



**CUSHMAN &  
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**VERITAS**

# **Georgia's Economic & Real Estate Trends**

## **Q1-Q2 2025**

# Georgia's Economic Momentum

In the first quarter of 2025, the country recorded a 9.8% real GDP growth compared to the same period last year, driven by thriving sectors such as ICT, tourism, construction, and trade. Georgia also secured the second-highest real per-capita GDP growth in the world, showcasing its dynamic economy and rising productivity.

The country's investor-friendly environment continues to attract global attention, with low regulatory barriers and efficient administrative processes. These advantages are reflected in its global rankings — 7th in the World Bank's Ease of Doing Business index and among the top 3 worldwide for regulatory efficiency under the B-READY framework.

Georgia ranks 1st in the region for rule of law and 53rd globally in the Corruption Perceptions Index, according to international assessments, reflecting the country's institutional performance. Economic indicators also remain broadly stable, in May 2025, inflation stood at 3.5%, close to the National Bank's 3.0% target. Looking ahead, the IMF forecasts 6.0% GDP growth and 3.6% inflation for the year. However, challenges remain, with the national unemployment rate recorded at 14.7% in Q1 2025.

Adding to this momentum, leading real estate investment and development company Eagle Hills Properties has unveiled plans worth approximately USD 6 billion to launch landmark projects in Tbilisi and Batumi, a move that further highlights Georgia's appeal and the strong confidence investors have in its thriving economy.



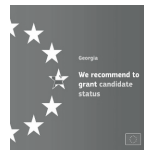
1<sup>st</sup>  
WJP Rule of Law Index 2024, Eastern Europe & Central Asia Region



3<sup>rd</sup>  
least tax-burdened country in the world  
7<sup>th</sup>  
Ease of Doing Business



1<sup>st</sup>  
Real GDP Growth rate in Region and 24<sup>th</sup> globally



December 14, 2023, the European Council officially conferred EU candidate status upon Georgia



GDP (Q1 2025\*)  
7.7 Billion USD



Real GDP Growth Rate  
(Q1 2025\*)  
9.8%



GDP per Capita  
(Q1 2025\*)  
≈ 2,091.3 USD



FDI inflow  
(Q1 2025\*)  
179.4 Million USD



Unemployment  
(Q1 2025\*)  
14.7%





# ***Residential Real Estate***

# TBILISI

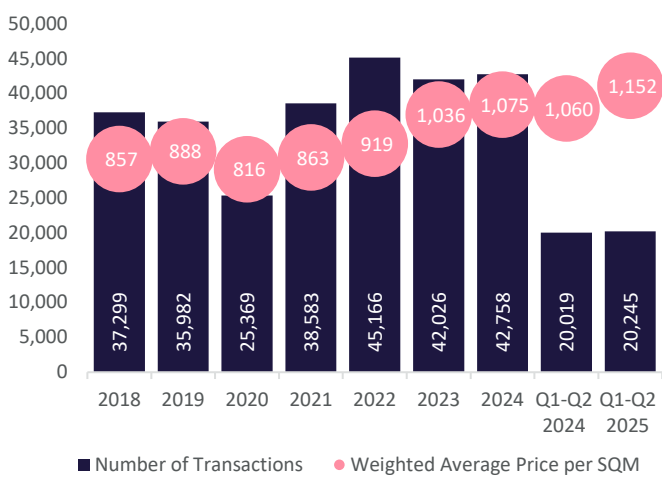
## Residential Real Estate

In the first half of 2025, Tbilisi’s residential real estate market maintained overall stability, with 20,245 units sold — a level comparable to the same period in 2024, reflecting consistent demand. The average sales price per square meter increased by 8.7% year-over-year, from USD 1,060 to USD 1,152, although recent data suggests a moderation in the pace of price growth.

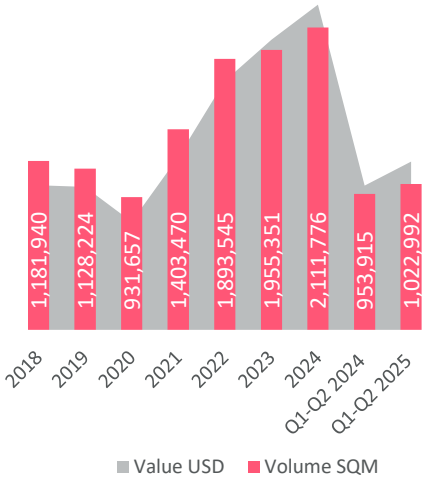
In the first half of 2025, the transacted area in Tbilisi’s residential market remained close to 1 million square meters, while the total market value rose from USD 1.02 billion to USD 1.15 billion compared with the same period in 2024, indicating steady value growth. The market is showing signs of diversification, with increased supply across different price tiers and stronger activity in smaller, more affordable units. Broader urban and demographic shifts, including population growth in the capital, evolving household sizes, and improving building standards, are helping to shape demand, supporting a market that is becoming more competitive, balanced, and quality-focused.



**Market Value \$1,178 million**  
**Weighted Average Price per sqm \$1,152**  
**Number of Transactions 20,245**



Number of transactions and the weighted average price (USD per sqm)



Annual volume (sqm) and value (USD)

District-level data shows notable price differences across Tbilisi. In Q1–Q2 2025, Vake recorded the highest average residential price at USD 1,723 per square meter, followed by Mtatsminda at USD 1,618. The most affordable district was Samgori, with an average of USD 962 per square meter. Across the city, the average price reached USD 1,152, up 8.7% from the same period in 2024.

