

## Average Hotel Prices in Georgia and Hotel Price Index

April 2018

- The 3-star, 4-star and 5-star hotel price index increased by 3.4% in April 2018, compared to March 2018;
- The prices for guesthouses increased by 6% in April 2018, compared to March 2018;
- According to Airbnb, in April 2018, looking at the capital cities of Georgia and its neighboring countries<sup>1</sup> the cheapest apartments were found in Ankara (on average US\$35 per night), while the most expensive were found in Moscow (on average US\$130 per night);
- On Airbnb, in April the average price of an apartment in Tbilisi was US\$44 per night, while in Georgia as a whole it was US\$45 per night;
- According to the Georgian National Tourism Administration, during 2016-2017 the highest number of accommodation units<sup>2</sup> in Georgia were opened in Guria, with a total of 30 units.

### Average Hotel Prices

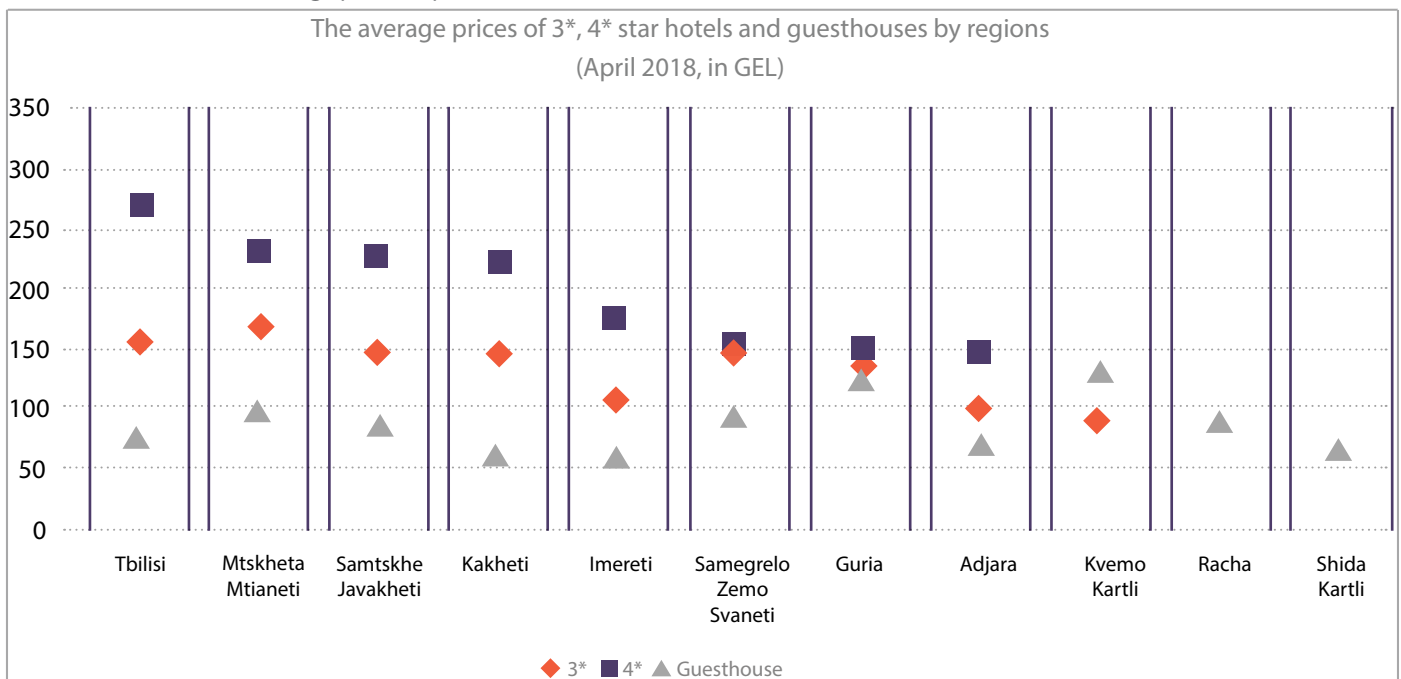
In Georgia, the average cost of a room<sup>3</sup> in a 3-star hotel was GEL 136 per night in April 2018. The most expensive 3-star hotels in April in Georgia were in Mtskheta-Mtianeti region (exceeding the average price by 20%).

The average cost of a room in a 4-star hotel in Georgia in April 2018 was GEL 234 per night. The most expensive 4-star hotels for this month were found in Tbilisi (exceeding the average price by 16%).

The average cost of a room in a 5-star hotel in Georgia in April 2018 was GEL 394 per night. In Tbilisi, the average price was GEL 615, followed by Kakheti- 357 GEL, Samtskhe-Javakheti-GEL 304, and Adjara-GEL 291.

In April 2018, the average cost of a room in a guesthouse<sup>4</sup> in Georgia was GEL 75 per night. The highest daily rates for guesthouses were found in Kvemo Kartli and Guria for this month.

