

NATIONAL STATISTICS OFFICE OF GEORGIA

RESIDENTIAL PROPERTY PRICE INDEX IN GEORGIA 2023 I QUARTER



24.04.2023

RESIDENTIAL PROPERTY PRICE INDEX

I QUARTER OF 2023

In the first quarter of 2023 the Residential Property Price Index (RPPI) in Georgia increased by 0.9 percent compared to the previous quarter, while the annual increase amounted to 10.7 percent. Compared to the 2020 average, the index change amounted to 25.1 percent.

The RPPI covers the market of new residential property in Tbilisi, both flats and detached houses segments.

The following table shows percentage changes of the RPPI compared to the previous quarter, the corresponding quarter of the previous year and to 2020 average.

INDEX	COMPARED TO 2020 AVERAGE, %	COMPARED TO PREVIOUS QUARTER, %	COMPARED TO THE SAME QUARTER OF PREVIOUS YEAR, %
Total RPPI	25.1	0.9	10.7
Flats	23.6	2.4	9.3
Detached houses	27.2	-3.5	11.6

Note: The RPPI is based on prices in the national currency (GEL)

In the first quarter of 2023 a price increase compared to the previous quarter was registered in **flats** segment (2.4 percent). In the same period, the prices decreased for **detached houses** (-3.5 percent).

Compared to the first quarter of 2022, the prices increased in both segments, for **flats** by 9.3 percent and for **detached houses** by 11.6 percent.

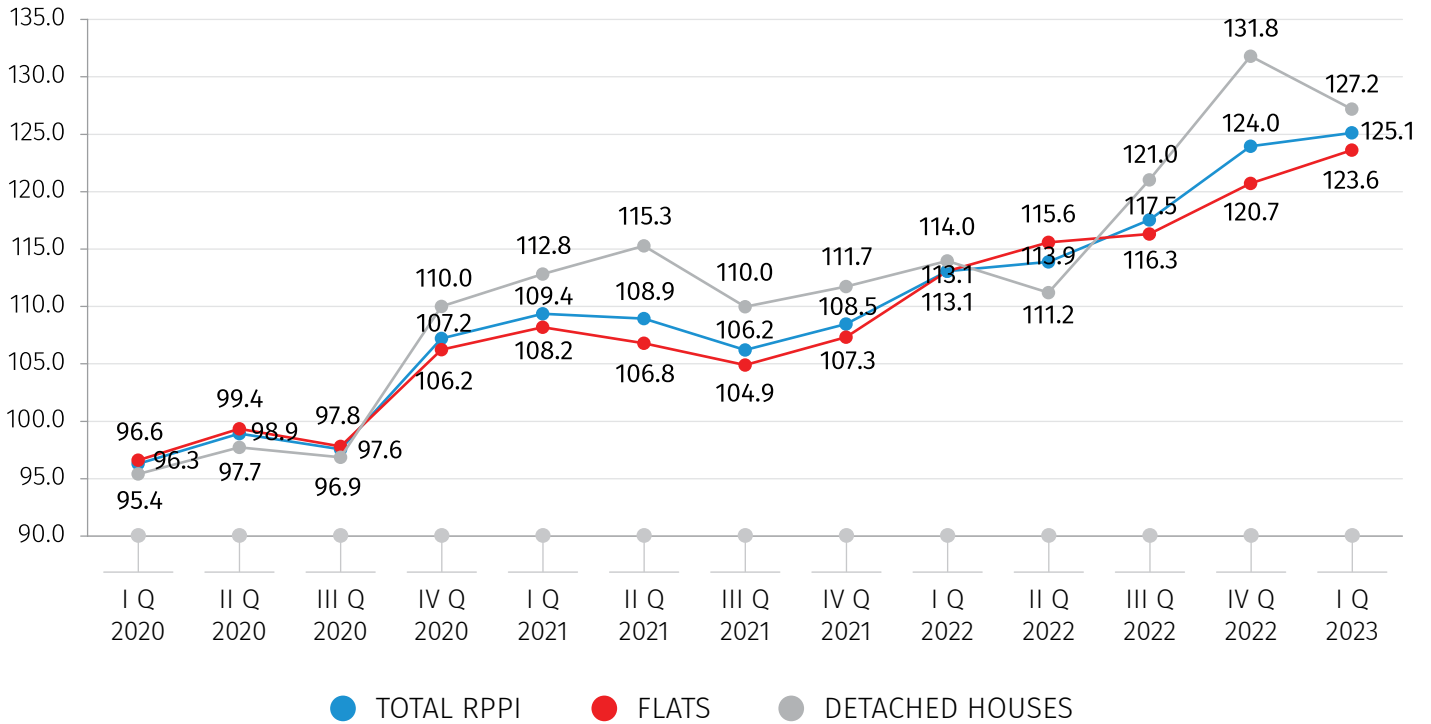
The following graph represents the dynamics of the total RPPI and its sub-indices, as well as the Consumer Price Index.