Based on current market indicators, Tbilisi’s residential sector is likely to remain stable in the near term, with transaction volumes holding steady and price growth showing signs of moderation. The ongoing delivery of new housing projects, particularly in the mid-market segment, is expected to expand supply, increase competition, and encourage more flexible pricing strategies. Demand is projected to remain resilient, supported by mortgage availability, with continued interest in affordable and efficient units. Broader factors, including urbanization, demographic changes, and higher expectations for quality, are anticipated to continue influencing buyer preferences, contributing to a more segmented and value-focused market.

Source: NAPR





# TBILISI

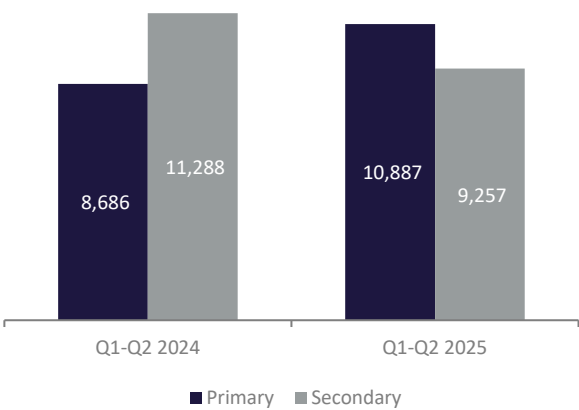
## Residential Real Estate

In the first half of 2025, Georgia’s residential market saw a shift in activity between the primary and secondary segments. While the secondary market has historically led in transactions, this period marked a reversal, primary market sales rose by 25.3% year-over-year, while the secondary segment declined by 18%.

Pricing trends reflected this market shift. In the first half of 2025, the primary market saw prices rise by 3.0% to an average of USD 1,344 per square meter, while the secondary market grew by 6.6% to USD 763 per square meter. Despite higher relative growth in the secondary segment, lower transaction volumes indicate a continued preference for new properties.

This shift is supported by the growing supply of modern developments, where the price gap with older homes is often modest. Considering that secondary units may require costly renovations, their overall investment can be closer to that of new builds.

As a result, buyers increasingly choose new properties for their readiness, amenities, and lower post-purchase costs, a trend that signals stronger confidence in new projects alongside stable value in existing stock.



Number of transactions in Primary and Secondary Transactions

**For the first time in recent years, sales of new homes in Tbilisi outpaced secondary market transactions during Q1–Q2 2025.**



# TBILISI

## Land Development

Land sales in Tbilisi’s outskirts are gaining momentum. While activity has traditionally been modest, areas such as Teleti & Krtsanisi have seen steady growth since 2021, driven by a surge in new development projects. In the first half of 2025, they lead the outskirts in land transactions. However, with a strong pipeline of upcoming projects, Lisi & Tkhinvala are well positioned to take the lead soon.

Demand for land around Tbilisi is growing rapidly, fueled by projects that offer ready-made infrastructure and construction permits in specific areas. Many of these developments are designed for private housing, making it easier for buyers to secure plots and build immediately. This trend reflects a rising interest in emerging neighborhoods that combine modern amenities, build-ready conditions, and strong long-term potential.

Districts	Year										USD Per m <sup>2</sup>
	2018	2019	2020	2021	2022	2023	2024	Q1-Q2 2024	Q1-Q2 2025		
Tabakhmela, Shindisi, Tsavkisi & Okrokana	\$51	\$46	\$68	\$77	\$100	\$104	\$106	\$122	\$206	\$ 210	
Lisi & Tkhinvala	\$51	\$50	\$56	\$86	\$92	\$121	\$129	\$122	\$114	\$ 140	
Teleti & Krtsanisi	\$195	\$112	\$80	\$130	\$139	\$119	\$128	\$152	\$133	\$ 70	

Annual weighted average prices (USD per sqm), Land Development Around Tbilisi

Land prices in Tbilisi’s outskirts show distinct patterns across key clusters. In Tabakhmela, Shindisi, Tsavkisi, and Okrokana, values have climbed steadily in recent years, reaching USD 206 per m² in Q1 2025 — the highest among all monitored areas. Lisi & Tkhinvala have also recorded consistent growth, supported by active transactions and ongoing developments, with prices now at USD 114 per m².

In contrast, Teleti & Krtsanisi, once the most expensive areas in 2018, have followed a more fluctuating trend, with recent decreases bringing prices to USD 133 per m².

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**Market Value \$14.2 million**  
**Weighted Average Price per sqm \$135**  
**Number of Transactions 116**

