

June 2018

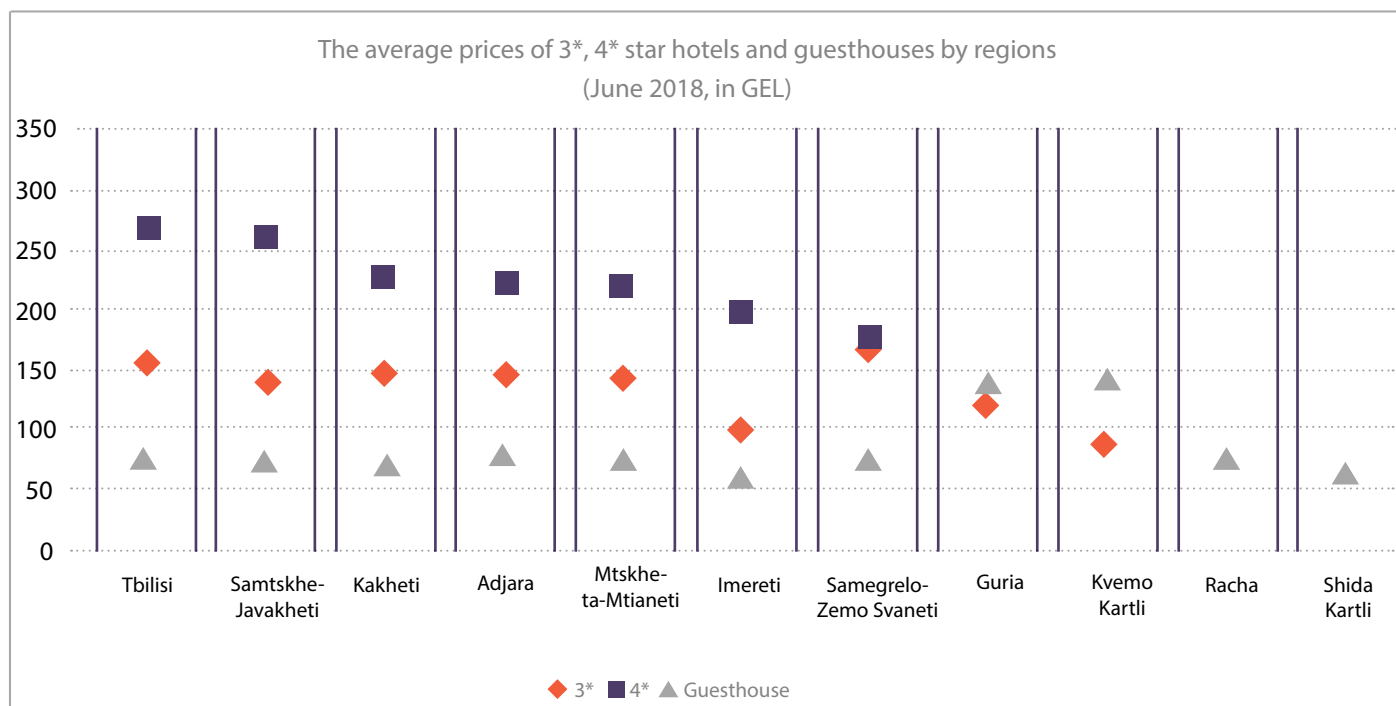
- In June 2018, the hotel price index increased by 8.6% compared to May 2018;
- The 3-star, 4-star and 5-star hotel price index increased by 10.6% in June 2018 compared to May 2018;
- Among 3*, 4* and 5* hotels the highest price increases were recorded in Adjara – 36% and Guria – 32.8%, in Tbilisi prices increased only by 0.4%;
- In June the average cost of a room in a 3-star hotel was GEL 143 per night, 4-star hotel - 247 GEL, 5-star hotel - 403 GEL, guesthouses - 73 GEL.

Average Hotel Prices

In Georgia, the average cost of a room¹ in a 3-star hotel was GEL 143 per night in June 2018. The most expensive 3-star hotels in June in Georgia were in Samegrelo-Zemo Svaneti region -164 GEL, Tbilisi -153 GEL and Adjara -150 GEL. The cheapest 3-star hotels in June in Georgia were found in Kvemo Kartli - 89 GEL, Imereti – 103 GEL and Guria – 120 GEL.

The average cost of a room in a 4-star hotel in Georgia in June 2018 was GEL 247 per night. The most expensive 4-star hotels for this month were found in Tbilisi – 268 GEL, Samtskhe-Javakheti – 257 GEL and Kakheti – 231 GEL. The cheapest 4-star hotels in June in Georgia were in Samegrelo-Zemo Svaneti – 173 GEL, Imereti – 197 GEL and Mtskheta-Mtianeti – 219 GEL.

The average cost of a room in a 5-star hotel in Georgia in June 2018 was GEL 403 per night. In Tbilisi, the average price was GEL 522, followed by Kakheti- 462 GEL, Adjara – 359 GEL and Samtskhe-Javakheti-GEL 330.



Graph 1: In the graph, average prices for standard double rooms in 3 and 4-star hotels and guesthouses are given by region. 5-star hotel prices are provided above.

In June 2018, the average cost of a room in a guesthouse² in Georgia was GEL 73 per night. The highest daily rates for guesthouses were found in Kvemo Kartli region -148 GEL, Guria region – 141 GEL and Adjara region – 82 GEL. The cheapest guesthouses in June in Georgia were found in Shida Kartli region– 56 GEL, Imereti region– 59 GEL and Kakheti region– 61 GEL.