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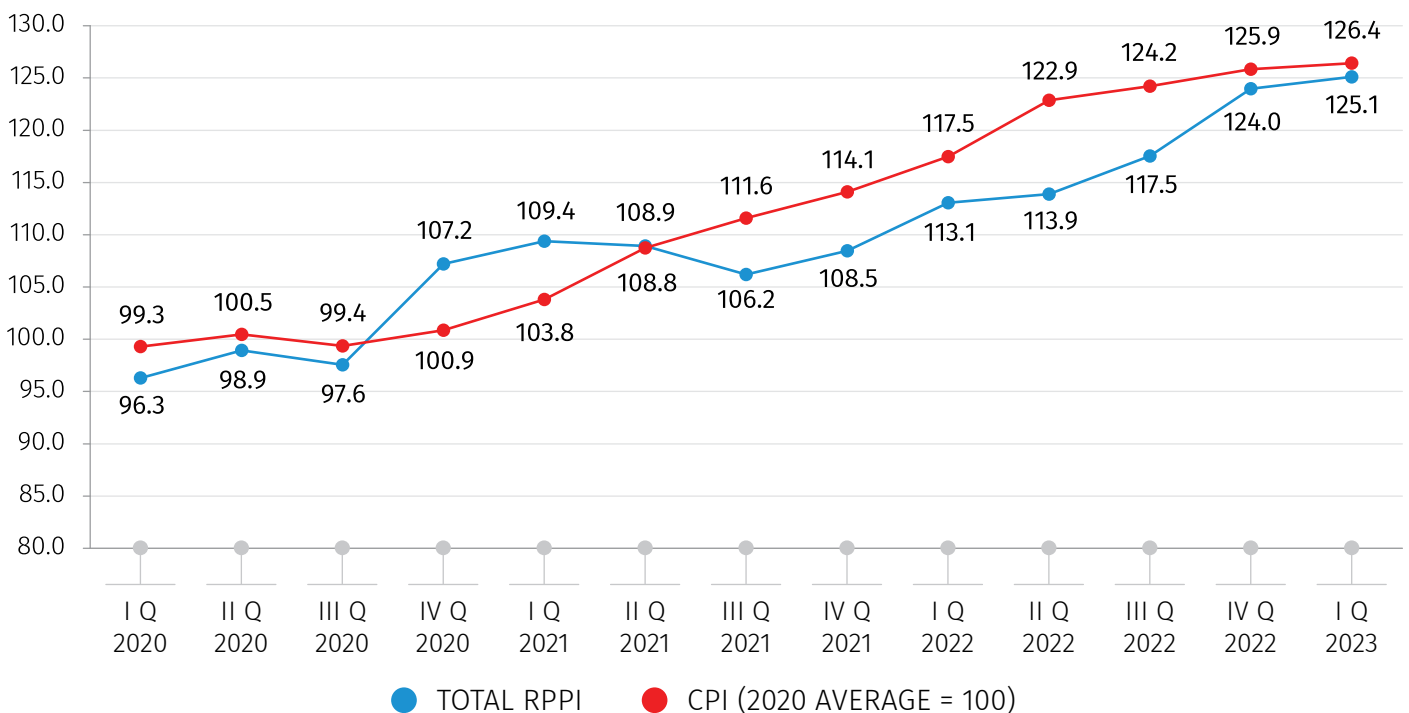
RPPI FOR FLATS AND DETACHED HOUSES

(2020 AVERAGE = 100)