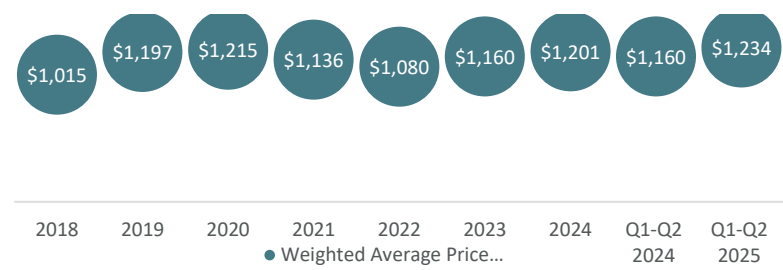


# BATUMI

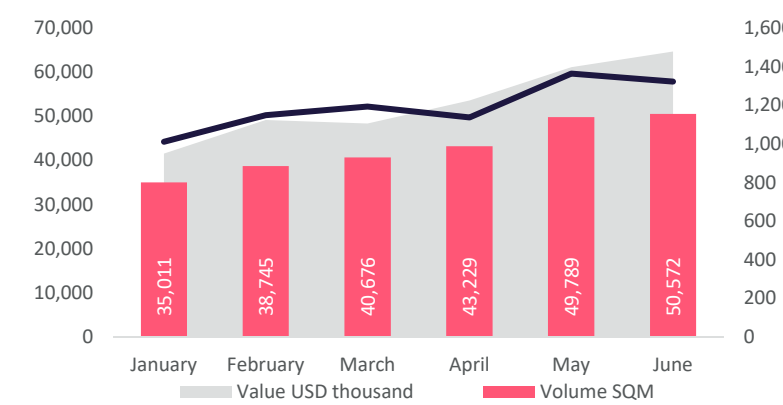
## Residential Real Estate

Batumi’s residential market is driven largely by investment purchases, with most buyers being foreign investors — particularly from CIS countries, Eastern Europe, and the Gulf — attracted by the city’s strong potential as both a desirable lifestyle destination and an appreciating real estate asset.

In Q1–Q2 2025, the market recorded sales totaling 258,022 m<sup>2</sup>, showing steady growth from earlier in the year. The weighted average price reached USD 1,234 per m<sup>2</sup>, up 6.4% year-over-year, continuing a multi-year upward trend. While transaction numbers declined slightly by 3.8% compared to the same period in 2024, the total market value in June exceeded USD 60 million, marking a 7.1% annual increase.



Annual weighted average prices (USD per sqm)



Number of transactions, volume (sqm), and value (USD), Monthly Dynamics, Q1-Q2 2025

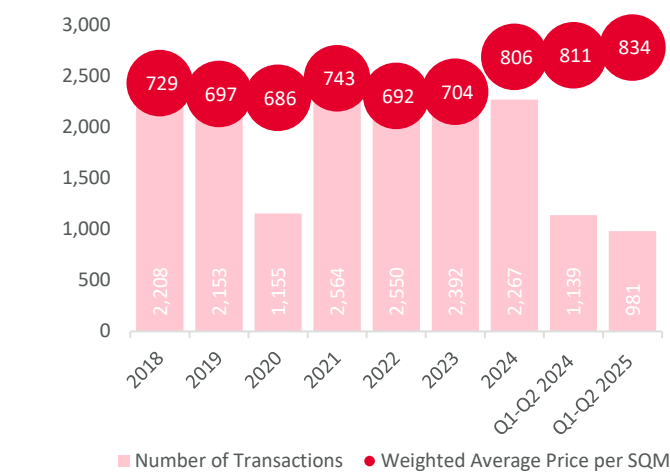


# KUTAIISI

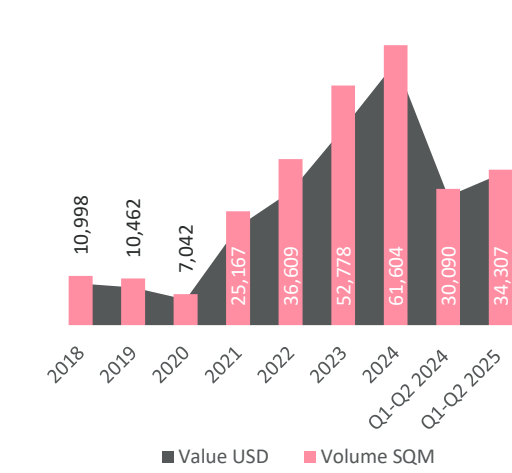
## Residential Real Estate

Kutaisi, Georgia’s historic capital set amid lush landscapes, is steadily emerging as a dynamic player in the country’s real estate market. Combining rich heritage with modern growth, the city is attracting increasing interest in its residential sector. Ongoing infrastructure improvements, competitive prices, and rising demand for quality housing are making Kutaisi an appealing choice for both local and foreign homebuyers, as well as investors.

In Q1–Q2 2025, Kutaisi’s residential market remained resilient, with sales volume rising 14% to 34,307 m² and market value increasing 13.7% to USD 34 million, despite a 13.8% decline in transaction numbers. The average price per square meter reached USD 834, marking a 2.8% year-over-year increase.



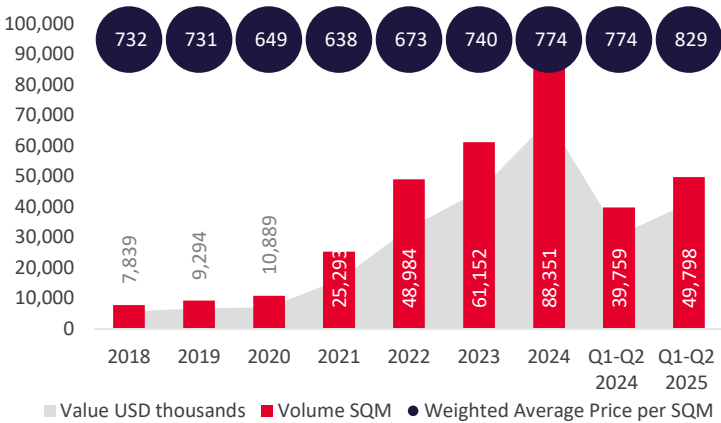
Number of transactions and weighted average price (USD per sqm)



Annual volume (sqm) and value (USD)

# Rustavi

## Residential Real Estate



Market value (USD), volume (sqm), and weighted average price (USD per sqm)

Rustavi, long recognized as Georgia’s industrial center, is experiencing a steady urban transformation. Its affordability and proximity to Tbilisi are drawing new residents, while its real estate market is gaining pace, presenting increasing investment opportunities in response to the growing demand for suburban living.

