 2020 (4.5% and 3.8% QoQ, respectively), however it decreased in Q2 and Q3. Eventually, in Q4, the SPI amounted to 128.2 points. In contrast to Batumi, the year-on-year changes for Kutaisi stayed positive for every quarter of 2020.

The ASP of residential properties decreased in 2020, by 7.5% in Batumi and 2.1% in Kutaisi, amounting to 750 and 410 USD per m², respectively. In Batumi, the ASP decreased significantly in Q2 2020 (-10.7%, YoY), where in Kutaisi the highest decrease was observed in Q3 2020 (-9.0%, YoY).

Table 10: Number of Real Property Sales, Batumi & Kutaisi (monthly for 2019-2020)

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%

Source: REM lab 2021

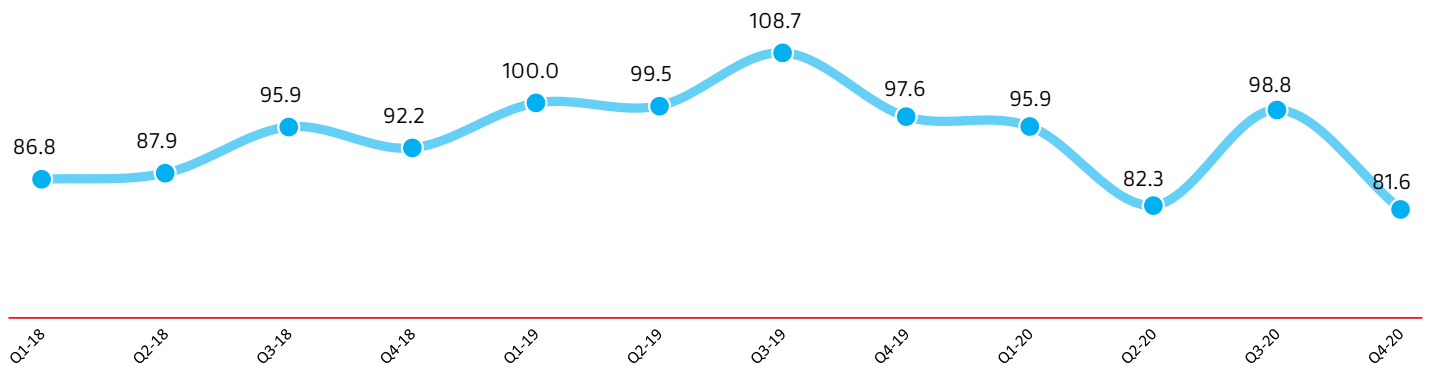
Chart 16: Number of Real Property Sales, Batumi & Kutaisi (monthly for 2018-2020)

Source: REM lab 2021

Table 11: ASP for Residential Properties, Batumi (quarterly, 2018-2020)

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%

Source: REM lab 2021

Chart 17: SPI of Residential Property, Batumi (quarterly, 2018-2020)

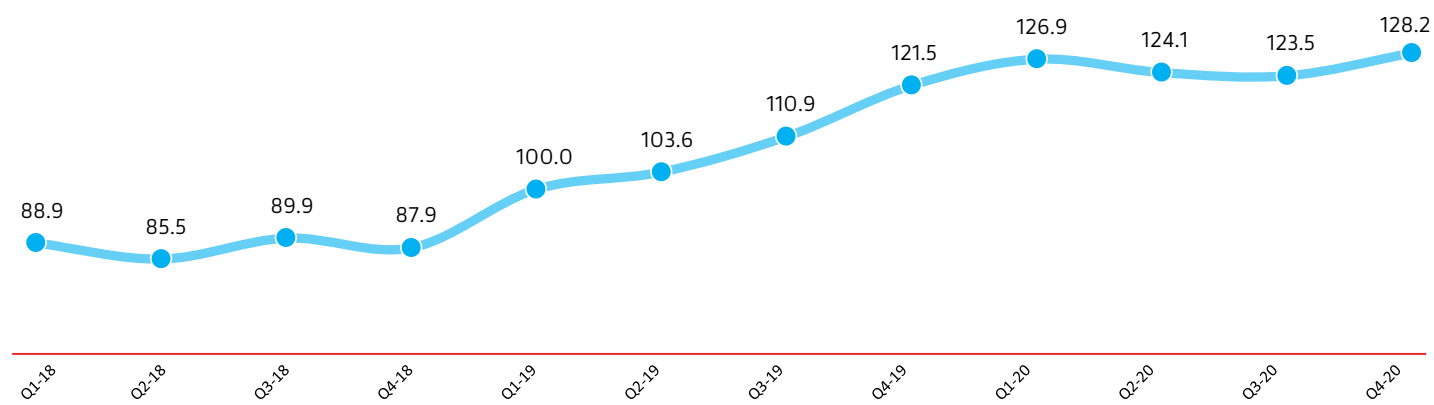
Source: REM lab 2021

Table 12: ASP for Residential Properties, Kutaisi (quarterly, 2018-2020)

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%

Source: REM lab 2021

Chart 18: SPI of Residential Property, Kutaisi (quarterly, 2018-2020)



Source: REM lab 2021

Table 13: Monthly Trend of USD|GEL Exchange Rate (2018-2021)

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%

Source: REM lab 2021