In terms of apartments, on Airbnb in Georgia the average cost of an apartment in June was US\$37. On Airbnb in Georgia among self-governing cities the highest average cost of an apartment in June was recorded in Batumi-US\$51 (125 GEL), followed by Tbilisi-\$42 (103 GEL), Poti-\$41 (101 GEL), Kutaisi-\$24 (59 GEL) and Rustavi-\$23 (57 GEL).

According to Airbnb, in June, in Batumi, Tbilisi and Kutaisi the average cost of an apartment (Batumi- 125 GEL, Kutaisi- 59 GEL, Tbilisi – 103 GEL) were less than average cost of a room in a 3* hotel (Batumi -152 GEL, Kutaisi – 104 GEL, Tbilisi – 153 GEL).

Hotel Price Index

In June 2018, the hotel price index³ increased by 8.6% compared to May 2018. The daily rates for standard double hotel rooms increased mostly in Adjara – 29.1% and Guria – 16.6%. Such price increases in Adjara and Guria were due to the hotel prices increases in Batumi, Kobuleti and Ureki.

In June 2018, compared to May, the daily rates decreased only in two regions: Shida Kartli and Racha, correspondingly by 8.5% and 2.3%. In Tbilisi the hotel prices only increased by 0.3%.

The increase of hotel prices in Georgia may be linked with the increased number of international travelers. The number of international travelers in June compared to May increased by 14.9%, and of these international travelers, the proportion who stayed in Georgia for 24 hours or more (classified as tourists) increased by 11.4%⁴.

Region	Hotel	3*, 4*, 5*	Guesthouse
Adjara	29.1%	36.0%	20.2%
Guria	16.6%	32.8%	13.3%
Samtskhe-Javakheti	10.7%	15.0%	7.5%
Kakheti	9.1%	6.1%	9.8%
Imereti	1.3%	5.8%	-1.3%
Mtskheta-Mtianeti	0.7%	0.3%	1.0%
Samegrelo-Zemo Svaneti	0.6%	0.6%	0.6%
Tbilisi	0.3%	0.4%	-0.4%
Kvemo Kartli	0.0%	0.0%	0.0%
Racha	-2.3%		-2.3%
Shida Kartli	-8.5%		-8.5%
Overall price % Change	8.6%	10.6%	5.8%

Table 1: Percentage change of prices in June 2018 over May 2018.

The 3-star, 4-star and 5-star hotel price index increased by 10.6% in June 2018 compared to May 2018. In these types of hotels, the highest price increases were recorded in Adjara – 36% and Guria – 32.8%. The hotel price decrease was not recorded in any of the regions. In Tbilisi the prices for standard double hotel rooms only increased by 0.4% compared to the previous month.

For guesthouses, the price index increased by 5.8% in June 2018 compared to May 2018. In this type of accommodation, like 3, 4 and 5 star hotels, the biggest percentage price increase for standard double rooms were recorded in Adjara and Guria, correspondingly 20.2% and 13.3%. In these type of accommodation the prices decreased in four regions. The prices of guesthouses decreased mostly in Shida Kartli region, by 8.5%. In Tbilisi the prices for guesthouses decreased only by 0.4%.

Basic Economic Indicators											
	II 2016	III 2016	IV 2016	2016	I 2017*	II 2017*	III 2017*	IV 2017 *	2017 *	I 2018*	
1	489.3	559.1	493.4	1978.3	458.7	549	647.7	579.9	2235.4	534.8	
2	1505	2245.1	1473.8	6360.5	1267	1730	2827	1732.1	7556.3	1463.6	
3	606.3	1146.6	559.6	2721	514.4	796.2	1473.6	695.3	3479.5	659.3	
4	515.4	817.2	481.2	2166.3	434.6	658.8	1081.1	576.8	2751.3	550.8	
5	103	107.8	92.4	386.3	81.4	109.5	152	120.7	463.6	105.9	
6	0.8	12.5	35.3	56.9	16.1	31.7	30.6	11.6	90	21.9	
* 1	Total Tourism Value Added (mln Gel)			* 2	Number of International Travelers (thousand persons)			* 3	Number of Tourists (thousand persons)		
* 4	Revenue from International Tourism (mln USD)			* 5	The Expenditures of Georgian tourists Abroad (mln USD)			* 6	Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)		

1 The results are based on the surveying of standard double hotel room prices of 3, 4, 5-star hotels and guesthouses in 10 regions of Georgia. Hotels were chosen arbitrarily according to random sampling principle. The study contains 71% (312) of all 3, 4 and 5-star hotels and 25% (456 guesthouses) of all guesthouses registered on www.booking.com. The 3, 4 and 5-star hotel price data was collected by contacting hotels individually, while the prices of guesthouses were taken from booking.com. The average prices are arithmetic mean of stan-

dard double hotel room prices.

2 Guesthouse: a type of accommodation that is characterized by having a small number of rooms and services are usually offered by the resident family.

3 The calculation of the hotel price index is based on the recommendations given by the International Monetary Fund (IMF). The elementary aggregate price index is calculated by Jevons index (Consumer Price Index Manual-Theory and Practice (2004), Practical Guide to Producing Consumer Price Indices (2009)).

4 According to the Georgian National Tourism Administration, in June 2018, 727,385 international travelers visited Georgia. Of these, 399,989 travelers stayed in Georgia for 24 hours or more. In May 2018, the number of international travelers was 633,086, of whom 359,744 travelers stayed in Georgia for 24 hours or more.