RPPI AND CPI

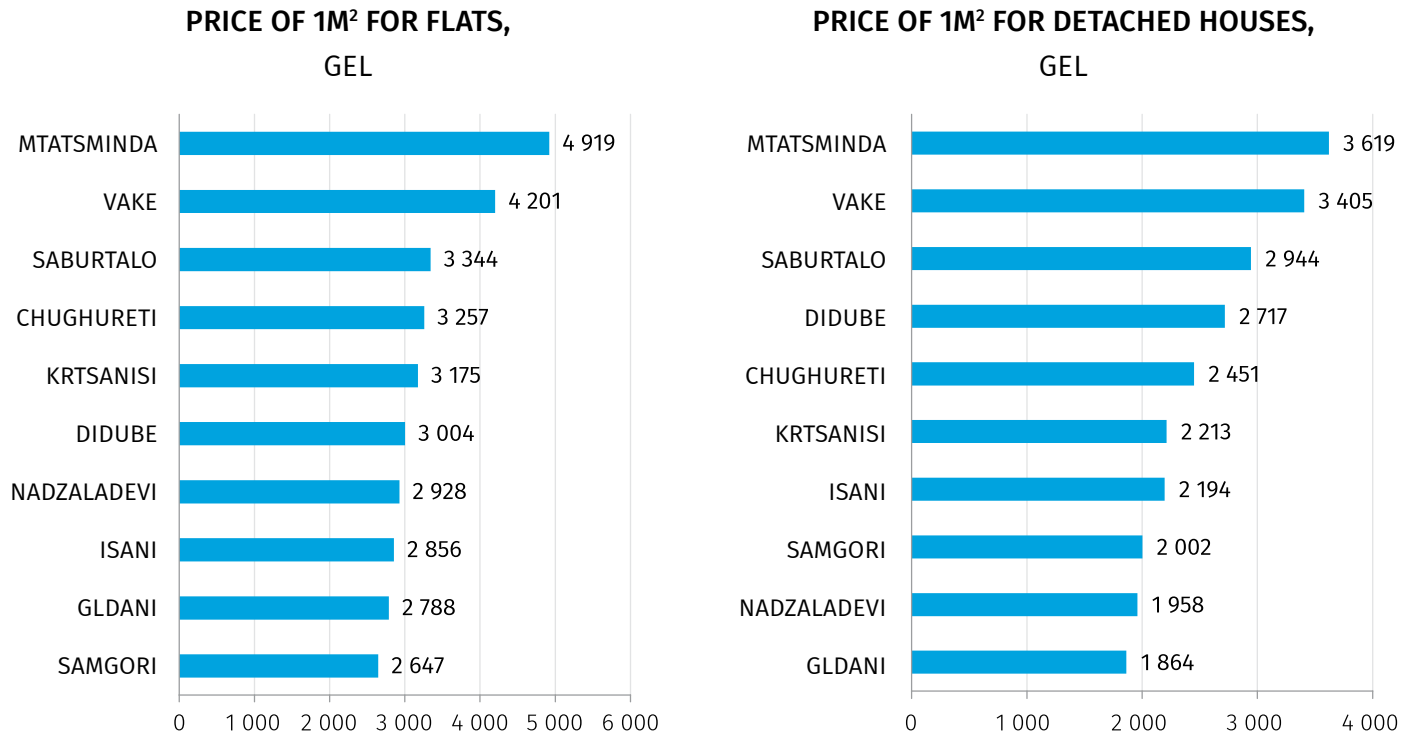
(2020 AVERAGE = 100)



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The following graph represents the median prices of 1m² in the newly-built residential properties in the first quarter of 2023 in Tbilisi, by districts*.