“**Market Value \$41,267 thousand**  
**Number of Transactions 1,209**

In Q1–Q2 2025, Rustavi’s residential market recorded a 25% increase in sales value, reaching USD 41.2 million. The average price per square meter rose by 7.1% to USD 829.



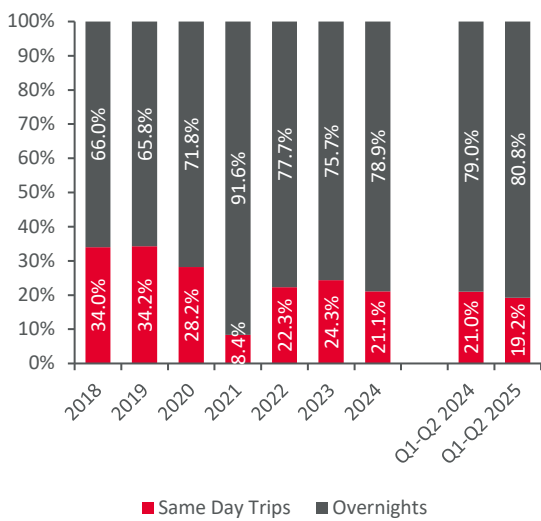


# *HOSPITALITY*

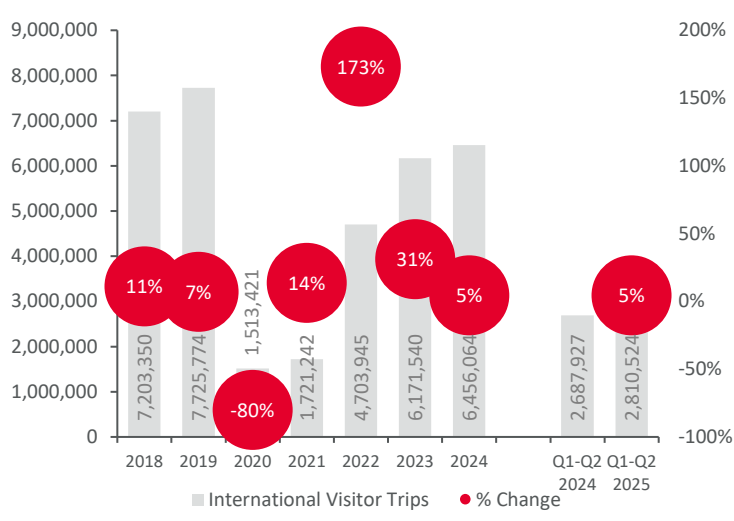


# Hospitality GEORGIA

In Q1–Q2 2025, Georgia welcomed 2.8 million international visitor trips, marking a 5% year-on-year increase. Neighbouring countries, Russia, Turkey, and Armenia, remain the leading sources of short-stay travel, while visitors from Europe accounted for 2.2 million trips during the same period. Arrivals from the Middle East, led by Israel, Iran, and Saudi Arabia, are on the rise, along with growing numbers from India, Kazakhstan, and China. This reflects a diversifying Asian market with strong potential for further growth in the coming years.

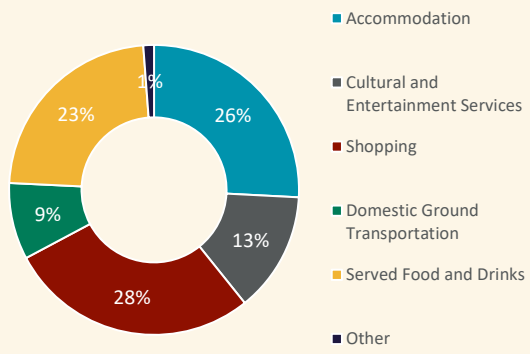


Overnight vs Same Day Trips



International Visitor Trips to Georgia

In Q1–Q2 2025, Georgia welcomed more overnight visitors from beyond its neighbouring countries, reflecting growing interest in extended stays to explore its diverse attractions. The average stay reached 5.4 nights, with leisure and recreation driving 46.4% of international trips. Tourism revenues continued to rise, supported mainly by spending on shopping, accommodation, and dining, with cultural and entertainment activities also making a significant contribution. By showcasing its rich heritage and dynamic leisure scene, Georgia is strengthening its appeal and fostering deeper visitor engagement.

