

REAL ESTATE MARKET

TBILISI SNAPSHOT

2 | July-September 2016

Market Highlights

REM lab (Real Estate Market Laboratory)



ISET



Real Estate Index (REI) is an index, which represents real value of the real estate. Whenever we observe the prices of real estate, the first thing we look at is the average price per square meter. However, average price can increase, if the sales of better quality properties (more flats in central districts or renovation etc.) increases, which does not mean that generally real estate prices went up. We need Real Estate Index to track pure price changes. REI excludes `QUALITY EFFECT` and observes how price of the given property changes comparing it to the base period (April 2015).

Types of REI are Sale Price Index (SPI) & Rent Price Index (RPI).

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
GEO	Georgia

X-RATE USD | GEL MONTHLY TREND, 2015-2016

M-Y	USD GEL	MoM (%)	YoY (%)
SEP-15	2.3985	3.4%	37.4%
OCT-15	2.3928	-0.2%	36.4%
NOV-15	2.4017	0.4%	35.1%
DEC-15	2.3992	-0.1%	27.3%
JAN-16	2.4360	1.5%	25.5%
FEB-16	2.4829	1.9%	19.0%
MAR-16	2.3894	-3.8%	9.0%
APR-16	2.2652	-5.2%	0.3%
MAY-16	2.1860	-3.5%	-5.9%
JUN-16	2.1877	0.1%	-3.3%
JUL-16	2.3367	6.8%	3.6%
AUG-16	2.3187	-0.8%	-0.1%
SEP-16	2.3113	-0.3%	-3.6%

Source: NBG 2016

REAL PROPERTY SALES

HIGHLIGHTS

TBS real property market continues growth. TBS sales grew to 3331 units (+14.0% MoM & +47.1% YoY) in September 2016 to hit a new monthly record. Market rose also in July 2016 (+4.3% MoM) followed by slight decrease in August 2016 (-0.3% MoM).

Share of TBS in GEO sales reached 42.1% (highest-ever share) in September 2016 (39.2% in July, 36.2% in August).

For July-September 2016 TOP 3 districts by sales in TBS are:

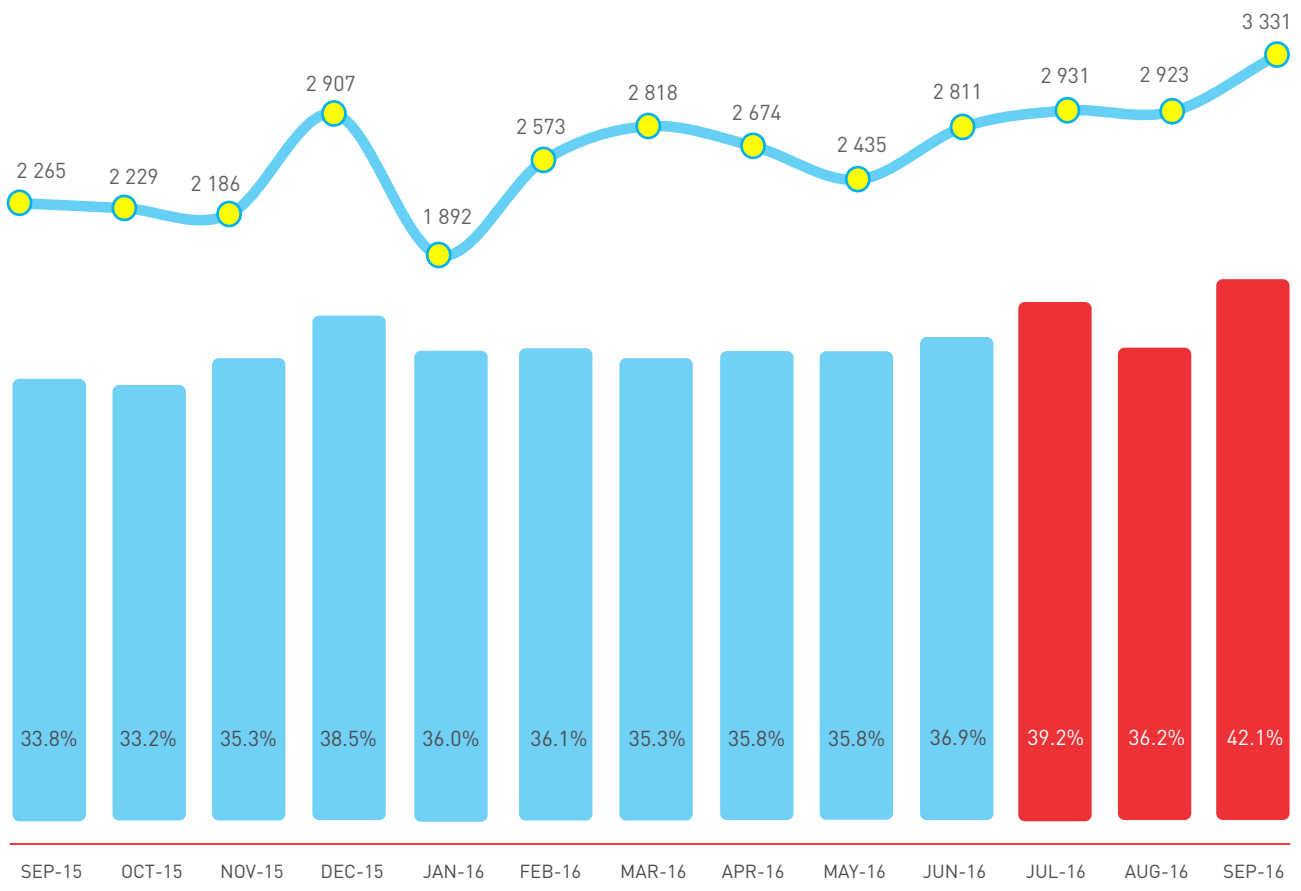
Vake (average 529 units, 20.1%)

Saburtalo (average 406 units, 15.4%)

Samgori (average 292 units, 11.1%)

