



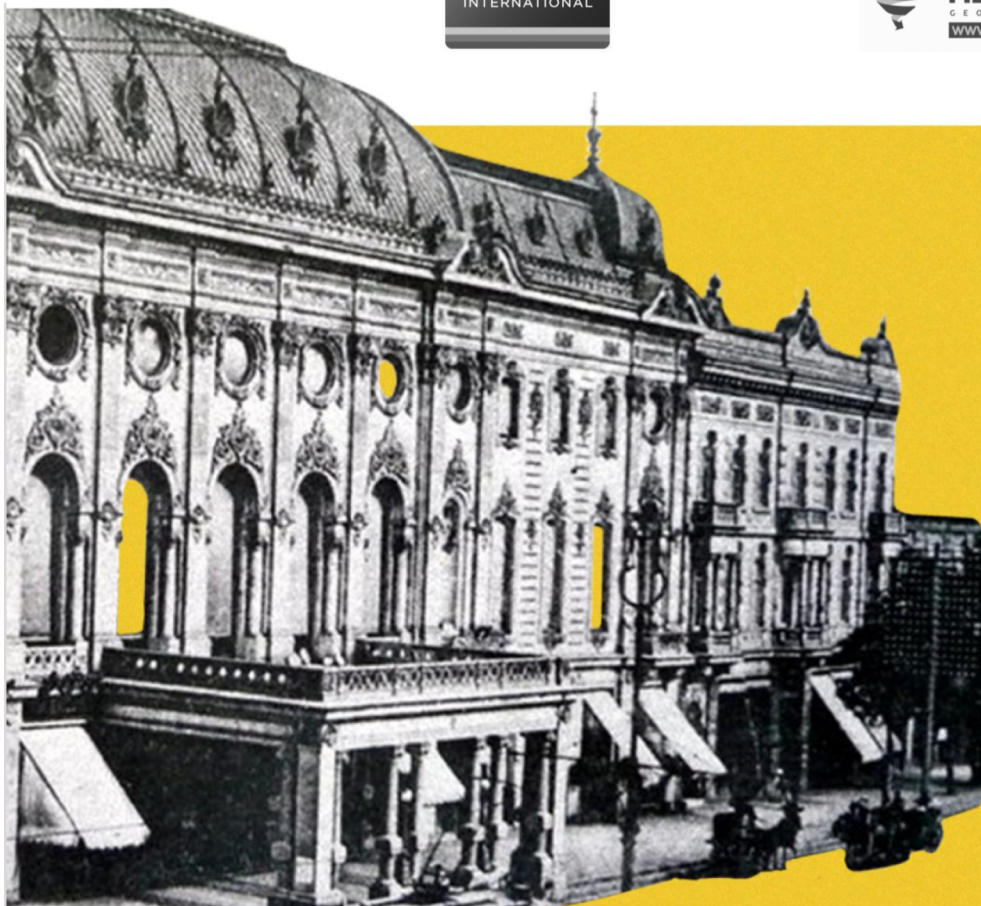
WHY INVEST IN REAL ESTATE OF GEORGIA

ABOUT PROPERTY GEORGIA

www.propertygeorgia.ge



MAIN PARTNERS



ABOUT PROPERTY GEORGIA

www.propertygeorgia.ge is the first brand-new property guide portal that brings together leading players of Georgian real estate market and provides a unique platform for new developments to showcase what makes their properties particularly attractive for local and foreign investors.

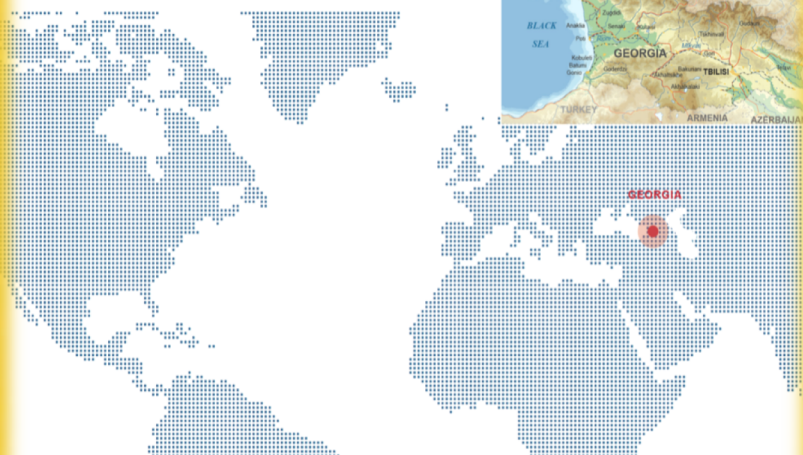
www.propertygeorgia.ge also embraces property market insights, researches & top expert expectations.

All above mentioned will help potential investors, top business decision-makers and opinion leaders to get comprehensive market updates about Georgian real estate industry.

