

Average Hotel Prices in Georgia and Hotel Price Index

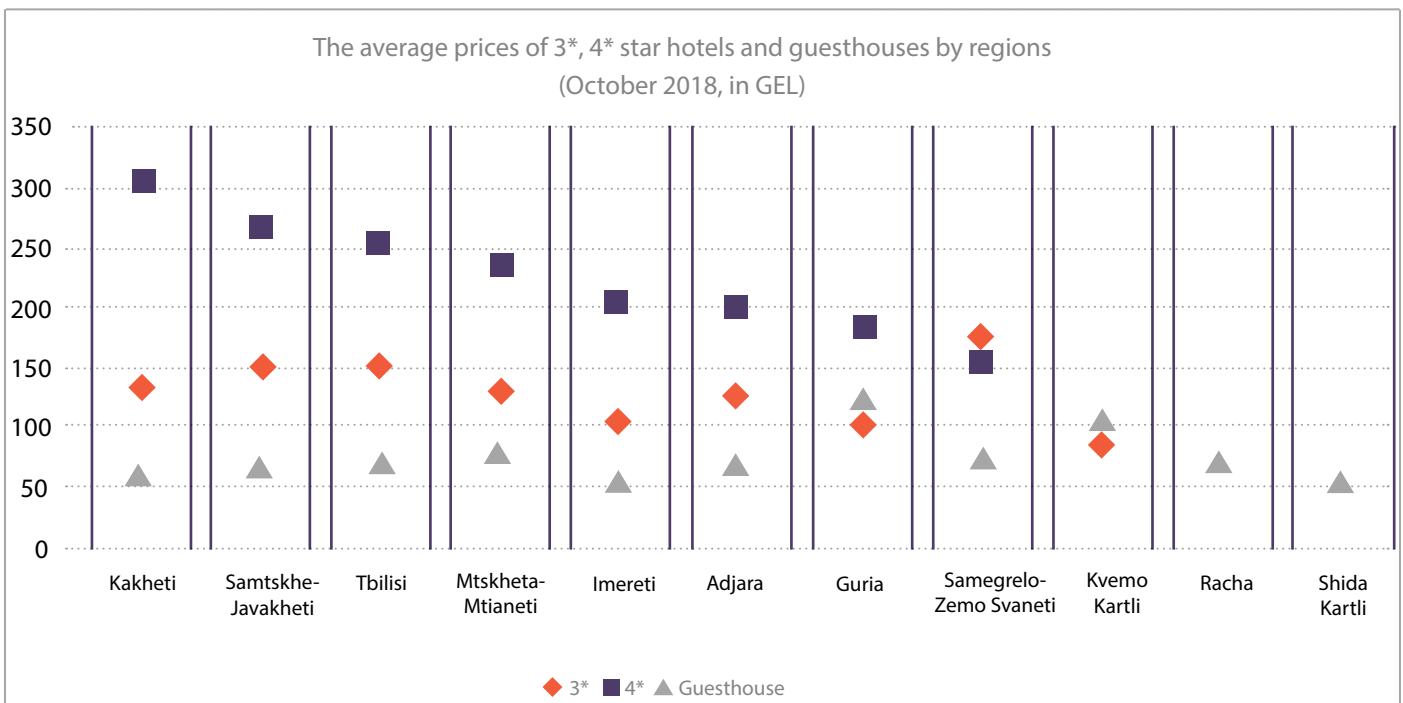
October 2018

- In October 2018, compared to October 2017, in Georgia the hotel price index increased by 7.2%;
- In October 2018, compared to October 2017, the daily rates for standard double hotel rooms increased the most in Adjara (22.7%) and Samtskhe-Javakheti (17.9%);
- In October 2018, compared to 2017, the hotel prices in Tbilisi increased by 1.3%;
- In October 2018, the average cost of a room in each category was as follows: 3-star hotel room - 139 GEL per night; 4-star hotel room - 241 GEL; 5-star hotel room - 515 GEL; guesthouse room- 69 GEL;
- In October 2018, compared to September 2018, the hotel price index decreased by 0.1%.

Average Hotel Prices

In Georgia, the average cost of a room¹ in a 3-star hotel was **139 GEL** per night in October 2018. The most expensive 3-star hotels in October in Georgia were in Samegrelo-Zemo Svaneti – 174 GEL.

The average cost of a room in a 4-star hotel in Georgia in October 2018 was **241 GEL** per night. The most expensive 4-star hotels in October were found in Kakheti – 298 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.

The average cost of a room in a 5-star hotel in Georgia in October 2018 was **515 GEL** per night. In Tbilisi, the average price was 668 GEL, followed by Adjara – 504 GEL, Kakheti – 395 GEL, and Samtskhe-Javakheti - 383 GEL.

In October 2018, the average cost of a room in a guesthouse² in Georgia was **69 GEL** per night. The highest daily rates for guesthouses were found in Guria – 118 GEL.

Hotel Price Index

In October 2018, in Georgia the hotel price index³ decreased by 0.1% compared to September 2018. The daily rates for standard double hotel rooms decreased the most in Kakheti (-1.7%) and Imereti (-1.6%). In Tbilisi, the overall price level of hotels decreased by 0.8%. Among ten regions of Georgia and Tbilisi, in October 2018, compared to September 2018, hotel prices increased only in Guria (2.2%) and Adjara (2.3%).