SALES TREND REAL PROPERTY... TBS & GEO MONTHLY TREND, 2015-2016

- NUMBER OF SALES
- SHARE TBS IN GEO SALES



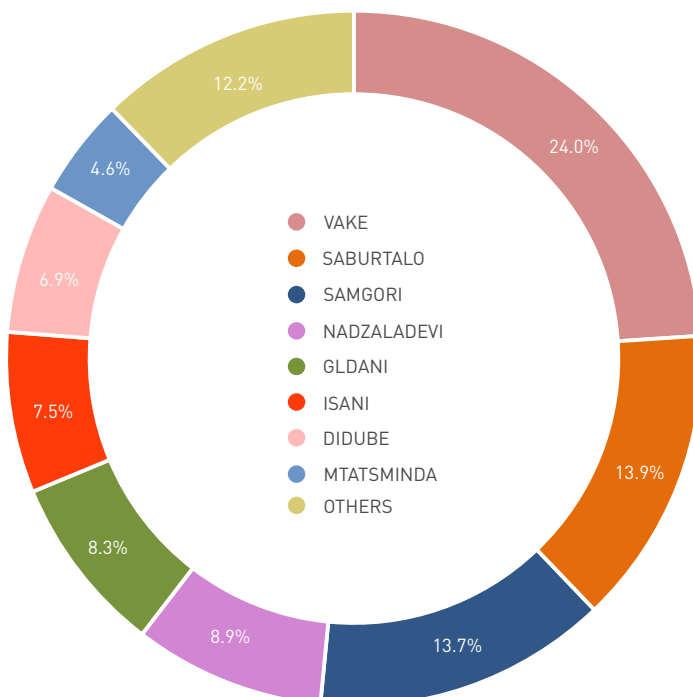
Source: NAPR 2016

**SALES TREND
REAL PROPERTY... TBS & GEO
MONTHLY TREND, 2015-2016**

M-Y	TBS (UNIT)	MoM (%)	GEO (UNIT)	MoM (%)
SEP-15	2 265	21.1%	6 703	17.9%
OCT-15	2 229	-1.6%	6 704	0.0%
NOV-15	2 186	-1.9%	6 191	-7.7%
DEC-15	2 907	33.0%	7 547	21.9%
JAN-16	1 892	-34.9%	5 262	-30.3%
FEB-16	2 573	36.0%	7 135	35.6%
MAR-16	2 818	9.5%	7 981	11.9%
APR-16	2 674	-5.1%	7 468	-6.4%
MAY-16	2 435	-8.9%	6 806	-8.9%
JUN-16	2 811	15.4%	7 620	12.0%
JUL-16	2 931	4.3%	7 483	-1.8%
AUG-16	2 923	-0.3%	8 076	7.9%
SEP-16	3 331	14.0%	7 909	-2.1%

Source: NAPR 2016

**REAL PROPERTY SALES
TBS DISTRICTS
SEPTEMBER, 2016**



Source: NAPR 2016

RESIDENTIAL PROPERTY PRICES

HIGHLIGHTS

SPI and RPI for residential property have been increasing during July-September 2016, while ASP continued to trend downward and APR recovered slightly in September after 2 months of continuous decline.

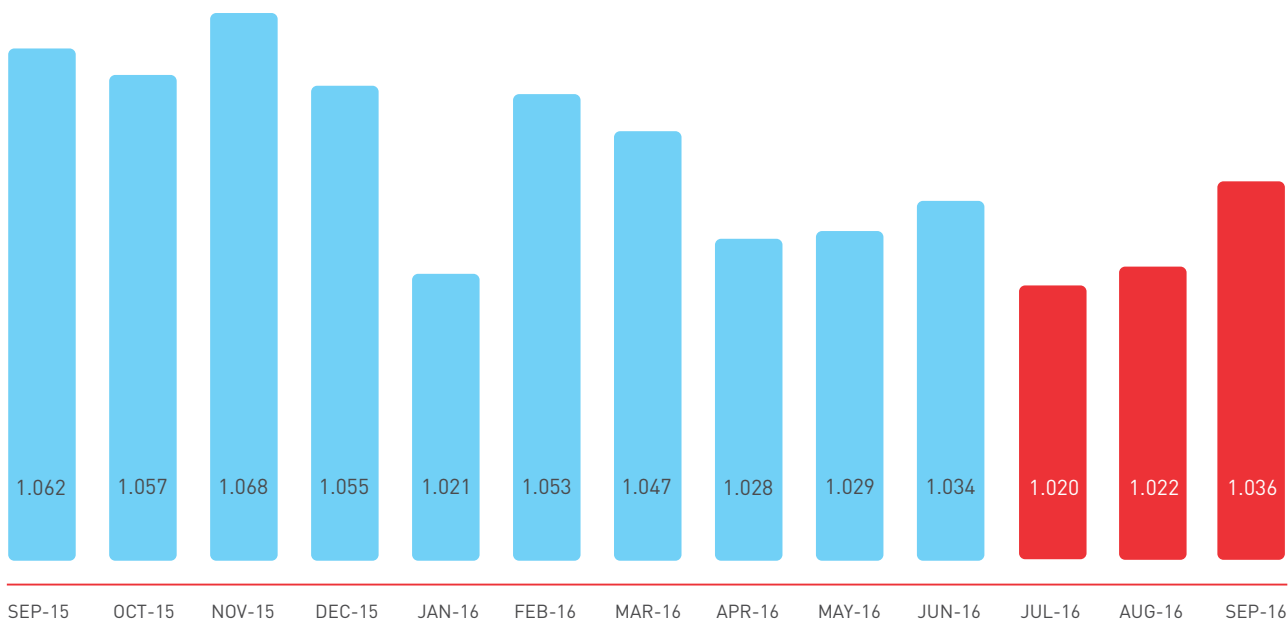
SPI in TBS grew by 1.4% MoM and fell 2.4% YoY in September 2016. During last months SPI increased from 1.020 to 1.036.

RPI in TBS grew by 0.01% MoM and decreased 15.6% YoY in September 2016. During last months RPI increased from 0.933 to 0.955.

ASP in TBS reached USD 859 per sq. m (-0.1% MoM & -0.3% YoY) and ARP - USD 6.98 per sq.m. (+1.4% MoM & -9.6% YoY) in September 2016.