WHY TO INVEST IN GEORGIA



GEORGIA COUNTRY OVERVIEW



Area:	69,700 sq. km		
Population:	3.7 mln	GDP 2017:	USD 15.2 billions
Life expectancy at birth 2017:	73.5 years	GDP real growth rate 2017:	5%
Official language:	Georgian	GDP CAGR 2010-2017 (GEL):	4.6 %
Literacy:	99.8 %	GDP per capita 2017:	US\$ 4068
Capital:	Tbilisi	Inflation rate (July) 2018 (Y-o-Y):	2.8%
Currency (code):	Lari (GEL)	Total Public Debt to Nominal GDP (%) 2017:	44.6%



A politically stable investment destination



No corporate profit tax on reinvested profit



Transparent and business-friendly environment



Skilled and competitively priced labor force



Free Trade Agreements with 2.3 bln market

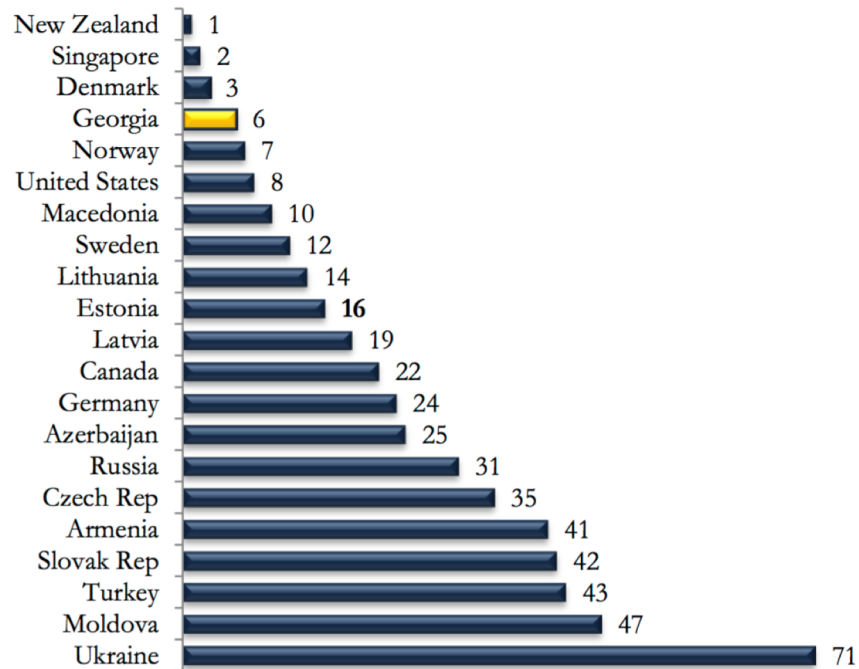


Stable and growing financial sector

WHY TO INVEST IN GEORGIA



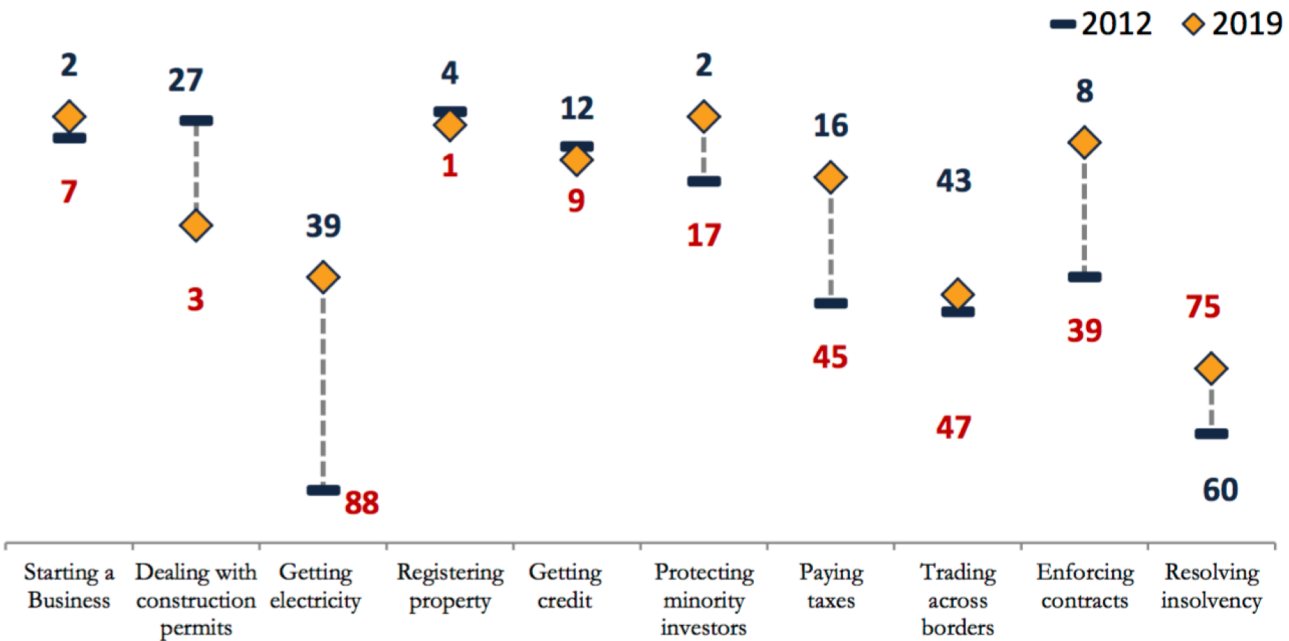
Ease of Doing Business 2019



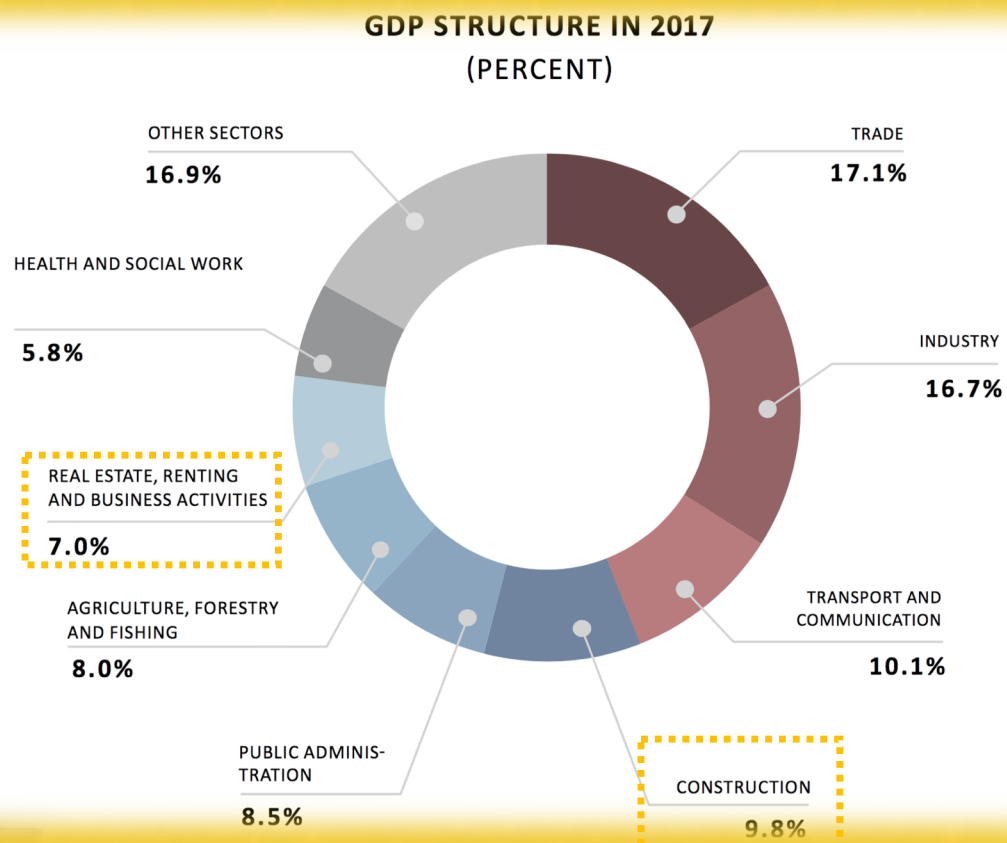
WHY TO INVEST IN GEORGIA



Ease of Doing Business 2019

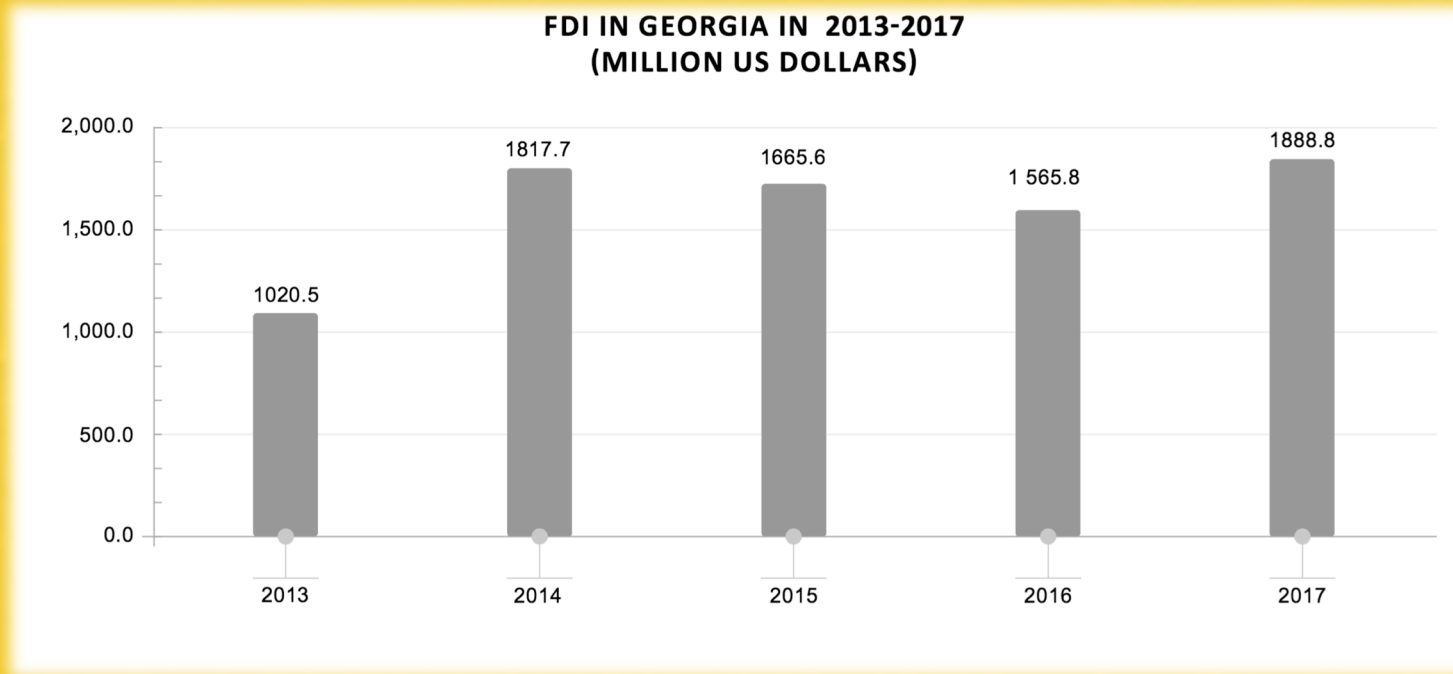


CONSTRUCTION AND REAL ESTATES ARE VERY IMPORTANT SECTORS OF GEORGIAN ECONOMY



Source: GEOSTAT

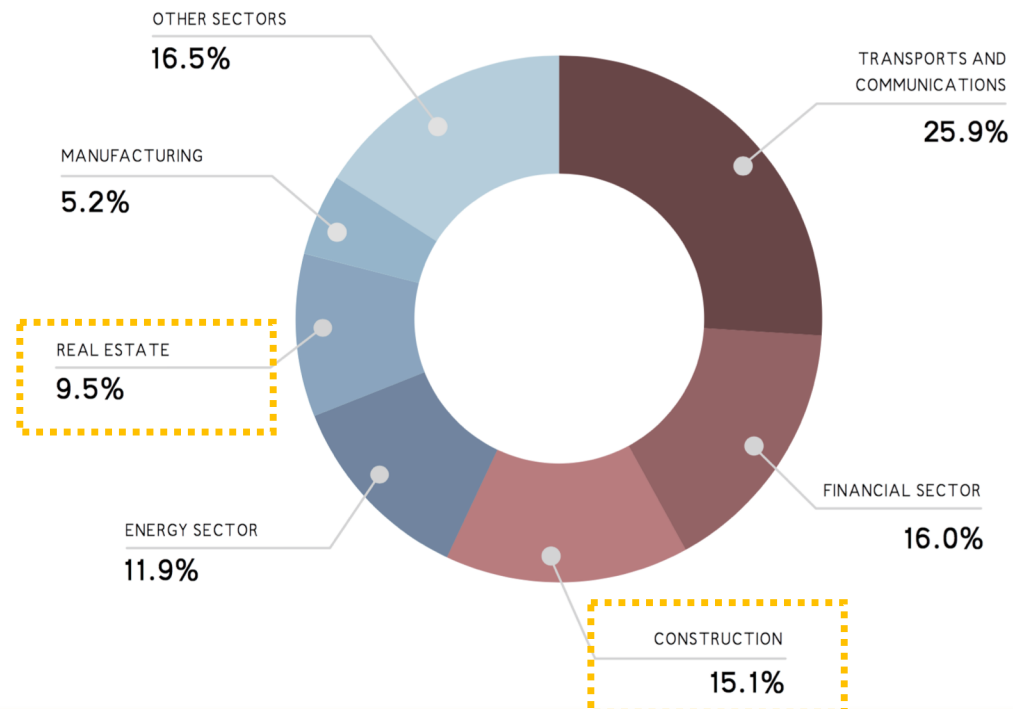
CONSTRUCTION AND REAL ESTATES ARE VERY IMPORTANT SECTORS OF GEORGIAN ECONOMY



Source: GEOSTAT

CONSTRUCTION AND REAL ESTATES ARE VERY IMPORTANT SECTORS OF GEORGIAN ECONOMY

FDI BY MAJOR ECONOMIC SECTORS IN 2017