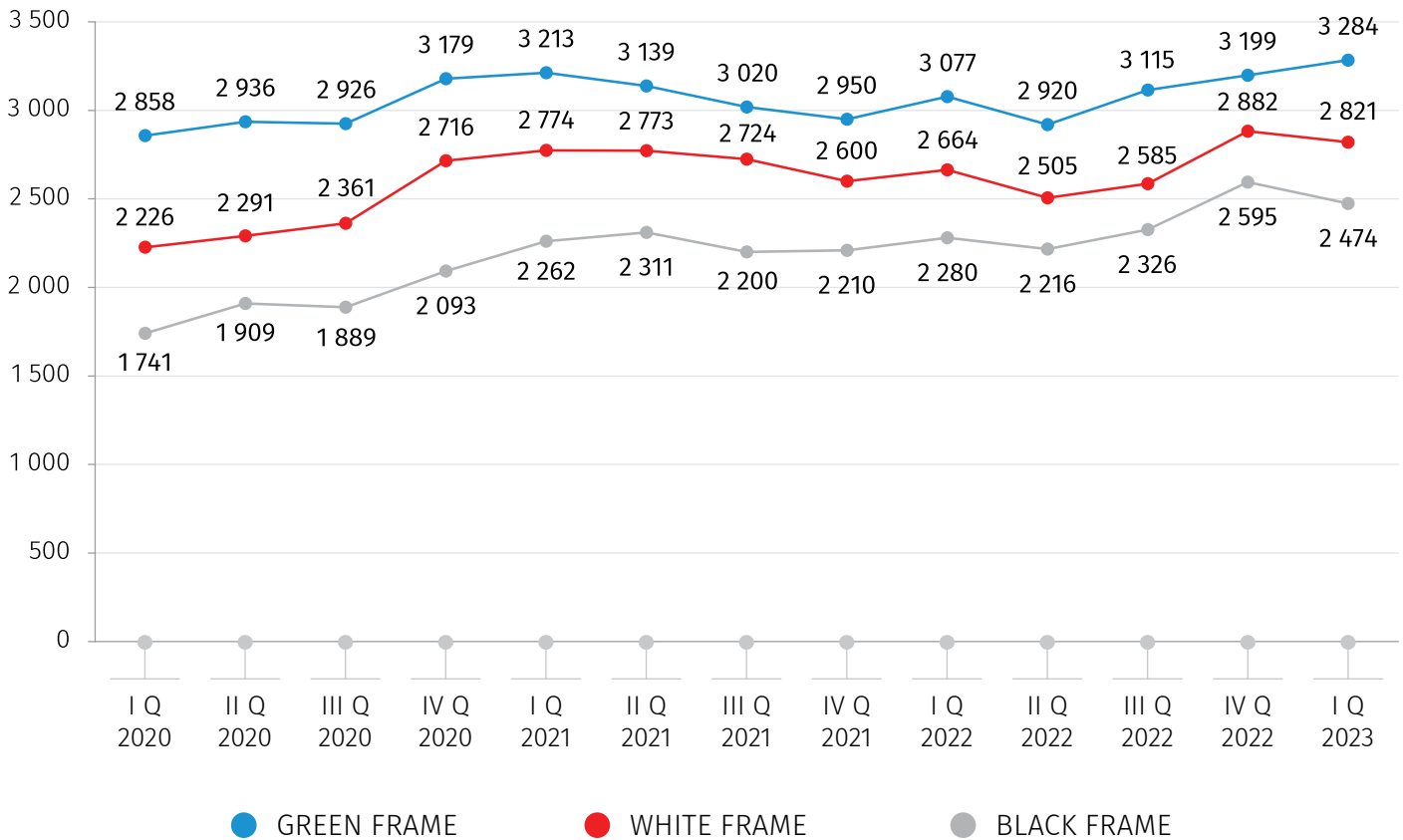
*Note: The mentioned prices are so called "offer prices". The data is obtained using web scraping and calculating median prices.

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The following graph represents dynamics of price of 1m² for newly-built flats, according to their condition (frame)*:

FLAT PRICES BY CONDITION (FRAMES),
GEL



*Note: The mentioned prices are so called "offer prices". The data is obtained using web scraping and calculating median prices.

SOURCE:

 Myhome, www.myhome.ge/ka/

 Saqme.ge, www.ss.ge/ka/udzravi-qoneba

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METHODOLOGY NOTE

Residential Property Price Index (RPPI) measures the price evolution for residential properties. The index covers only the market of new dwellings for both, multi-dwelling buildings (flats) and detached houses in Tbilisi.

Property price indexes are used by central banks and other policy-making institutions, as well as by analysts, researchers and other users within and outside the country. RPPI is used for the following purposes:

1. To assess the development and risks of the real estate market;
2. To understand and evaluate the links between residential real estate markets and financial soundness.

The National Statistics Office of Georgia collects data on dwellings for sale from the real estate advertising websites to obtain the necessary microdata to allow for the compilation of the RPPI. The data is obtained automatically, using web scraping. The obtained data is the so-called "offer prices".

For the RPPI calculation, the National Statistics Office of Georgia uses the so-called "characteristics hedonic approach" that has been tested in many countries around the world. According to this approach, RPPI measures the price evolution of a "typical" dwelling.

For more details, please see the [technical manual](#) of index calculation.

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