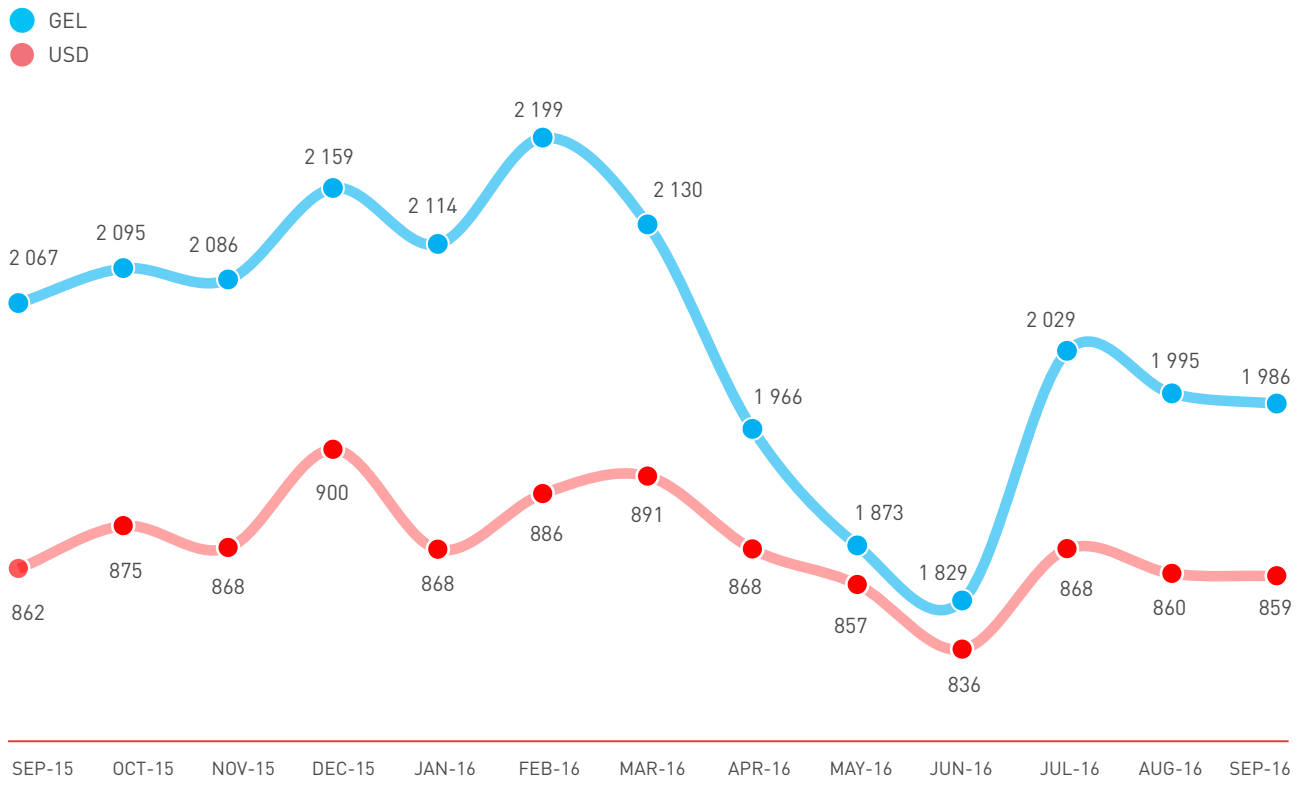
For September 2016, most expensive and cheapest districts of TBS are
 by ASP: Mtatsminda (USD 991) and Samgori (USD 555)
 by ARP: Mtatsminda (USD 8.06) and Gldani (USD 4.31)