CONSTRUCTION AND REAL ESTATES ARE VERY IMPORTANT SECTORS OF GEORGIAN ECONOMY



IN 2017, 235 RESIDENTIAL PROJECTS WERE COMPLETED IN TBILISI AND BATUMI

Tbilisi, the largest contributor of residential supply in Georgia, completed about 200 development projects in 2017, comprising 11,160 residential flats in total.

TRANSACTIONS REACHED THEIR HIGHEST POINT SINCE 2012

In 2017, the number of residential transactions rose dramatically to a record 28,000 units, reflecting a 21% increase over 2016

SELLING PRICES IN EACH SEGMENT HAVE BEEN STABLE

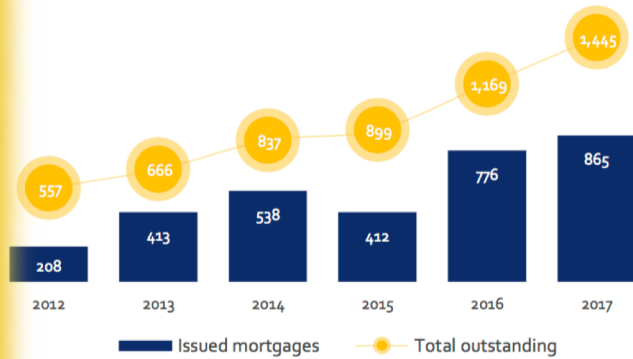
During recent years, the weighted average selling price by segment remained stable in both the primary and secondary markets.

