

## Average Hotel Prices in Georgia and Hotel Price Index

March 2018

- The 3-star, 4-star and 5-star hotel price index increased by 9% in March 2018, compared to February 2018;
- In March 2018, the daily rates for 3-star, 4-star and 5-star standard double hotel rooms increased significantly in Tbilisi (15.5%), while the daily rates decreased the most in Mtskheta-Mtianeti (-10.6%);
- During the last five months (November 2017-March 2018), in terms of regions, the most expensive 3-star and 4-star hotels were in Mtskheta-Mtianeti;
- In March 2018, 292,017 tourists visited Georgia, which is 64% more compared to February.

### Average Hotel Prices

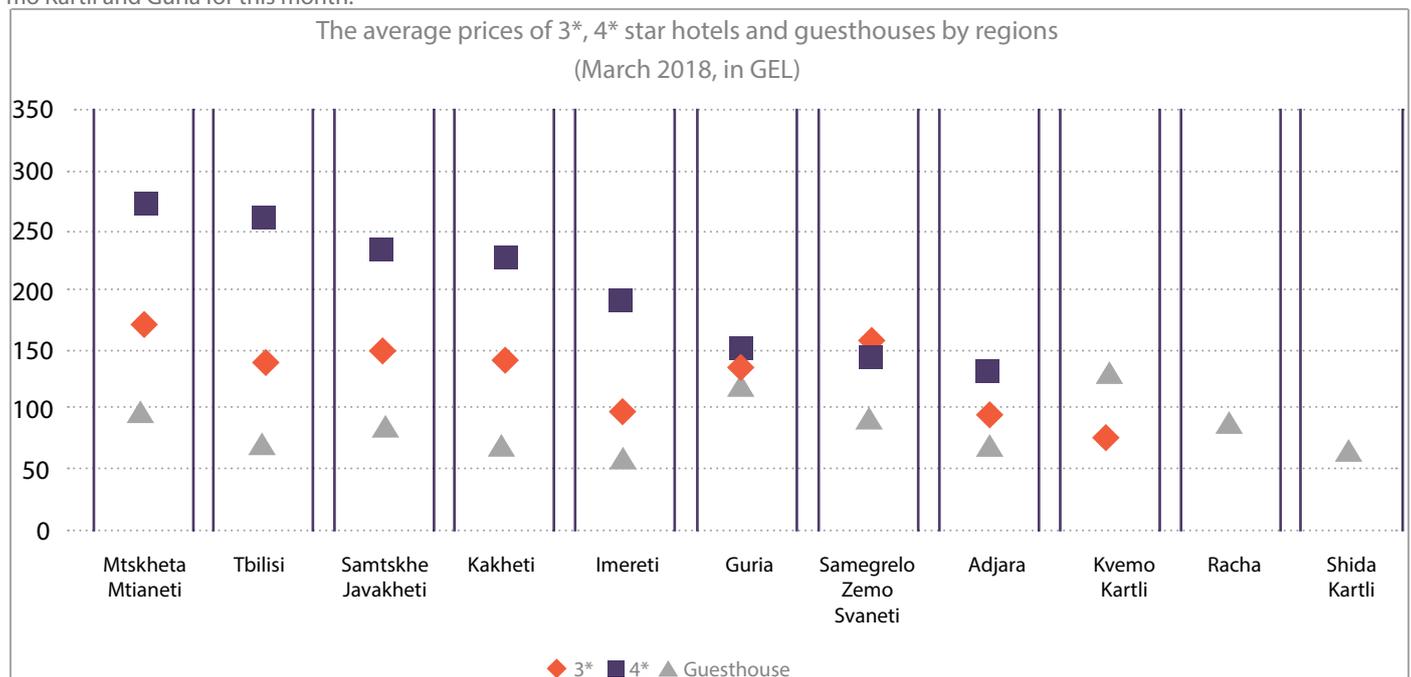
The average cost<sup>1</sup> of a room in a 3-star hotel in Georgia was **GEL 132** per night in March 2018. The most expensive 3-star hotels for this month in Georgia were in Mtskheta-Mtianeti region (exceeding the average price by 32%).

The average cost of a room in a 4-star hotel in Georgia in March 2018 was **GEL 230** per night. The most expensive 4-star hotels for this month were found in Mtskheta-Mtianeti region (exceeding the average price by 19%).

Looking at the regional data, during the last five months the most expensive 3-star and 4-star hotels were in Mtskheta-Mtianeti. According to the National Statistics Office of Georgia, the highest average monthly salary across all regions in the hotels and restaurants sector was in Mtskheta-Mtianeti- 735.5 GEL (2016). Also, according to the Georgian National Tourism Administration's quarterly reports, during the last three years the most popular region for domestic travelers for leisure and recreation purposes is Mtskheta-Mtianeti, after Adjara.

