

Average Hotel Prices in Georgia and Hotel Price Index

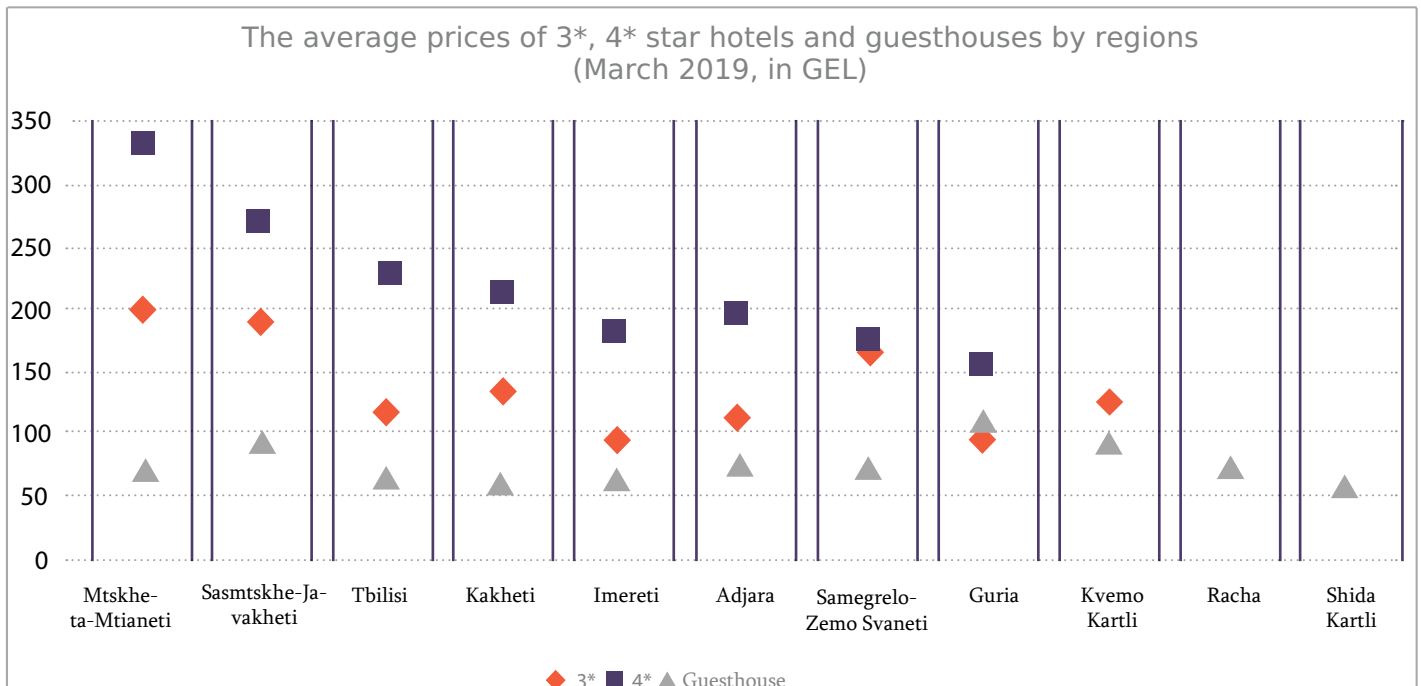
March 2019

- In March 2019, in Georgia the hotel price index increased by 5.1% compared to February 2019. The prices of hotels in Tbilisi increased by 4.2%. In March 2019, compared to February 2019, the increase of hotel prices in Georgia, can be linked to increased number of tourists trips, as the number of international travelers trips in Georgia increased by 31.9%, while among the international travelers, the proportion who stayed in Georgia for 24 hours or more (classified as tourists) increased by 32.6%.
- In March 2019, compared to March 2018, in Georgia the hotel price index increased by 1.1%. The number of international travelers in March 2019, compared to March 2018, increased by 6.4%, while among the international travelers the proportion who stayed in Georgia for 24 hours or more (classified as tourists) increased by 4.3%.
- It has to be noted that 2018 was the first year, when share of nights spent by the international travelers in hotels exceeded the share of nights spent in friends and relatives house. In Georgia, in 2018, by international travelers, the highest share of nights were spent in hotels - 39.6%, 26.5% of nights were spent in friends and relatives house, while in guesthouses - 12.7% and in apartment - 11.7%.
- In Tbilisi, among the 3-star hotels registered on booking.com website the highest share of prices ranges between 50-150 GEL, for 4-star hotels 150-300 GEL, while for guesthouses - 0-150 GEL.

Average Hotel Prices

In Georgia, the average cost of a room¹ in a 3-star hotel was **125 GEL** per night in March 2019. While the average cost of a room in a 4-star hotel in Georgia was **227 GEL** per night. It has to be noted that the most expensive 3-star and 4-star hotels were found in Mtskheta-Mtianeti since January 2019. In March 2019, the average cost of a room in a guesthouse² in Georgia was **73 GEL** per night.

The average cost of a room in a 5-star hotel in Georgia in March 2019 was **486 GEL** per night. In Tbilisi, the average price was 599 GEL, followed by Adjara – 471 GEL, Samtskhe-Javakheti - 385 GEL, and Kakheti - 355 GEL.



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 March 2019, the minimum price of a room in a 3-star hotel in Georgia was **48 GEL** per night, the maximum price - 350 GEL. The minimum and maximum price distribution among 4-star hotels in Georgia were accordingly 85 and 620 GEL, while for guesthouses - 18 GEL and 300 GEL.