By Colliers International Georgia

CONSTRUCTION AND REAL ESTATES ARE VERY IMPORTANT SECTORS OF GEORGIAN ECONOMY

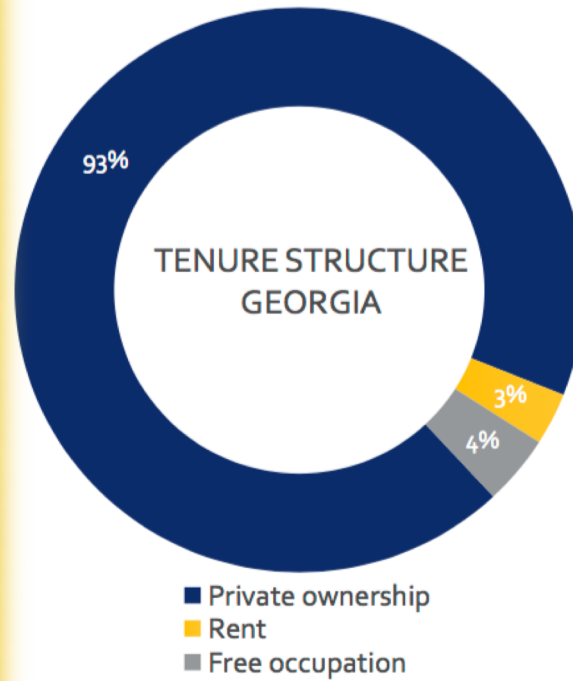
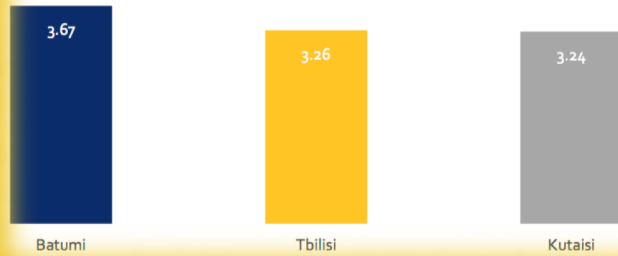


MORTGAGE LENDING (Mln/USD)



Source: National Bank of Georgia, Colliers International

AVERAGE HOUSEHOLD SIZE IN GEORGIA



Source: Geostat, Colliers International

Housing Development Business Opportunity

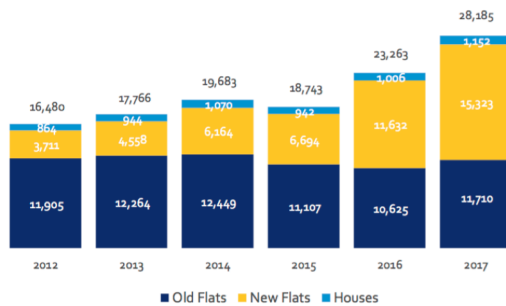
CONSTRUCTION AND REAL ESTATES ARE VERY IMPORTANT SECTORS OF GEORGIAN ECONOMY



Housing Development Business Opportunity

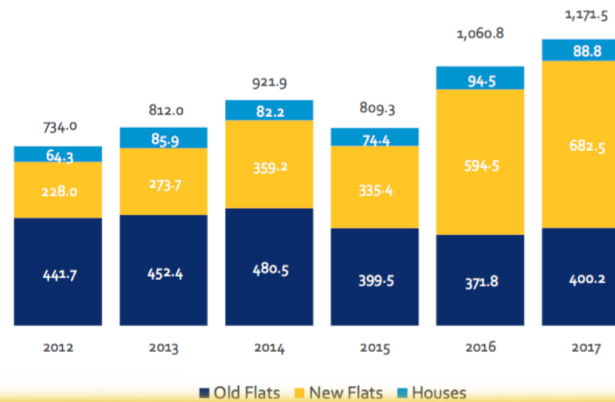
TBILISI RESIDENTIAL MARKET OVERVIEW

TRANSACTIONS OF RESIDENTIAL FLATS AND HOUSES BY YEARS



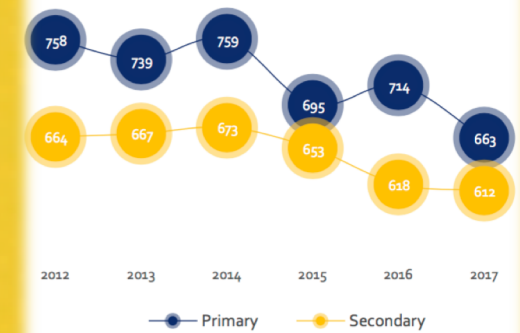
Source: National Agency of Public Registry, Colliers International

TRANSACTIONS VOLUME OF RESIDENTIAL FLATS AND HOUSES BY YEARS (USD/MLN)



Source: National Agency of Public Registry, Colliers International

WEIGHTED AVERAGE SELLING PRICE ON PRIMARY AND SECONDARY MARKETS (USD/sq m)

