

	YoY Chg	12-Mo. Forecast
10% Vacancy Rate	▼	▼
172 104 Supply / sqm	▲	▲
\$26.4 Asking Rent / sqm	▲	▲

(For A and B Classes)

ECONOMIC INDICATORS

	YoY Chg
\$30.5 Billion Georgia GDP (2023*)	▲
13.7% Georgia Unemployment Rate (2024 Q2)	▼
\$1.9 Billion Georgia FDI (2023)	▼

Source: Geostat
*Latest available data

OFFICE MARKET OVERVIEW

The office market in Tbilisi has experienced significant growth in recent years, driven by the city's robust economic expansion and the increasing demand for modern office spaces from both local and international companies. As Georgia emerges as a regional hub for service outsourcing, this demand has only intensified.

The most sought-after office locations are in Tbilisi's central business district (CBD), encompassing prime areas such as Rustaveli Avenue, Freedom Square, and Chavchavadze Avenue. These locations are highly desirable due to their excellent accessibility, high-quality amenities, and the prestige associated with being in the city center. Consequently, office spaces in these areas command premium rents and are often favored by companies looking to enhance their corporate image.

Beyond the CBD, there has been notable development of office spaces in suburban areas, driven by the growing demand for more cost-effective options. These suburban locations offer more affordable rents while still providing access to essential services and transport links. They are particularly attractive to companies that prioritize cost savings without sacrificing connectivity and convenience.

VACANCY RATE AND ASKING RENTS

Vacancy rates across different office classes provide valuable insights into market trends. For Class A offices, the vacancy rate was 9% in Q1 2024, remained stable in Q2, and then rose slightly to 11% by Q3 2024. In contrast, Class B office spaces saw a significant decline in vacancy rates, dropping from 16% at the beginning of 2024 to 11% in Q2, and further decreasing to 8% by Q3 2024.

Despite these fluctuations in vacancy rates, rental rates remained relatively stable. Class A offices experienced a minor decrease in average rents from Q1 to Q3 2024, settling at approximately \$30.3 per square meter. On the other hand, rents for Class B offices saw a slight increase, averaging \$22.5 per square meter.

About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com

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10%

Vacancy Rate

YoY Chg

12-Mo. Forecast



172 104

Supply / sqm



\$26.4

Asking Rent / sqm



(For A and B Classes)

GLA ACROSS DISTRICTS

The analysis of Tbilisi's office real estate market in mid-2024 reveals that there have been no significant changes in the gross leasable area (GLA) across different districts. Compared to Q1 2024, the GLA in Vake saw a modest increase of about 5,000 square meters, which had a minimal impact on its overall market share. Vake continues to dominate the market, accounting for 37% of the total GLA in Tbilisi. Saburtalo follows, representing 23% of the total GLA, making it the second most prominent district for office space. Didube accounts for 16%, while Mtatsminda comprises 15% of the total GLA.

The dynamic nature of the Tbilisi office market ensures that new projects are consistently being planned and developed to meet the growing demand for diverse office spaces. This ongoing expansion keeps the market vibrant and adaptable, catering to a wide range of business needs and preferences.

ECONOMIC INDICATORS

\$8 218.8

Georgia GDP Per Capita (2023*)

YoY Chg



8.4%

Georgia Real GDP Growth Rate (2024 Q1*)



1.0%

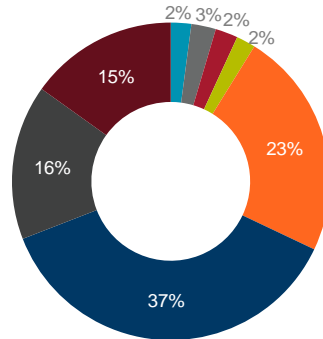
Inflation Rate (2024 Aug)



Source: Geostat

*Latest available data

GLA BY DISTRICTS

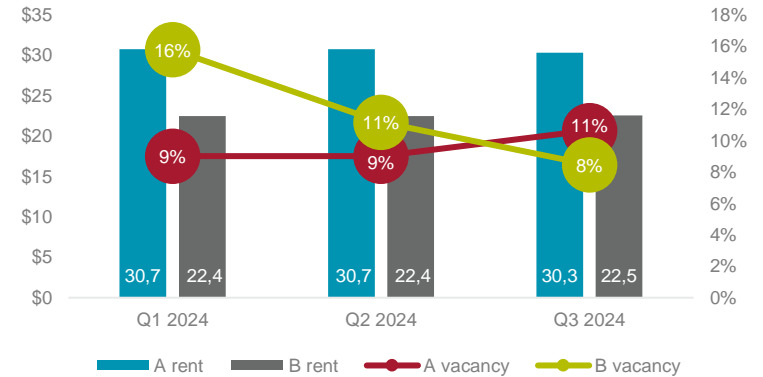


- Chugureti
- Nadzaladevi
- Isani
- Krtsanisi
- Saburtalo
- Vake
- Samgori
- Didube
- Mtatsminda

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VACANCY & ASKING RENT



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MARKETBEAT

TBILISI | GEORGIA

Office Q2-Q3 2024



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