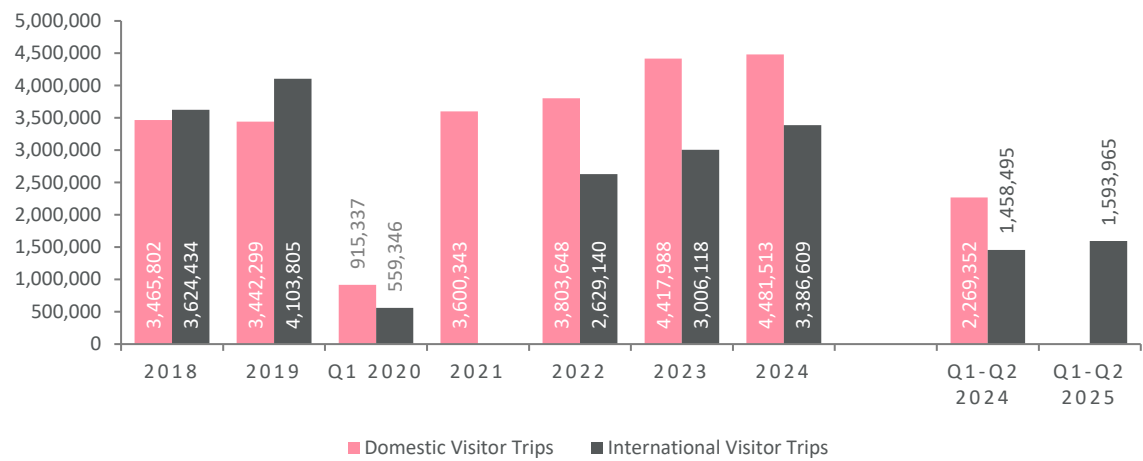


Expenditure Structure for Q1-Q2 2025

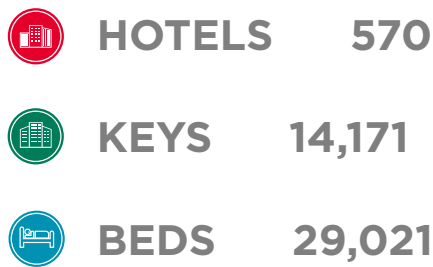
# Hospitality

## TBILISI

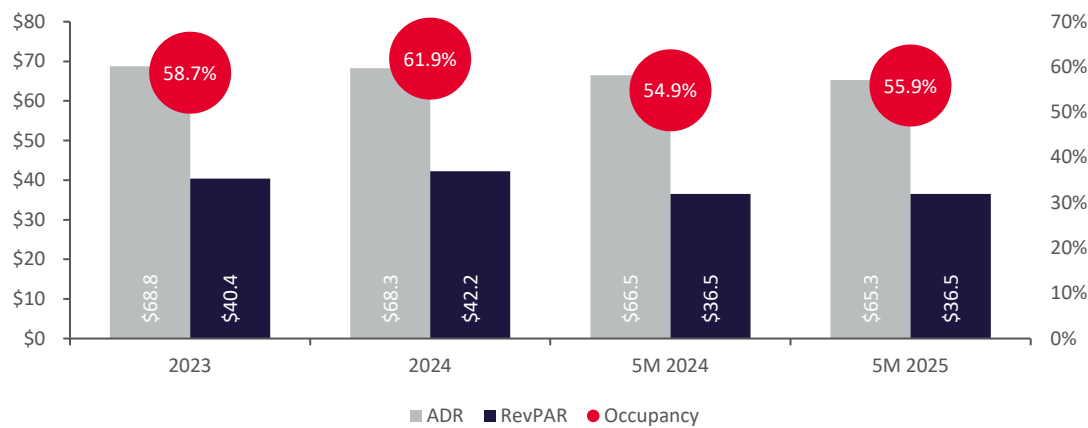
In the first half of 2025, Tbilisi welcomed around 1.6 million international visitors — a 9% rise compared to last year. Arrivals via Tbilisi International Airport grew even faster, climbing 14%, reinforcing the city’s position as a vibrant and expanding travel hu.



International and Domestic Visitor Trips to Tbilisi



Representing the largest share of Tbilisi’s hotel market, midscale and upper-midscale properties recorded 55.9% occupancy, an ADR of \$65.3, and a RevPAR of \$36.5 in the first five months of 2025. Sustained outside the summer peak, these figures reflect the segment’s significant role in supporting the city’s diverse and year-round tourism landscape.



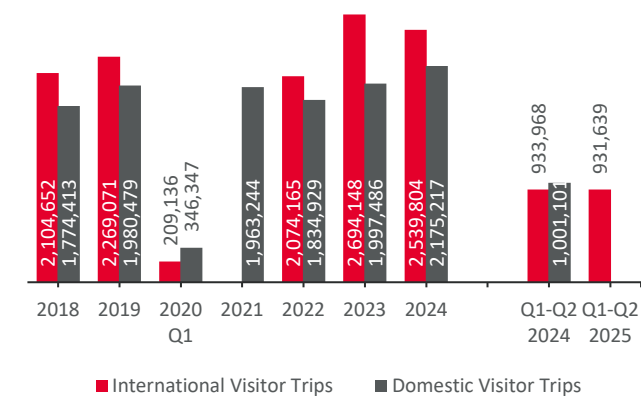
Historic Annual Dynamics of Midscale Branded Hotels



# Hospitality

## BATUMI

Nestled in western Georgia, Adjara combines the sunny shores of the Black Sea with dramatic mountain landscapes and a rich cultural heritage, with Batumi as its lively heart. In the first half of 2025, the region welcomed around 0.9 million international trips, alongside a steady flow of domestic visitors. International arrivals, primarily from neighboring countries, as well as key European and Asian markets, peak in the summer months, while Georgian travelers visit year-round for leisure and family occasions. As the country’s leading summer destination, Batumi captivates visitors with its vibrant atmosphere, diverse attractions, and welcoming hospitality, encouraging longer stays — averaging 7–8 nights for international guests and 3–4 nights for domestic travelers. The city is also home to Batumi International Airport, offering convenient connections to major destinations across Europe and Asia, further enhancing its accessibility and appeal..