**SPI
 RESIDENTIAL PROPERTY... TBS
 MONTHLY TREND, 2015-2016**



Source: REM lab 2016

**ASP
RESIDENTIAL PROPERTY... TBS
MONTHLY TREND, 2015-2016**



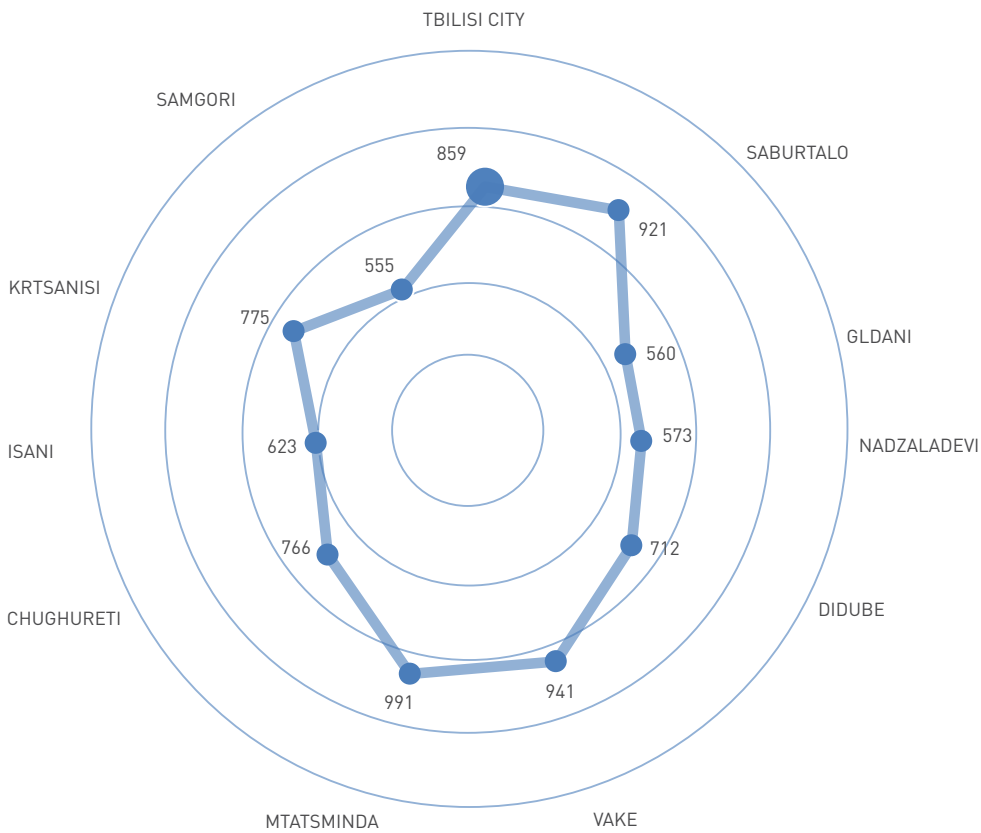
Source: REM lab 2016

**ASP
RESIDENTIAL PROPERTY... TBS
MONTHLY TREND, 2015-2016**

M-Y	ASP (USD)	MoM (%)	YoY (%)	ASP (GEL)	MoM (%)	YoY (%)
SEP-15	862	3.1%	-3.1%	2 067	6.6%	33.1%
OCT-15	875	1.6%	0.2%	2 095	1.3%	36.6%
NOV-15	868	-0.8%	-4.2%	2 086	-0.4%	29.5%
DEC-15	900	3.6%	-0.5%	2 159	3.5%	26.7%
JAN-16	868	-3.6%	2.5%	2 114	-2.1%	28.7%
FEB-16	886	2.1%	0.0%	2 199	4.0%	18.9%
MAR-16	891	0.6%	5.9%	2 130	-3.2%	15.4%
APR-16	868	-2.6%	1.2%	1 966	-7.7%	1.6%
MAY-16	857	-1.3%	-2.8%	1 873	-4.7%	-8.5%
JUN-16	836	-2.4%	-5.3%	1 829	-2.3%	-8.4%
JUL-16	868	3.8%	-1.8%	2 029	10.9%	1.7%
AUG-16	860	-0.9%	2.9%	1 995	-1.7%	2.8%
SEP-16	859	-0.1%	-0.3%	1 986	-0.4%	-3.9%

Source: REM lab 2016

**ASP (USD)
RESIDENTIAL PROPERTY... TBS & DISTRICTS
SEPTEMBER, 2016**



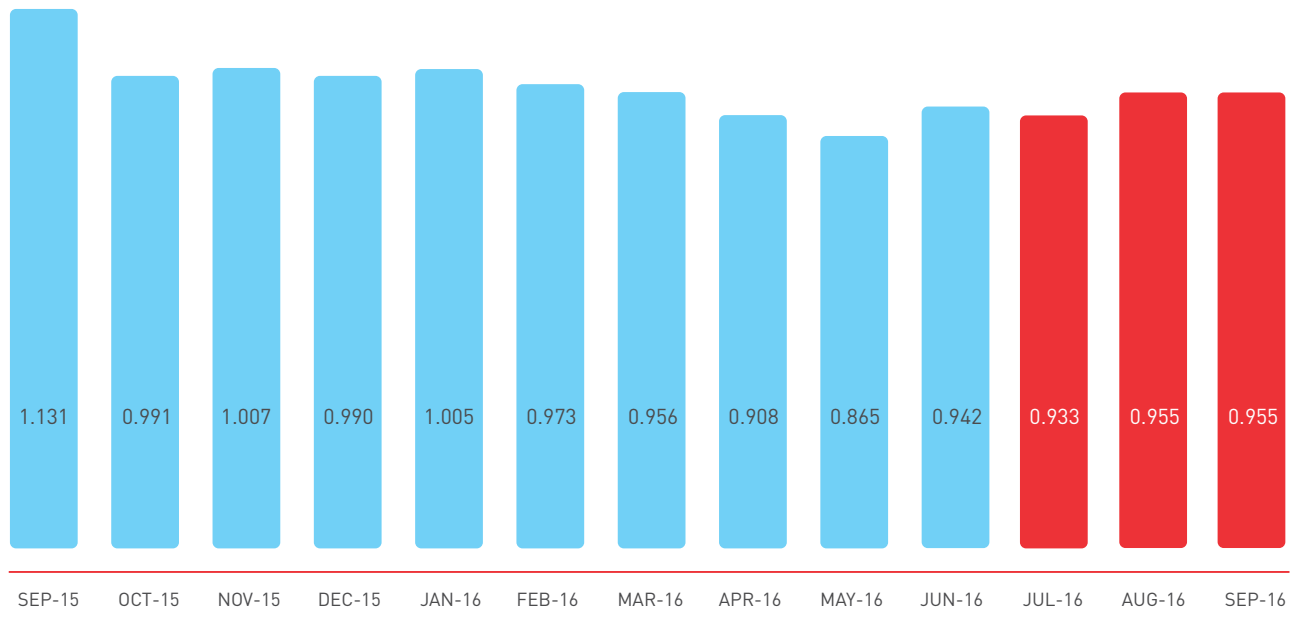
Source: REM lab 2016

**ASP
RESIDENTIAL PROPERTY... TBS & DISTRICTS
SEPTEMBER, 2016**

DISTRICT	ASP (USD)	MoM (%)	ASP (GEL)	MoM (%)
SABURTALO	921	3.5%	2 128	3.2%
GLDANI	560	3.5%	1 294	3.2%
NADZALADEVI	573	3.3%	1 324	3.0%
DIDUBE	712	2.4%	1 645	2.1%
VAKE	941	-4.6%	2 175	-4.9%
MTATSMINDA	991	-1.8%	2 291	-2.1%
CHUGHURETI	766	2.3%	1 769	2.0%
ISANI	623	-0.4%	1 439	-0.7%
KRTSANISI	775	-10.1%	1 791	-10.4%
SAMGORI	555	5.9%	1 282	5.5%
TBS	859	-0.1%	1 986	-0.4%