The 3-star, 4-star and 5-star hotel price index decreased by 0.4% in October 2018, compared to September 2018. In these types of hotels, the highest price decreases were recorded in Kakheti and Imereti. In October 2018, compared to September 2018, the prices increases of 3*, 4* and 5* hotels were recorded only in Guria, Adjara and Samegrelo-Zemo Svaneti. In Tbilisi, the prices of these types of hotels decreased by 0.6%.

For guesthouses, the price index decreased by 0.3% in October 2018, compared to September 2018. In this type of accommodation, the biggest percentage price decreases for standard double rooms were recorded in Imereti and Shida Kartli. In October 2018, compared to September 2018, the prices of guesthouses increased only in Guria, Mtskheta-Mtianeti and Adjara. In Tbilisi the prices of guesthouses decreased by 1.4%.

In October 2018, compared to October 2017, in Georgia the hotel price index increased by 7.2%. The daily rates for standard double hotel rooms increased the most in Adjara (22.7%) and Samtskhe-Javakheti (17.9%). In Tbilisi, in October 2018, compared to October 2017, the overall price level of hotels increased by 1.3%.

Among ten regions of Georgia and Tbilisi, in October 2018, compared to October 2017, hotel prices decreased only in three regions of Georgia, Mtskheta-Mtianeti, Samegrelo-Zemo Svaneti and Kakheti.

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2018 Oct/ 2018 Sep	2018 Oct/ 2017 Oct	2018 Oct/ 2018 Sep	2018 Oct/ 2017 Oct	2018 Oct/ 2018 Sep	2018 Oct/ 2017 Oct
Kakheti	-1.7%	-0.5%	-2.8%	7.5%	-1.4%	-2.3%
Imereti	-1.6%	1.5%	-1.6%	-0.7%	-1.6%	2.8%
Shida Kartli	-1.5%	7.9%			-1.5%	7.9%
Samtskhe-Javakheti	-0.9%	17.9%	-1.0%	32.6%	-0.9%	9.1%
Kvemo Kartli	-0.9%	7.1%	-0.4%	4.6%	-1.4%	12.2%
Tbilisi	-0.8%	1.3%	-0.6%	0.5%	-1.4%	3.5%
Racha	-0.6%	4.5%			-0.6%	4.5%
Mtskheta-Mtianeti	-0.3%	-4.6%	-1.0%	-24.0%	0.2%	14.9%
Samegrelo-Zemo Svaneti	-0.1%	-4.5%	0.2%	1.3%	-0.2%	-7.0%
Guria	2.2%	0.5%	3.8%	-12.6%	0.6%	8.8%
Adjara	2.3%	22.7%	2.2%	36.5%	2.5%	3.2%
Overall Price % Change	-0.1%	7.2%	-0.4%	10.0%	-0.3%	4.1%

Table 1: Percentage change of prices in October 2018 over September 2018 and over October 2017.

The increase of hotel price index in October 2018, compared to October 2017, can be linked to the increase in the number of international travelers. In October 2018, compared to October 2017, the number of international travelers visiting Georgia increased by 9%. Of these international travelers, the number of tourists (who stayed for 24 hours or more in Georgia) increased by 15.1%⁵.

The 3-star, 4-star and 5-star hotel price index increased by 10% in October 2018, compared to October 2017. In these types of hotels, the highest price increases were recorded in Adjara (36.5%) and Samtskhe-Javakheti (32.6%). During this period, in Tbilisi, the prices of these types of hotels increased by 0.5%.

In October 2018, compared to October 2017, for guesthouses, the price index increased by 4.1%. In this type of accommodation, the biggest percentage price increases for standard double rooms were recorded in Mtskheta-Mtianeti (14.9%) and Kvemo Kartli (12.2%). During this period, in Tbilisi the prices of guesthouses increased by 3.5%.

Basic Economic Indicators											
	IV 2016	2016	I 2017	II 2017	III 2017	IV 2017	2017	I 2018	II 2018	III 2018	
1	493.4	1978.3	458.7*	549*	647.7*	579.9*	2235.4*	534.8*	650.2*		
2	1473.8	6720	1378.1	1757	2969.9	1797.5	7902.5	1582.4	1979.6	3226.4	
3	559.6	3297.3	665	908.9	1629.9	865.7	4069.4	839.5	1094.2	1838.3	
4	481.2	2166.3	434.6	658.8	1081.1	576.8	2751.3	550.8*	810*		
5	92.4	386.3	81.4	109.5	152	120.7	463.6	105.9*	126.4*		
6	34.7	56.1	7.1	25.1	29.7	14.4	76.2	23.8*	7.6*		
* 1	Total Tourism Value Added (mIn Gel)			* 2	Number of International Travelers (thousand persons)			* 3	Number of Tourists (thousand persons)		
* 4	Revenue from International Tourism (mIn USD)			* 5	The Expenditures of Georgian tourists Abroad (mIn USD)			* 6	Foreign Direct Investment in Hotels and Restaurants Sector (mIn 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 Consumer Price Indices (2009)).
4 * Preliminary results
5 Source: GNTA