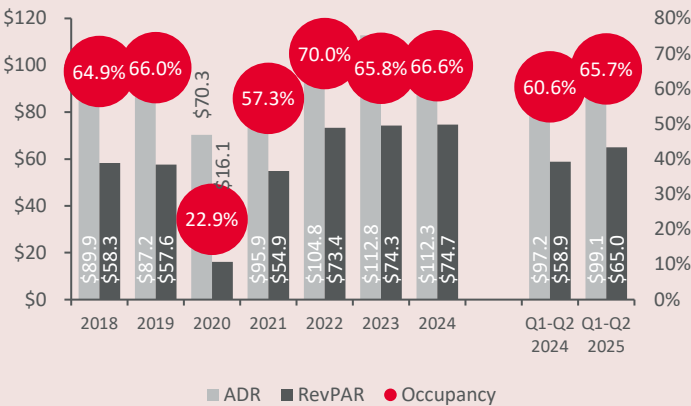
### BATUMI

- Hotels 293
- Keys 12,052
- Beds 23,724

### ADJARA

- Hotels 531
- Keys 16,229
- Beds 33,681

International and Domestic Visitor Trips to Adjara



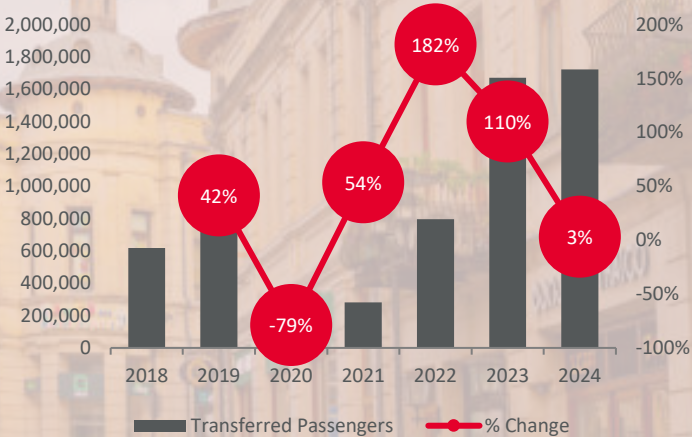
Historic Annual Dynamics of Upper Upscale Branded Hotels in Batumi

*In the first half of 2025, Batumi’s upscale and upper-upscale branded hotels achieved an average occupancy of 65.7%, with a daily room rate of \$99 and revenue per available room (RevPAR) of \$65, according to STR data.*

# Hospitality KUTAIISI

Kutaisi, Georgia’s third-largest city, offers a captivating mix of deep-rooted history, lively culture, and striking natural landscapes, positioning it as a rising destination for international visitors. Its growing appeal is supported by strong global connectivity through Kutaisi International Airport and a wealth of diverse attractions. Recognized by The New York Times in its “52 Places to Go in 2025,” the city was praised for its distinctive blend of heritage and contemporary charm.

**In 2023, Kutaisi International Airport, home to a Wizz Air base and offering extensive connections to European destinations, served 1,671,198 passengers. The number rose to 1,722,804 in 2024, reflecting a 3% year-on-year increase.**



Transferred Passengers by Kutaisi International Airport

Throughout the study period, domestic tourism in Kutaisi has consistently surpassed international visitation, though inbound travel has recorded steady annual growth. In the first half of 2024, domestic travellers remained the dominant segment, while in the same period of 2025, international arrivals grew by 28%, reaching 258,689 visitors.