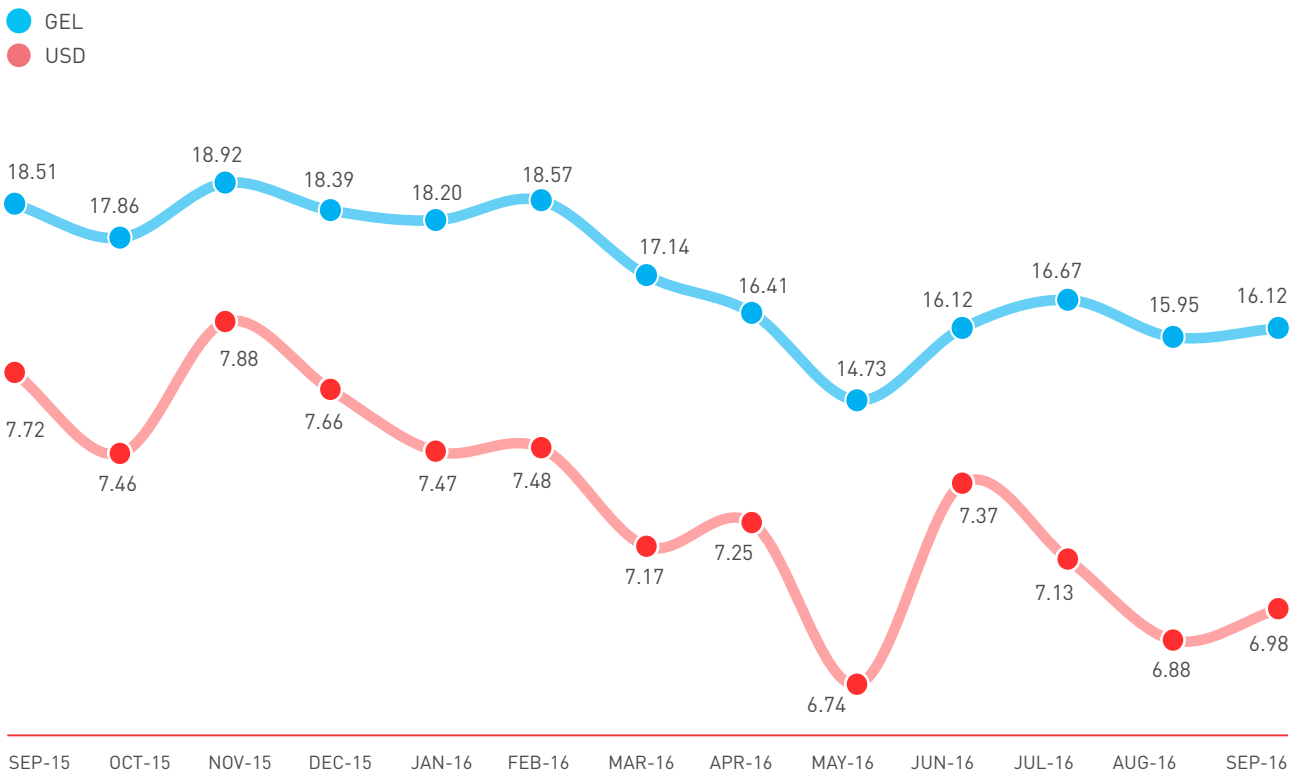
Source: REM lab 2016

RPI
RESIDENTIAL PROPERTY... TBS
MONTHLY TREND, 2015-2016



Source: REM lab 2016

ARP
RESIDENTIAL PROPERTY... TBS
MONTHLY TREND, 2015-2016



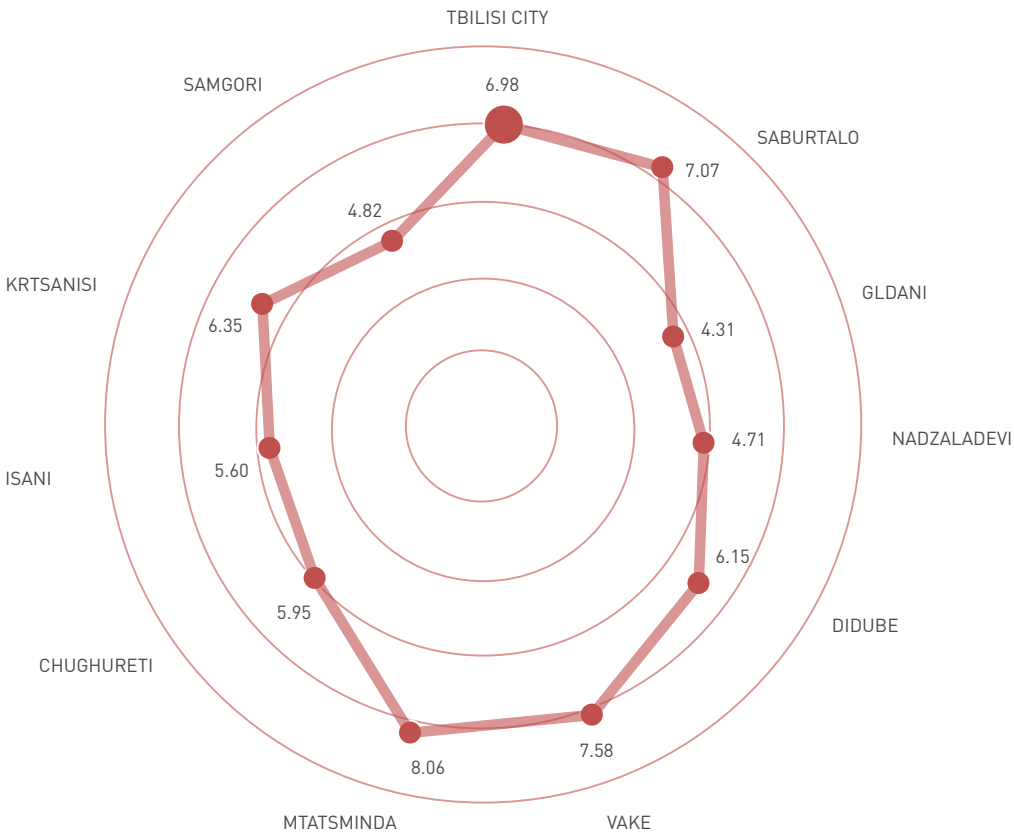
Source: REM lab 2016

**ARP
RESIDENTIAL PROPERTY... TBS
MONTHLY TREND, 2015-2016**

M-Y	ARP (USD)	MoM (%)	YoY (%)	ARP (GEL)	MoM (%)	YoY (%)
SEP-15	7.72	-0.4%	-7.4%	18.51	2.9%	27.3%
OCT-15	7.46	-3.3%	10.3%	17.86	-3.5%	22.3%
NOV-15	7.88	5.5%	-5.1%	18.92	5.9%	28.3%
DEC-15	7.66	-2.7%	-5.4%	18.39	-2.8%	20.4%
JAN-16	7.47	-2.5%	-8.2%	18.20	-1.0%	15.2%
FEB-16	7.48	0.1%	-6.1%	18.57	2.1%	11.7%
MAR-16	7.17	-4.1%	10.8%	17.14	-7.7%	-2.8%
APR-16	7.25	1.0%	-9.2%	16.41	-4.2%	-8.9%
MAY-16	6.74	-7.0%	18.3%	14.73	-10.2%	-23.1%
JUN-16	7.37	9.4%	-7.7%	16.12	9.4%	-10.8%
JUL-16	7.13	-3.2%	-7.7%	16.67	3.4%	-4.4%
AUG-16	6.88	-3.6%	11.2%	15.95	-4.3%	-11.3%
SEP-16	6.98	1.4%	-9.6%	16.12	1.1%	-12.9%