The average cost of a room in a 5-star hotel in Georgia in March 2018 was **GEL 378**. In Tbilisi, the average price was GEL 580, followed by Kakheti- 416 GEL, Samtskhe-Javakheti-GEL 349, and Adjara-GEL 255.

In March 2018, the average cost of a room in a guesthouse<sup>2</sup> in Georgia was **GEL 74**. The highest daily rates for guesthouses were found in Kvemo Kartli and Guria for this month.



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 March 2018, the hotel price index<sup>3</sup> increased by 6.4% compared to February 2018. The daily rates for standard double hotel rooms increased significantly in Tbilisi (11.5%), while the daily rates decreased the most in Mtskheta-Mtianeti (5.4%).

It's worth to be noted that the number of international travelers in March, compared to February increased by 31%. Of these international travelers, the proportion who stayed in Georgia for 24 hours or more (classified as tourists) increased by 64%<sup>4</sup>.

The 3-star, 4-star and 5-star hotel price index increased by 9% in March 2018, compared to February 2018. For these types of hotels, Tbilisi and Adjara regions experienced the highest price increases. The prices of standard double hotel rooms decreased in Mtskheta-Mtianeti compared to the previous month.

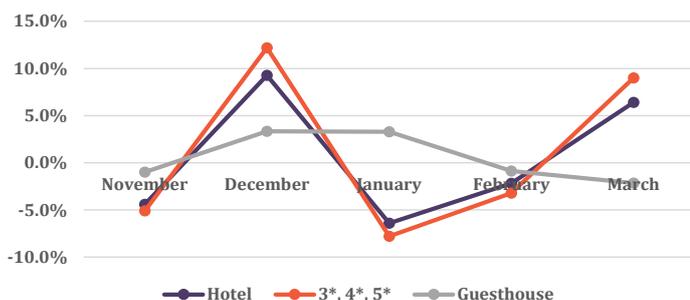
In guesthouses, the price index decreased by 2.2% in March 2018, compared to the previous month. In this type of accommodation, the biggest percentage price decrease for standard double rooms was recorded in Samtskhe-Javakheti region.

Region	Hotel	3*, 4*, 5*	Guesthouse
Tbilisi	11.5%	15.5%	-2.3%
Racha	5.3%		5.3%
Adjara	5.1%	9.2%	-2.3%
Imereti	1.5%	2.7%	0.8%
Guria	0.9%	0.0%	1.2%
Kvemo Kartli	0.7%	1.1%	0.0%
Kakheti	-1.4%	0.9%	-1.9%
Samegrelo-Zemo Svaneti	-2.0%	-4.3%	-1.1%
Samtskhe-Javakheti	-4.5%	-3.0%	-5.5%
Shida Kartli	-4.9%		-4.9%
Mtskheta-Mtianeti	-5.4%	-10.6%	-0.2%
Overall price % Change	6.4%	9.0%	-2.2%

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

## Hotel Price Dynamics: November 2017-March 2018

Hotel Price Monthly Index (November 2017-March 2018)



Graph 2: Monthly Hotel Price Index

After a hotel price increase of 9.3% in December 2017 (compared to November 2017), there was a decrease in both January and February before another monthly hotel price increase was recorded in March-6.4%. In the first two months of 2018, the prices of standard double hotel rooms declined compared to the previous months.

According to the data for the last five months, hotel prices in Kakheti, Imereti, Kvemo Kartli and Guria regions have been characterized by stability whereas hotel prices in Tbilisi, Samtskhe-Javakheti and Mtskheta-Mtianeti regions have fluctuated.

In March, the prices of standard double rooms in Tbilisi increased by 11.5%, whereas in Samtskhe-Javakheti and Mtskheta-Mtianeti regions these prices decreased by 4.5% and 5.4% respectively.

### Basic Economic Indicators

	I 2016	II 2016	III 2016	IV 2016	2016	I 2017*	II 2017*	III 2017 *	IV 2017 *	2017*
1	436.5	489.3	559.1	493.4	1978.3	458.7	549	647.7	579.9	2235.4
2	1136.7	1505	2245.1	1473.8	6360.5	1267	1730	2827	1732.1	7556.3
3	408.5	606.3	1146.6	559.6	2721	514.4	796.2	1473.6	695.3	3479.5
4	352.5	515.4	817.2	481.2	2166.3	434.6	658.8	1081.1	576.8	2751.3
5	83.1	103	107.8	92.4	386.3	81.4	109.5	152	120.7	463.6
6	8.3	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 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. 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 Con-

sumer Price Indices (2009)). 4 According to the Georgian National Tourism Administration, in March 2018, 578,514 international travelers visited Georgia. Of these, 292,017 travelers stayed in Georgia for 24 hours or more. In February 2018, the number of international travelers was 440,806, of whom 177,845 travelers stayed in Georgia for 24 hours or more.