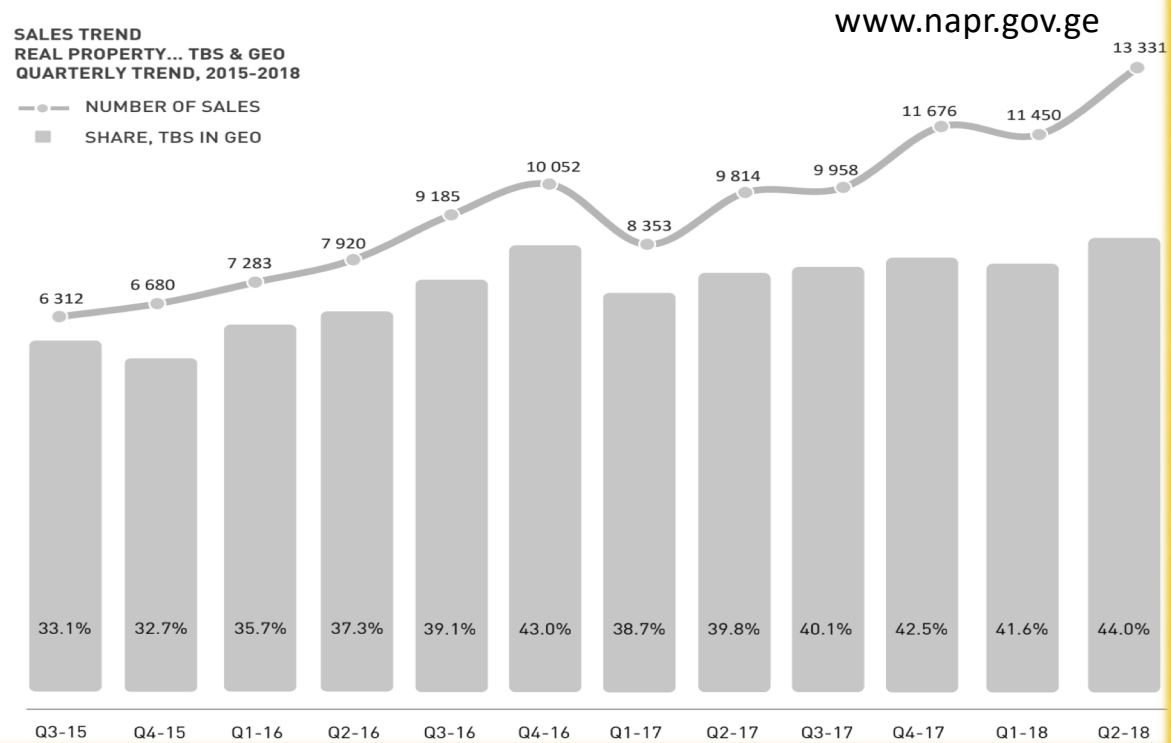


Source: National Agency of Public Registry, Colliers International

CONSTRUCTION AND REAL ESTATES ARE VERY IMPORTANT SECTORS OF GEORGIAN ECONOMY



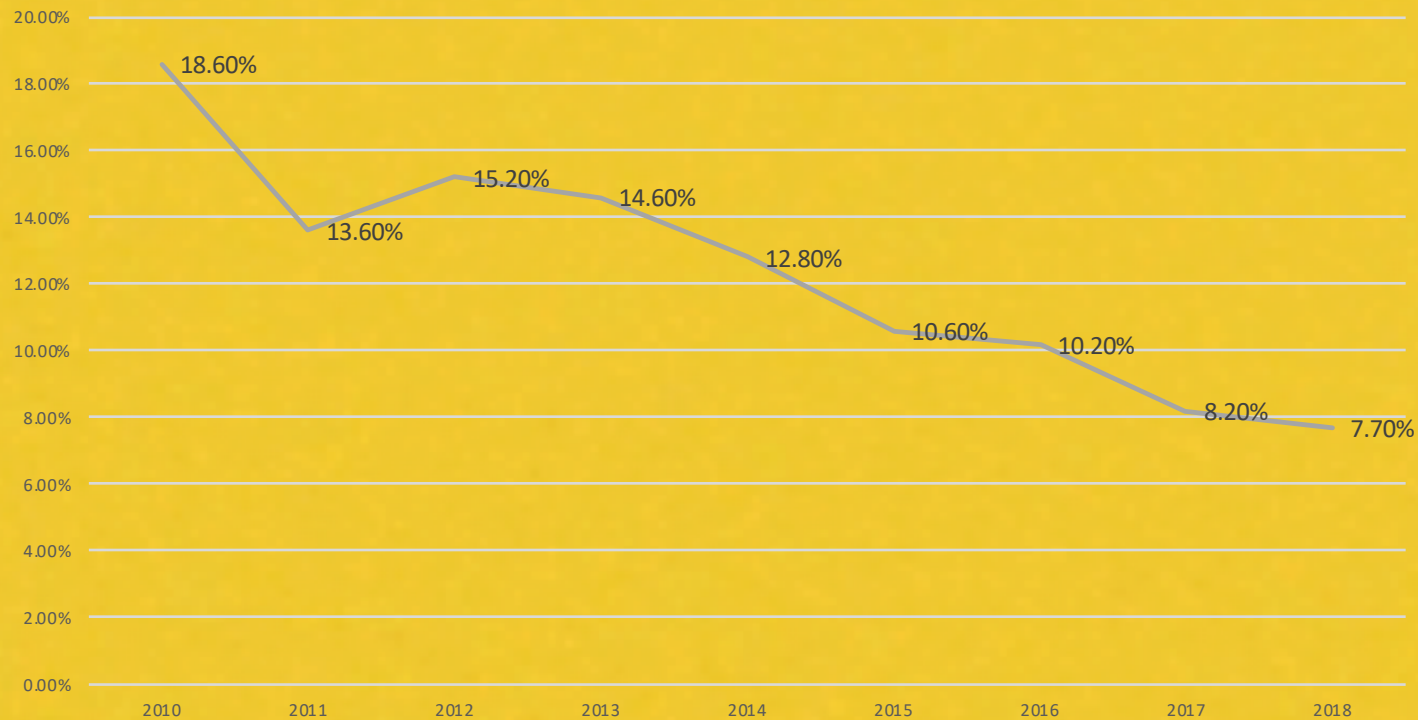
Georgian property market grew by 10.6% in 2017 in comparison with 2016. Annual increase was observed in all quarters, with the highest jump in Q2, 14.2% (QoQ) and 20.0% (YoY).