Source: REM lab 2016

**ARP (USD)
RESIDENTIAL PROPERTY... TBS & DISTRICTS
SEPTEMBER, 2016**



Source: REM lab 2016

ARP
RESIDENTIAL PROPERTY... TBS & DISTRICTS
SEPTEMBER, 2016

DISTRICT	ARP (USD)	MoM (%)	ARP (GEL)	MoM (%)
SABURTALO	7.07	4.2%	16.35	3.8%
GLDANI	4.31	0.1%	9.97	-0.2%
NADZALADEVI	4.71	-1.9%	10.88	-2.2%
DIDUBE	6.15	3.4%	14.22	3.0%
VAKE	7.58	1.3%	17.52	0.9%
MTATSMINDA	8.06	4.5%	18.63	4.2%
CHUGHURETI	5.95	-2.1%	13.76	-2.4%
ISANI	5.60	-13.3%	12.95	-13.6%
KRTSANISI	6.35	-4.5%	14.67	-4.8%
SAMGORI	4.82	6.6%	11.13	6.2%
TBS	6.98	1.4%	16.12	1.1%

Source: REM lab 2016

COMMERCIAL PROPERTY PRICES

HIGHLIGHTS

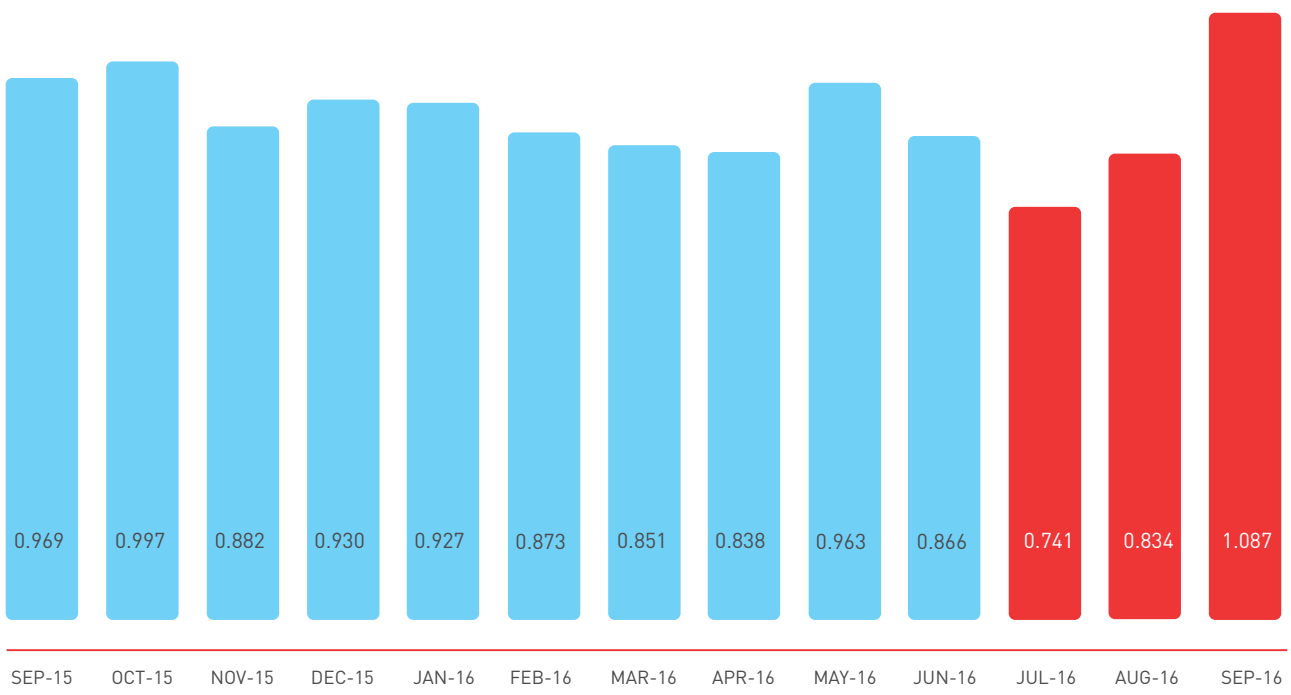
SPI for commercial property has been increasing during July-September 2016, while RPI has decreased substantially since July 2016. ASP has been recovering fast from July's slump, while APR rose in September 2016 after sharp fall in previous month.

SPI in TBS grew (+30.4% MoM & +12.2% YoY) and RPI fell (-17.1% MoM & -33.6% YoY) in September 2016. During last months SPI increased from 0.741 to 1.087, while RPI decreased from 1.053 to 0.876.

ASP for commercial property in TBS reached USD 1075 per sq. m (+1.3% MoM & -3.7% YoY) and ARP - USD 10.12 per sq.m. (+6.3% MoM & -15.9% YoY) in September 2016.