International and Domestic Visitor Trips





# *Commercial & Retail Tbilisi*



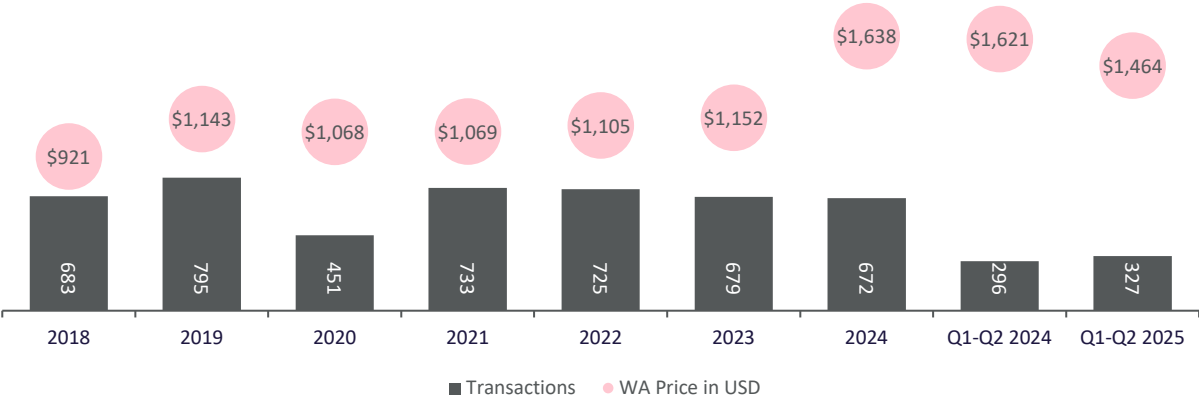


# TBILISI

## Commercial Market Trends

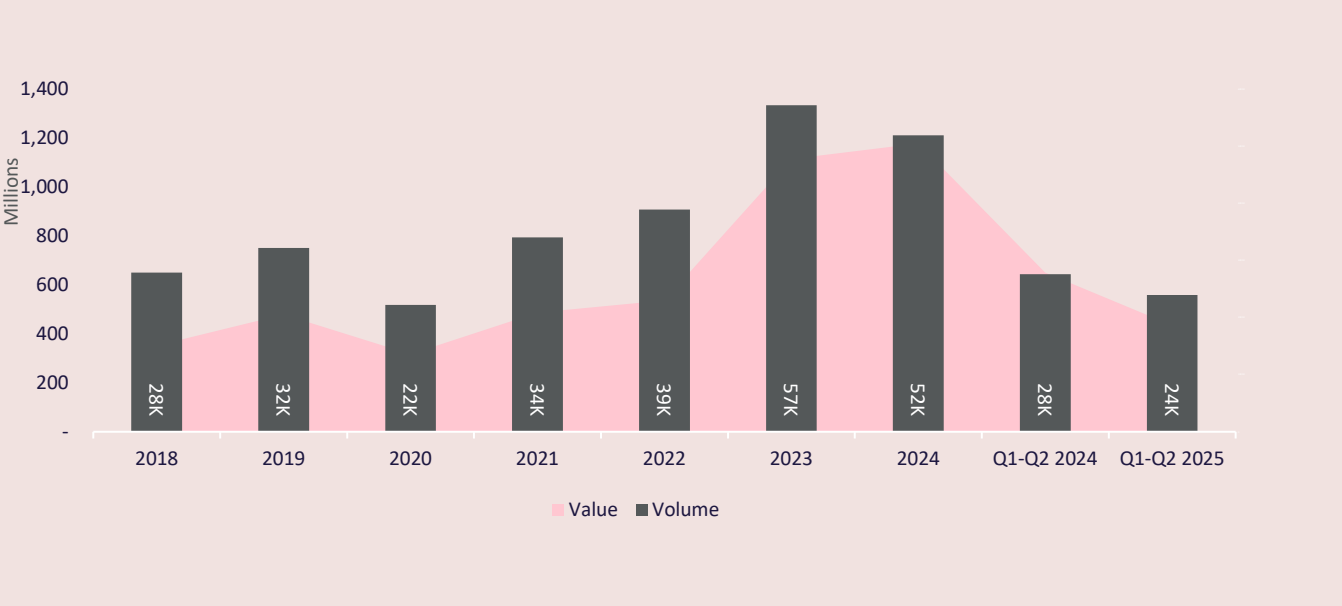
In the first half of 2025, Tbilisi’s commercial real estate market sustained its positive trajectory, marked by rising sale prices. The weighted average price climbed to \$1,464 per sqm. The market remains defined by small-format commercial units, with most transactions involving spaces under 150 sqm. Transaction activity remained highly concentrated, with 50% of all recorded sales occurring in just three districts, Saburtalo, Didi Dighomi, and Isani.

WA Price and Transactions



Since 2018, Tbilisi’s commercial real estate market has seen an 86% surge in transaction volumes, highlighting rapid growth and heightened investor interest. However, by 2025, the market shows signs of entering a stabilization phase after several years of strong momentum. While prices had climbed sharply in recent years, they are now beginning to level off, indicating a shift toward a more balanced and sustainable market environment.

Commercial Market Value and Volume



# TBILISI

## Shopping Malls and High Streets

### Shopping Malls

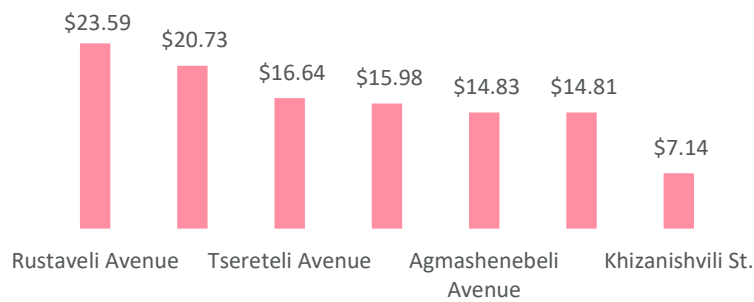
Tbilisi boasts a total Gross Leasable Area (GLA) of 541,311 sqm across its major shopping centers. In recent years, however, the pace of new mall launches has slowed. This reflects changing market dynamics, including the gradual entry of international fashion brands and growing investor preference for mixed-use and urban regeneration projects.

A fresh pipeline of retail developments is set to redefine Tbilisi’s retail landscape, with projects such as Tbilisi Outlet Village, the expansions of East Point and City Mall Saburtalo, and new entries like Arena Mall, Autograph Mall, and Varketili Mall projected to bring approximately 150,700 sqm of additional GLA soon.

### High Streets

Chavchavadze, Rustaveli, Pekini, Aghmashenebeli, and Khizanishvili remain Tbilisi’s key high street retail corridors, each serving distinct market segments. Chavchavadze and Rustaveli dominate the premium end of the market, with upscale brands, top-tier rents, and recent entries such as Harmont & Blaine and Costa Coffee. Pekini continues to attract mid-range international and local retailers, while Aghmashenebeli blends F&B venues with office spaces, creating a vibrant mixed-use environment. Khizanishvili caters to value-focused shoppers, offering economy fashion, banks, and pharmacies. Premium and luxury labels maintain a strong foothold along Chavchavadze and Rustaveli, both through standalone flagship stores and within multibrand boutiques like Garderobe, New Trend, No Name, and BOYGAR’S, with rental rates reflecting their prime visibility and commercial appeal.

### Weighted Average Rent Rate/SQM (excluding VAT)



*Note: This analysis is based on a sample of commercial listings collected during the research period and reflects market conditions as of June 2025. Data quality has been carefully ensured, including the elimination of duplicate entries.*

### KEY FIGURES

- Vacancy Rate ≈ up to 10%
- Asking Rent Rate ≈ \$40\*
- Service Charge ≈ \$7-\$8