CONSTRUCTION AND REAL ESTATES ARE VERY IMPORTANT SECTORS OF GEORGIAN ECONOMY



Interest rate on FC Mortgage loans (January of respective year)

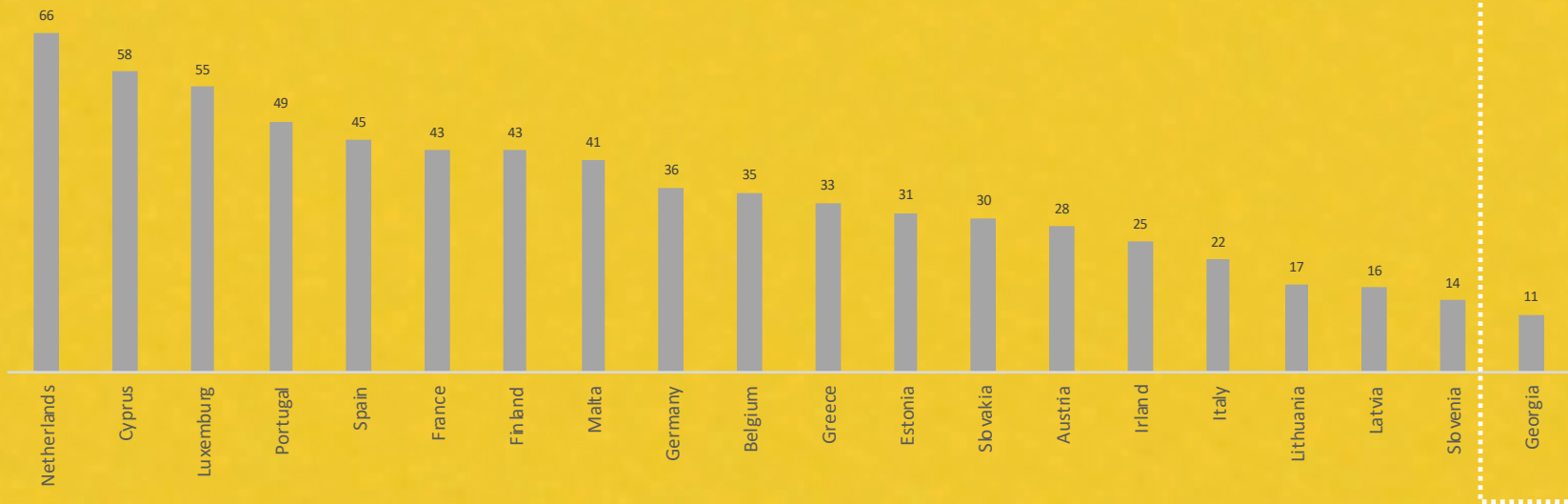


CONSTRUCTION AND REAL ESTATES ARE VERY IMPORTANT SECTORS OF GEORGIAN ECONOMY



Source: IMF, Central banks

Mortgage Loans as a % of GDP 2017

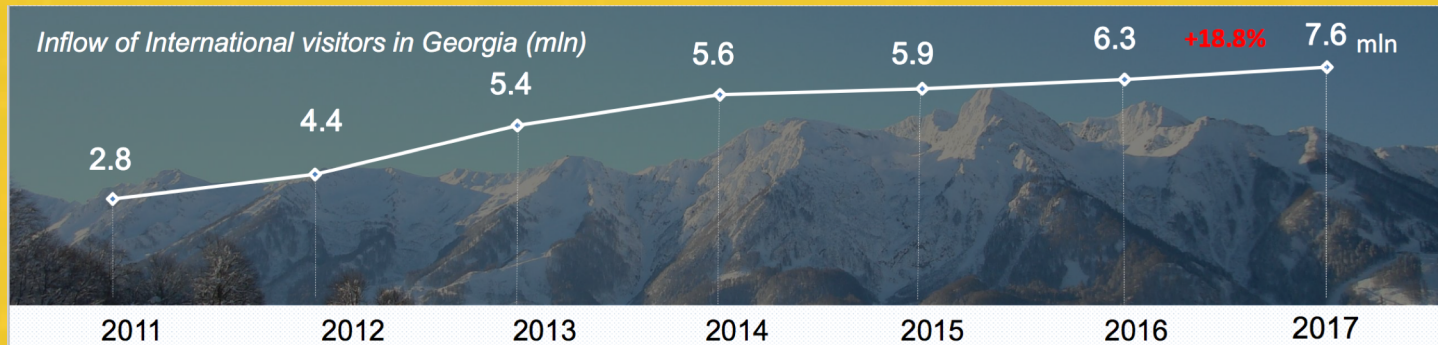


Compared to peers, Georgia has one of the lowest Mortgage Loan as a % of GDP ratio. Implying that there is a room for increase on the total value of outstanding mortgage loans.