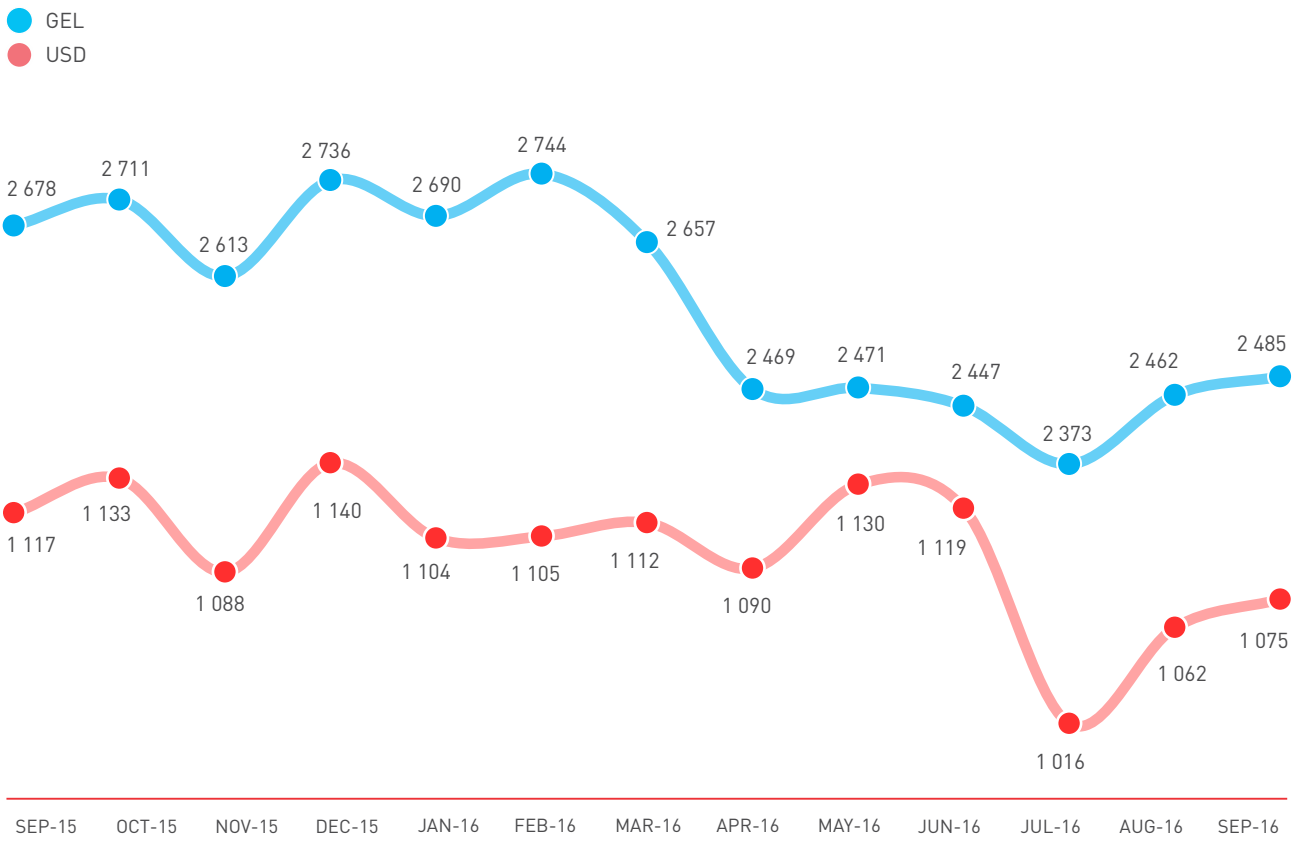
Note: Published data on commercial property prices are pilot and preliminary.