In Tbilisi, among the 3-star hotels registered on booking.com website the highest share of prices ranges between 50-150 GEL, for 4-star hotels 150-300 GEL, while for guesthouses - 0-150 GEL.

Hotel Price Index

In March 2019, in Georgia the hotel price index³ increased by 5.1% compared to February 2019. The 3-star, 4-star and 5-star hotel price index increased by 3.2%, while for guesthouses, the price index increased by 6.1%.

In March 2019, compared to February 2019, the increase of hotel prices in Georgia, can be linked to increased number of tourists trips. In March 2019, compared to February 2019, the number of international travelers trips in Georgia increased by 31.9%, while among the international travelers, the proportion who stayed in Georgia for 24 hours or more (classified as tourists) increased by 32.6%⁴.

In March 2019, compared to March 2018, in Georgia the hotel price index increased by 1.1%. This was mainly due to price increases of guesthouses. It's worth to be noted that the number of international travelers in March 2019, compared to March 2018, increased by 6.4%, while among the international travelers the proportion who stayed in Georgia for 24 hours or more (classified as tourists) increased by 4.3%.

In March 2019, compared to March 2018, the 3-star, 4-star and 5-star hotel price index increased by 1.2%, while for guesthouses, the price index increased by 3.5%.

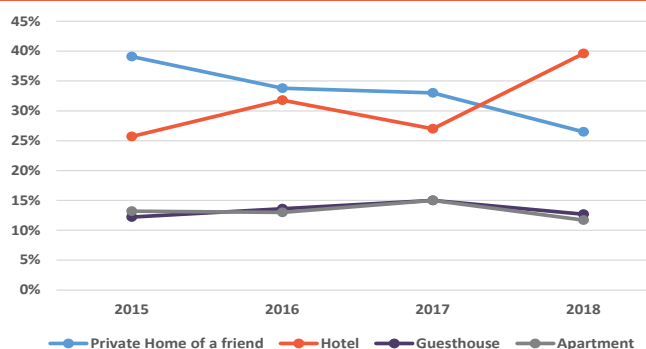
Region	Hotel		3*, 4*, 5*		Guesthouse	
	2019 Mar/ 2019 Feb	2019 Mar/ 2018 Mar	2019 Mar/ 2019 Feb	2019 Mar/ 2018 Mar	2019 Mar/ 2019 Feb	2019 Mar/ 2018 Mar
Kvemo Kartli	8.0%	-5.4%	8.5%	2.7%	7.7%	-15.3%
Racha	7.7%	-4.1%			7.7%	-4.1%
Imereti	7.1%	2.3%	0.4%	-10.5%	12.5%	13.4%
Adjara	6.7%	19.7%	4.3%	29.9%	10.6%	0.0%
Guria	6.6%	9.0%	5.5%	-10.3%	7.7%	25.3%
Shida Kartli	6.5%	-8.2%			6.5%	-8.2%
Samegrelo-Zemo Svaneti	6.4%	3.9%	0.6%	6.5%	8.4%	2.6%
Samtskhe-Javakheti	6.0%	17.1%	-0.5%	23.0%	9.8%	14.2%
Tbilisi	4.2%	-11.0%	4.5%	-14.2%	3.0%	1.9%
Mtskheta-Mtianeti	4.1%	11.3%	2.7%	11.0%	5.4%	11.6%
Kakheti	3.1%	-0.9%	-0.6%	-4.2%	4.3%	0.3%
Overall Price % Change	5.1%	1.1%	3.2%	1.2%	6.1%	3.5%

Table 1: Percentage change of prices in March 2019 over February 2019 and over March 2018.

Distribution of Nights Spent by International Travelers

In Georgia, in 2018, by international travelers, the highest share of nights were spent in hotels - 39.6%, 26.5% of nights were spent in friends and relatives house, while in guesthouses - 12.7% and in apartment - 11.7%.

It has to be noted that the share of nights spent in friends and relatives house in total nights spent by international travelers in Georgia has been decreasing since 2015. During 2015-2017, the highest share of nights spent by international travelers were spent in friends and relatives house. 2018 was the first year, when share of nights spent in hotels exceeded the share of nights spent in friends and relatives house⁵.



Graph2: Distribution of nights spent by international travelers

Basic Economic Indicators										
	I 2017	II 2017	III 2017	IV 2017	2017	I 2018	II 2018	III 2018	IV 2018	2018
1	450	544.3	642.6	569.8	2206.7	522.9	642.5	781.9	734.5	2681.8
2	1378.1	1757	2969.9	1797.5	7902.5	1582.4	1979.6	3226.4	1891.1	8679.5
3	665	908.9	1629.9	865.7	4069.4	839.5	1094.2	1838.3	984.7	4756.8
4	425.7	629.9	1078.3	570.5	2704.3	550.7	810	1210.6	650.8	3222.1
5	81.4	109.5	152	120.7	463.6	105.9	126.4	149.9	142.4	524.7
6	7.1	25.1	29.7	10.3	72.2	25.4*	-5.4*	36*	16.1*	72.3*
1	Total Tourism Value Added (mln)		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 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 individ-

ually, while the prices of guesthouses were taken from booking.com. The average prices are arithmetic mean of standard 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 Interna-

tional 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 Source: GNTA
5 Source: GNTA
6 * Preliminary results