In terms of apartments, on Airbnb in Georgia the average cost of an apartment in April was US\$45 (110 GEL). For tourists, when comparing Georgia and its neighboring countries, the cheapest prices for apartments were found in Georgia. Apartments in this area are most expensive in Russia-US\$ 134, followed by Azerbaijan-US\$ 53, Turkey-US\$ 50 and Armenia-US\$ 49 (all prices average per night). Looking at the capital cities of Georgia and its neighboring countries, the average prices for apartments are cheapest in Ankara-US\$ 35 and the most expensive are in Moscow-US\$ 130. The average price of apartments in Tbilisi was US\$44, while in Yerevan it was US\$49, and in Baku it was US\$54.



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.

### Hotel Price Index

In April 2018, the hotel price index<sup>5</sup> increased by 4.2% compared to March 2018. The daily rates for standard double hotel rooms increased mostly in Tbilisi (6.3%), while the daily rates decreased the most in Mtskheta-Mtianeti region (4.1%).

Notably, the number of international travelers in April compared to March increased by 3.1%, although of these international travelers, the proportion who stayed in Georgia for 24 hours or more (classified as tourists) decreased by 4.8%<sup>6</sup>.

The 3-star, 4-star and 5-star hotel price index increased by 3.4% in April 2018 compared to March 2018. Similar to March, in these types of hotels, the highest price increases were recorded in Tbilisi and Adjara. The prices for standard double hotel rooms decreased the most in Mtskheta-Mtianeti compared to the previous month.

For guesthouses, the price index increased by 6% in April 2018 compared to March 2018. In this type of accommodation, the biggest percentage price increase for standard double rooms was recorded in Tbilisi.

Region	Hotel	3*, 4*, 5*	Guesthouse
Tbilisi	6.3%	5.3%	10.6%
Adjara	3.7%	5.1%	1.2%
Guria	3.2%	0.0%	4.2%
Shida Kartli	3.2%		3.2%
Kakheti	2.4%	3.1%	2.2%
Imereti	1.9%	2.4%	1.5%
Kvemo Kartli	1.6%	2.5%	0.0%
Racha	0.7%		0.7%
Samegrelo-Zemo Svaneti	0.6%	-0.9%	1.2%
Samtskhe-Javakheti	0.5%	-0.2%	0.9%
Mtskheta-Mtianeti	-4.1%	-8.1%	0.4%
Overall price % Change	4.2%	3.4%	6.0%

Table 1: Percentage change of prices in April 2018 over March 2018.

## Accommodation Units Statistics 2016-2017

Region	2016	2017
Guria	8	22
Adjara	5	22
Tbilisi	9	16
Samtskhe-Javakheti	9	6
Samegrelo-Zemo Svaneti	4	6
Imereti	3	7
Mtskheta-Mtianeti	2	2
Kakheti	2	1
Shida Kartli	2	
Kvemo Kartli	1	

Table 2: Number of Accommodation Units opened during 2016-2017  
Source: Georgian National Tourism Administration

According to the Georgian National Tourism Administration, during the last two years, 2016 and 2017, among ten regions of Georgia and Tbilisi, the highest number of accommodation units<sup>2</sup> were opened in Guria, with a total of 30 units. It is also worth noting that there are also currently 32 new accommodation units under construction in Guria.

During 2016-2017, the quantity of opened accommodation units increased notably in Adjara and Tbilisi. Contrastingly, in Kvemo Kartli and Shida Kartli there were almost no new accommodation units opened, with two in the former and one in the latter.

According to the given data, in 2016-2017 no new accommodation units were opened in Racha-Lechkhumi and Kvemo Svaneti, whereas in 2018 only one accommodation unit has been opened so far. Currently, three accommodation units are under construction in this region.

### 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		
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		
5	103	107.8	92.4	386.3	81.4	109.5	152	120.7	463.6		
6	0.8	12.5	35.3	56.9	16.1	31.7	30.6	11.6	90		
* 1	Total Tourism Value Added (mln Gel)			* 2	Number of International Travelers (thousand persons)			* 3	Number of Tourists (thousand persons)		
* 4	Revenue form 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 Russia, Armenia, Azerbaijan, Turkey  
2 According to the Georgian National Tourism Administration Accommodation Units consists of: Hotel, Family Hotel, Guesthouse, Other.  
3 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 standard double hotel room prices.  
4 Guesthouse: a type of accommodation that is characterized by having a small number of rooms and services are usually offered by the resident family.  
5 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)).  
6 According to the Georgian National Tourism Administration, in April 2018, 596,703 international travelers visited Georgia. Of these, 278,032 travelers stayed in Georgia for 24 hours or more. In March 2018, the number of international travelers was 578,514, of whom 292,017 travelers stayed in Georgia for 24 hours or more.