

Average Hotel Prices in Georgia and Hotel Price Index

December 2018

In December 2018, compared to November 2018, in Tbilisi, the hotel price index increased by 11.9%. The growth rate of guesthouse prices (21%) significantly exceeded the growth rate of 3*, 4* and 5* hotel prices (9.3%). Notably, the given dynamics differs from the dynamics of the previous year, when the overall price level of hotels in Tbilisi increased by 12.5%, the 3*, 4* and 5* hotel prices rose by 15.1%, while guesthouse prices grew only by 3.6%.

In December 2018, compared to December 2017, the hotel price index increased by 1% in Georgia. The daily rates for standard double hotel rooms increased the most in Adjara (21.1%) and Samtskhe-Javakheti (14.8%). Whereas in Tbilisi, the overall price level of hotels decreased by 9.8%. This is mainly due to the price decreases in 3*, 4* and 5* hotels in Tbilisi. While the prices of 3*, 4* and 5* hotels decreased by 14.7% in Tbilisi, the prices of guesthouses increased by 9%.

It is of note that during the previous year, the number of 3*, 4* and 5* hotels registered on booking.com in Tbilisi grew by 46%, while the pool of registered guesthouses expanded by 19.1%.

Average Hotel Prices

In Georgia, the average cost of a room¹ in a 3-star hotel was **133 GEL** per night in December 2018. The most expensive 3-star hotels in December in Georgia were in Samtskhe-Javakheti – 208 GEL.

The average cost of a room in a 4-star hotel in Georgia in December 2018 was **240 GEL** per night. The most expensive 4-star hotels in December was found in Samtskhe-Javakheti – 278 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 December 2018 was **502 GEL** per night. In Tbilisi, the average price was 630 GEL, followed by Adjara – 483 GEL, Samtskhe-Javakheti - 417 GEL, and Kakheti - 300 GEL.

In December 2018, the average cost of a room in a guesthouse² in Georgia was **73 GEL** per night. The highest daily rates for guesthouses, like 3* and 4* hotels, were found in Samtskhe-Javakheti – 89 GEL.

Hotel Price Index

In December 2018, in Georgia the hotel price index³ increased by 11.9% compared to November 2018. The daily rates for standard double hotel rooms increased the most in Mtskheta-Mtianeti (24%) and Samtskhe-Javakheti (27.3%).

Among ten regions of Georgia and Tbilisi, in December 2018, compared to November 2018, the hotel prices decrease was not recorded in any of the regions.

The 3-star, 4-star and 5-star hotel price index increased by 8.6% in December 2018, compared to November 2018. In these types of hotels, the highest price increases were recorded in Mtskheta-Mtianeti and Samtskhe-Javakheti. In December 2018, compared to November 2018, the 3*, 4* and 5* hotel prices decreased only in Adjara.

For guesthouses, the price index increased by 18.7% in December 2018, compared to November 2018. In this type of accommodation, the biggest percentage price increases for standard double rooms were recorded in Samtskhe-Javakheti and Tbilisi. The price decrease of guesthouses was recorded only in Kvemo Kartli.

In December 2018, compared to November 2018, in Georgia the growth rate of guesthouse prices exceeded the growth rate of 3*, 4* and 5* hotel prices. It has to be noted that in the previous year, in December 2017, compared to November 2017, the hotel price index increased by 9.3%, while the 3*, 4* and 5* hotel price index increased by 12.2% and the price index for guesthouses increased by 3.3%.

In December 2018, compared to December 2017, in Georgia the hotel price index increased by 1%. The daily rates for standard double hotel rooms increased the most in Adjara (21.1%) and Samtskhe-Javakheti (14.8%).

Among the regions of Georgia, in December 2018, compared to December 2017, hotel prices decreased in five regions. In Tbilisi, in December 2018, compared to December 2017, the overall price level of hotels decreased by 9.8%.

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2018 Dec/ 2018 Nov	2018 Dec/ 2017 Dec	2018 Dec/ 2018 Nov	2018 Dec/ 2017 Dec	2018 Dec/ 2018 Nov	2018 Dec/ 2017 Dec
Samtskhe-Javakheti	27.3%	14.8%	23.4%	8.3%	30.2%	19.2%
Mtskheta-Mtianeti	24.0%	6.8%	48.8%	-4.9%	7.1%	19.1%
Kakheti	14.9%	-3.4%	1.9%	-2.2%	19.5%	-3.8%
Samegrelo-Zemo Svaneti	12.2%	3.3%	8.1%	9.6%	13.8%	-0.2%
Tbilisi	11.9%	-9.8%	9.3%	-14.7%	21.0%	9.0%
Imereti	11.1%	0.5%	6.0%	-2.9%	15.2%	3.2%
Racha	5.7%	-10.9%			5.7%	-10.9%
Guria	5.6%	1.3%	3.1%	-13.1%	6.6%	13.4%
Adjara	5.1%	21.1%	-2.1%	32.8%	15.1%	5.1%
Kvemo Kartli	3.6%	-6.9%	7.2%	-4.5%	-1.1%	-11.5%
Shida Kartli	1.0%	-16.5%			1.0%	-16.5%
Overall Price % Change	11.9%	1.0%	8.6%	0.1%	18.7%	8.1%

Table 1: Percentage change of prices in December 2018 over November 2018 and over December 2017.

In Georgia, the 3-star, 4-star and 5-star hotel price index increased by 0.1% in december 2018, compared to December 2017. In these types of hotels, the highest price increases were recorded in Adjara and Samegrelo-Zemo Svaneti. During this period, in Tbilisi, the prices of these types of hotels decreased by 14.7%.

In December 2018, compared to December 2017, for guesthouses, the price index increased by 8.1%. In this type of accommodation, the biggest percentage price increases for standard double rooms were recorded in Samtskhe-Javakheti and Mtskheta-Mtianeti. During this period, in Tbilisi the prices of guesthouses increased by 9%.

Basic Economic Indicators										
	2016	I 2017	II 2017	III 2017	IV 2017	2017	I 2018	II 2018	III 2018	IV 2018
1	1978.3	450	544.3	642.6	569.8	2206.7	522.9	642.5	781.9	
2	6720	1378.1	1757	2969.9	1797.5	7902.5	1582.4	1979.6	3226.4	
3	3297.3	665	908.9	1629.9	865.7	4069.4	839.5	1094.2	1838.3	984.7
4	2166.3	425.7	629.9	1078.3	570.5	2704.3	550.7*	810*	1210.6*	
5	386.3	81.4	109.5	152	120.7	463.6	105.9*	126.4*	149.9*	
6	56.1	7.1	25.1	29.7	10.3	72.2	25.5*	-6.5*	36*	
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 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 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)).
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