CONSTRUCTION AND REAL ESTATES ARE VERY IMPORTANT SECTORS OF GEORGIAN ECONOMY



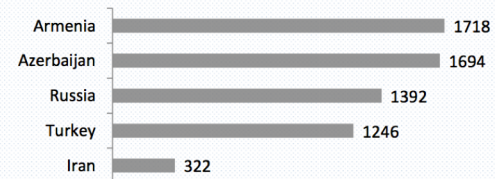
Tourism Drives Real Estate



Economic indicators (2017)

- International tourism receipts over **USD 2.75 billion (27% growth y-o-y)**
- Share of tourism in GDP **6.9%**

Top 5 Countries by Arrivals in 2017 (000')



WHY TO INVEST IN GEORGIA



WHY INVEST IN HOSPITALITY & REAL ESTATE IN GEORGIA

- Continuous Increase of International Visitors – 21% average annual growth of international visitors for last five years
- Unique Nature and Culture
- Various Types of Resorts and Investment Opportunities
- No Real Estate Ownership Restrictions
- Governmental Incentives Available
- Visa Free Regime with 98 Countries



HOSPITALITY & REAL ESTATE INVESTMENT OPPORTUNITIES

- Home to more than 12,000 historical and cultural monuments including several UNESCO World Heritage Sites
- 8 national parks and 84 different categories of protected areas

"SUN-BEACH" RESORTS	WINTER SKI RESORTS	FOUR SEASON RESORTS	MEDICAL & WELLNESS RESORTS	GAMBLING
				
Mixed and all-inclusive seaside resorts	Winter resorts with wide range of activities including freeride and heli-skiing	Majestic landscapes allow four season tourism activities	Unique water and mud resources provide opportunities for SPA resort development	Development of large-scale integrated casino complex

LOCATIONS

- | | | | | |
|-----------------------------|-------------|-----------------|--------------------|------------------|
| • Batumi | • Mestia | • Mestia | • Tskhaltubo | • Batumi |
| • Gonio | • Bakuriani | • Bakuriani | • Akhtala | • Anaklia |
| • Anaklia | • Gudauri | • Goderdzi | • Borjomi | • Tbilisi |
| • Kobuleti | • Goderdzi | • Kazbegi, etc. | • Abastumani, etc. | • Tskaltubo |
| • Other Black Sea locations | | | | • Bakuriani |
| | | | | • Sighnaghi |
| | | | | • Kobuleti, etc. |

WHY TO INVEST IN GEORGIA

- ✓ **Constantly Increasing Tourism Numbers** - between 2006 and 2017, Georgia recorded the world's third-highest growth rate in visitor numbers
- ✓ **Affordability** - prices for fully finished apartments starting from under \$30,000
- ✓ **Registering real estate ownership takes 15 minutes**, property taxes do not apply, and non-residents purchasing an apartment worth \$35,000 or more can receive a residency permit
- ✓ **High Occupancy Rates**
Occupancy rates – in excess of 80% for well-marketed properties – and relatively high room rates, especially in the busiest summer months
- ✓ **Incredible Rental Yields** - Gross Rental Yields **of up to 10-15%**. The number of properties listed on Airbnb grew significantly by 70% from 5,678 in 2016 to 9,679 in 2017. The Average Daily Rate (ADR) for Tbilisi's Airbnb amounted to USD 43 (**Colliers Georgia**)
- ✓ **Capital Gains Potential** - 'early adopters' entering the market now can look forward to seeing capital gains as the price of their apartment increases
- ✓ **Ease of Registering Property** - In 2017 Georgia improved the quality of land administration by increasing coverage of all maps for privately held land plots in the main business city
- ✓ Georgia remains the **least corrupt country** in the region. According to Transparency International, Georgia remains the top performer among the Eastern Partnership countries
- ✓ **Foreign investors in Georgia are guaranteed** equal rights to those of Georgian citizens. After payment of taxes foreign investors are entitled to repatriate the earnings (income) gained from investments and other funds abroad
- ✓ **Average In EU countries, the average household size is 2.3 people**. In 2016, the average Georgian household stood at 3.3 Though considerably higher in comparison, this number dropped by 13% from 2005 to 2016. In the future, this number is expected to move closer to the European standard, **which will generate an increase in demand for residential real estate**
- ✓ **Demand Driving Tenure structure (home ownership)**
Housing ownership in Georgia stands at 93%, a figure is significantly higher in comparison to the 70% average seen across the rest of the EU.



**INVEST IN GEORGIA PROPERTY !
THANK YOU!**

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