SPI
COMMERCIAL PROPERTY... TBS
MONTHLY TREND, 2015-2016



Source: REM lab 2016

**ASP (USD, GEL)
COMMERCIAL PROPERTY... TBS
MONTHLY TREND, 2015-2016**



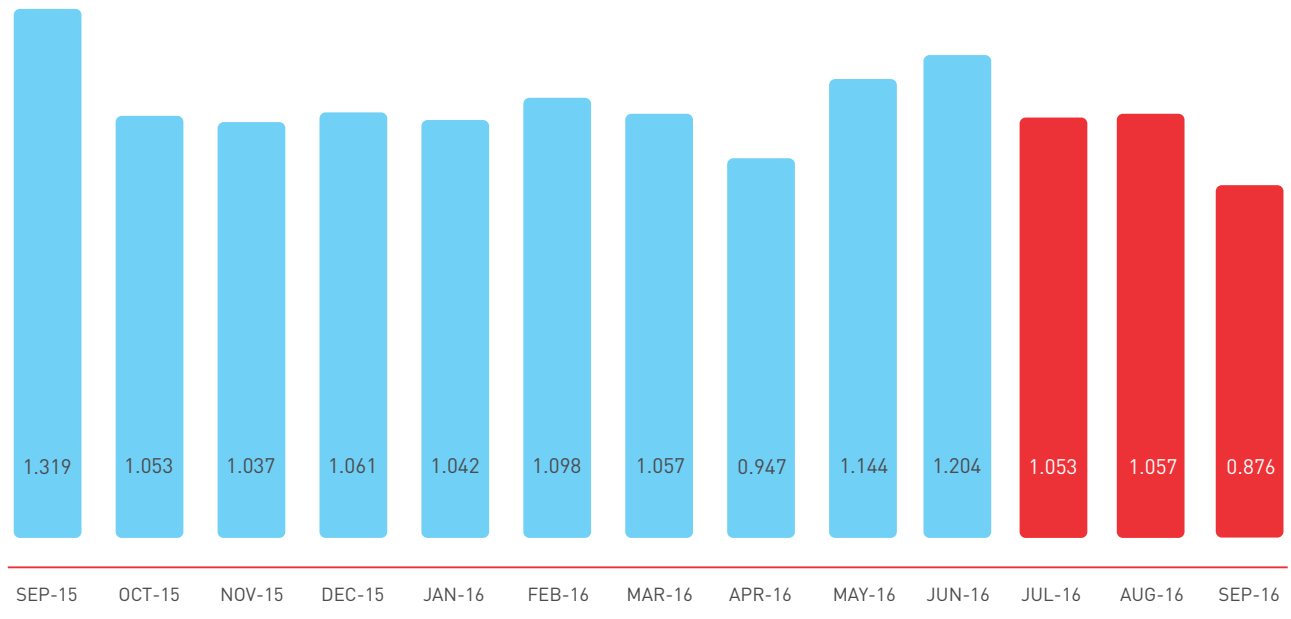
Source: REM lab 2016

**ASP
COMMERCIAL PROPERTY... TBS
MONTHLY TREND, 2015-2016**

M-Y	ASP (USD)	MoM (%)	YoY (%)	ASP (GEL)	MoM (%)	YoY (%)
SEP-15	1 117	-3.8%	-1.7%	2 678	-0.5%	35.0%
OCT-15	1 133	1.5%	1.1%	2 711	1.2%	37.8%
NOV-15	1 088	-4.0%	-2.2%	2 613	-3.6%	32.1%
DEC-15	1 140	4.8%	3.6%	2 736	4.7%	31.8%
JAN-16	1 104	-3.2%	3.9%	2 690	-1.7%	30.4%
FEB-16	1 105	0.1%	-3.4%	2 744	2.0%	14.9%
MAR-16	1 112	0.6%	7.7%	2 657	-3.2%	17.4%
APR-16	1 090	-2.0%	6.5%	2 469	-7.1%	6.9%
MAY-16	1 130	3.7%	3.7%	2 471	0.1%	-2.4%
JUN-16	1 119	-1.0%	-3.5%	2 447	-0.9%	-6.7%
JUL-16	1 016	-9.2%	-17.4%	2 373	-3.0%	-14.5%
AUG-16	1 062	4.5%	-8.5%	2 462	3.7%	-8.5%
SEP-16	1 075	1.3%	-3.7%	2 485	1.0%	-7.2%

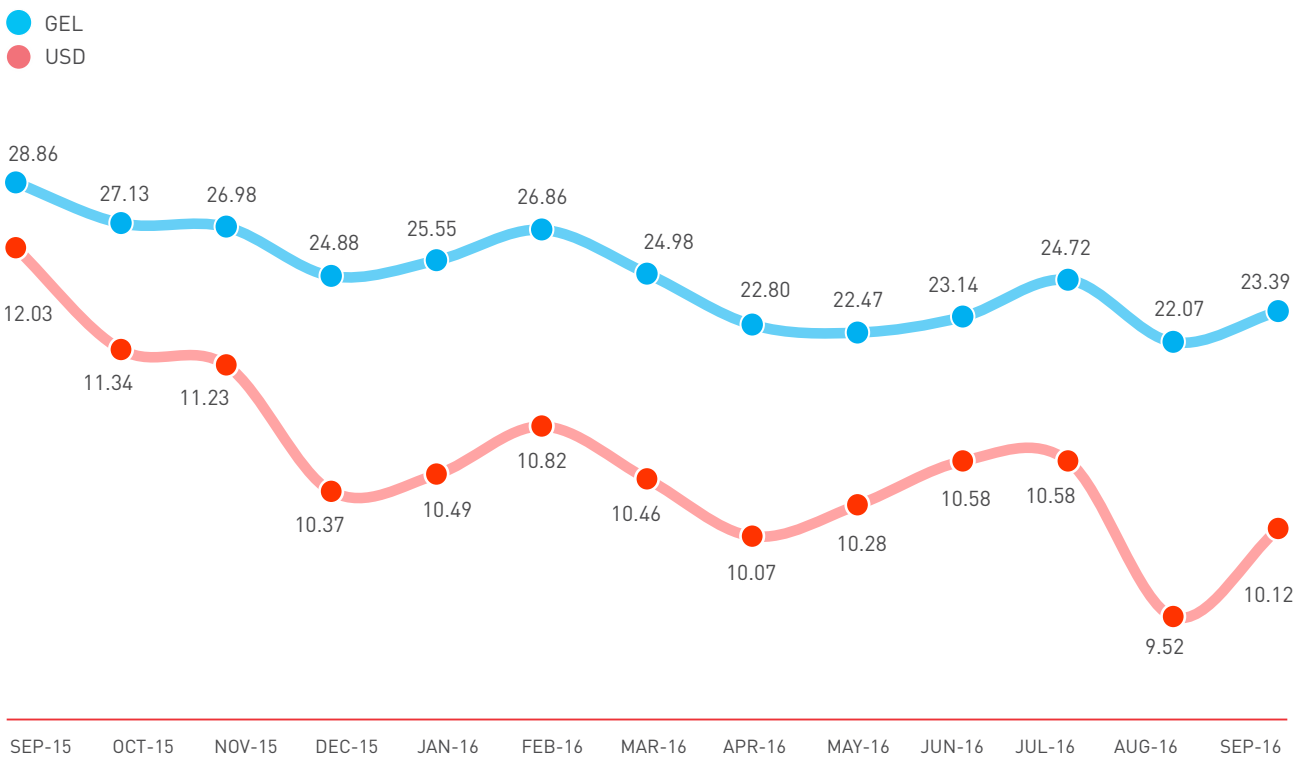
Source: REM lab 2016

RPI
COMMERCIAL PROPERTY... TBS
MONTHLY TREND, 2015-2016



Source: REM lab 2016

ARP
COMMERCIAL PROPERTY... TBS
MONTHLY TREND, 2015-2016



Source: REM lab 2016

ARP
COMMERCIAL PROPERTY... TBS
MONTHLY TREND, 2015-2016

M-Y	ASP (USD)	MoM (%)	YoY (%)	ASP (GEL)	MoM (%)	YoY (%)
SEP-15	12.03	0.7%	2.4%	28.86	4.2%	40.7%
OCT-15	11.34	-5.8%	1.6%	27.13	-6.0%	38.5%
NOV-15	11.23	-0.9%	-2.6%	26.98	-0.6%	31.6%
DEC-15	10.37	-7.7%	-6.6%	24.88	-7.8%	18.9%
JAN-16	10.49	1.1%	-4.4%	25.55	2.7%	20.0%
FEB-16	10.82	3.1%	-3.2%	26.86	5.1%	15.2%
MAR-16	10.46	-3.3%	-5.3%	24.98	-7.0%	3.2%
APR-16	10.07	-3.7%	-7.4%	22.80	-8.7%	-7.1%
MAY-16	10.28	2.1%	-6.0%	22.47	-1.4%	-11.5%
JUN-16	10.58	2.9%	-6.7%	23.14	3.0%	-9.8%
JUL-16	10.58	0.0%	-9.9%	24.72	6.8%	-6.7%
AUG-16	9.52	-10.0%	-20.3%	22.07	-10.7%	-20.4%
SEP-16	10.12	6.3%	-15.9%	23.39	6.0%	-19.0%

Source: REM lab 2016