# *Offices & Coworking Tbilisi*



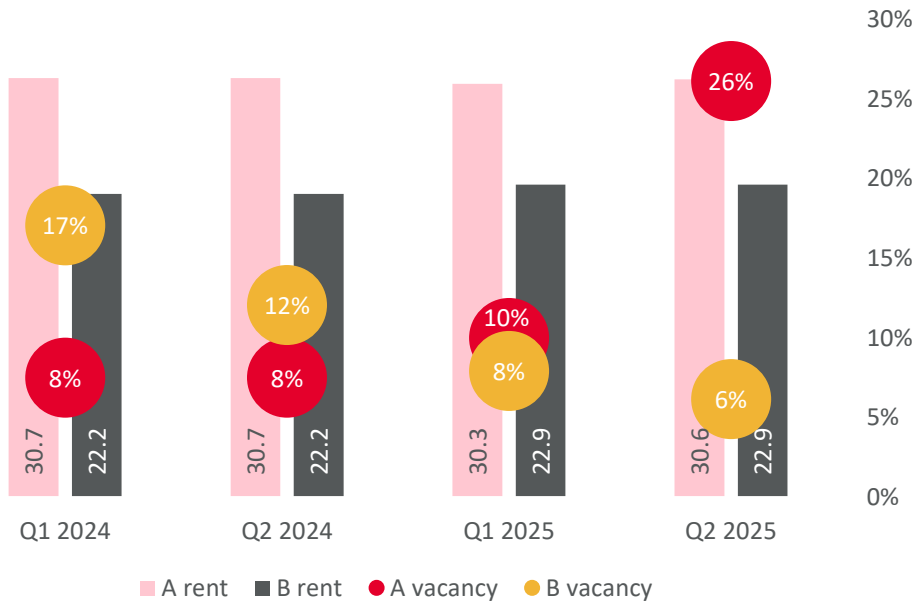


# TBILISI

## Business Centers

In 2025, Georgia continues to offer a highly attractive environment for business, supported by a multilingual, skilled workforce and competitive labor costs. Favorable labor policies, including the absence of minimum wage regulations, sustain a workforce of around 1.6 million people. Coupled with high-speed internet and robust network infrastructure, these advantages position the country as an ideal base for international companies seeking to expand their regional presence.

Tbilisi remains a vibrant business hub in 2025, with demand for modern office space shaping the city’s commercial real estate market. A rising vacancy rate reflects the recent expansion of supply, following the completion of three business centers, Illiyard in Vake, Moedani Hive BC in Avlabari, and Inoffice Iosebidge in Saburtalo.



A and B class office rent rates and vacancy rates

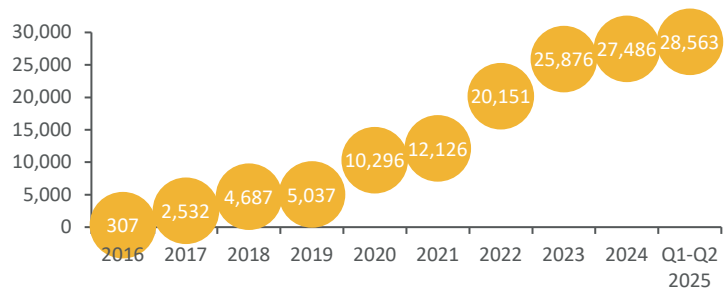
In Tbilisi, B Class office spaces have seen a notable tightening in availability, with vacancy rates falling from 6% in Q2 2025 to 3% by the end of 2024. In contrast, A Class business centers have maintained relative stability, with only minor fluctuations linked to tenant changes, recording a 26% vacancy rate in Q2 2025. Rental prices remain steady, averaging \$22.9 per sq. m for B Class and \$30.6 per sq. m for A Class offices.



# TBILISI

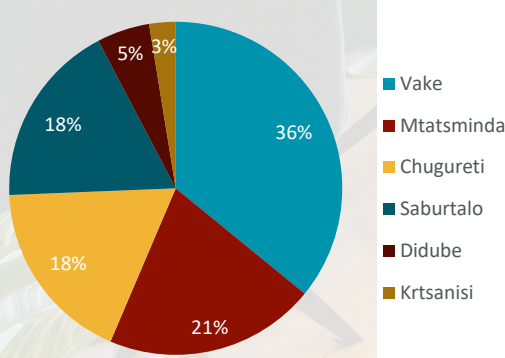
## Co-working

In the first half of 2025, Tbilisi was home to 31 coworking operators, most of them single-location businesses, alongside major brands such as Terminal, Regus, and Collider, which operate multiple sites across the city’s districts. Today, the coworking sector encompasses 39 spaces with a total gross leasable area (GLA) of 28,563 sq. m, serving a diverse community of IT companies, freelancers, and small business owners. The market continues to grow, with Regus set to expand further through a new location in Vake’s Iliyard Business Center.

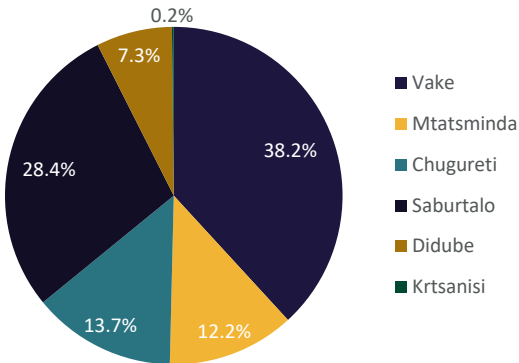


Coworking GLA Dynamics in Tbilisi

Despite the growth of coworking spaces in Tbilisi, their distribution remains uneven. The right bank, particularly Vake and Mtatsminda, hosts most locations, with additional centres in Chugureti and Saburtalo. In contrast, Didube and Krtsanisi have the fewest, reflecting a clear imbalance. By leasable area (GLA), Vake leads, followed by Saburtalo, while Mtatsminda and Chugureti trail behind. Didube and Krtsanisi again account for the smallest GLA, emphasizing the disparity in coworking infrastructure across the city.



Coworking Distribution Across Districts (By Quantity)



Coworking Distribution Across Districts (By GLA)



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