Real transaction · closed 25 December 2025 · client anonymized at their request

CASE STUDY 01 · BANK-OWNED HOTEL · BAKURIANI

From a €620K Asking Price to a $424K All-In Acquisition

How Tbilisi Home found the real price behind a hotel listing, negotiated directly with the lender that had repossessed it that morning, structured the buyer so that $80,000 of VAT came back in cash, and closed on Christmas Day. Six months later an independent appraisal valued the asset at $744,000.

€620K	$424K	$744K	1.75×	$320K
Asking price through an agent, 25 Nov 2025 (≈ $716K at the ECB rate that day)	All-in cost, including our 5% fee and after the VAT refund	Market value, independent appraisal, 1 Jul 2026, asset as acquired	Appraised value to all-in cost, a 75.5% uplift	Unrealized appraised equity, before selling costs

Sources: seller's presentation, the bank's sale documents, the VAT refund, Tbilisi Home's invoice, the Public Registry extract of 13 Jan 2026, and the appraisal of 1 Jul 2026. EUR to USD at the ECB reference rate of 25 Nov 2025 (1 EUR = 1.1551 USD).

AT A GLANCE

One asset, three prices, forty-nine days

The same building carried three different prices in the space of a month: the agent's, the owner's, and the bank's. The work was finding out which one was real, and then being in the right place when it changed hands.

THE INVESTOR

A private investor from the UK who had recently relocated to Georgia. Already a Tbilisi Home client: we had placed a tenant in his Tbilisi apartment a month earlier.

THE ASSET

A 10-room hotel in Bakuriani, Georgia's main ski resort. Four floors, a registered building area of 1,504 m² on a 612 m² plot, parking, forest and mountain views.

THE SITUATION

Listed through an agent at €620,000. The owner's own price was $480,000. The owner was in foreclosure, and the lender repossessed the building on the morning we visited.

OUR ROLE	TIMELINE	OUR FEE
Price and ownership verification, on-site due diligence, direct negotiation with the bank, deal structuring with lawyers and accountants, closing and registration of title.	30 days from the first presentation to closing at the bank. 49 days to registered title, free of any mortgage, lien or restriction.	5% of the purchase price: $24,000, paid by the buyer. It is included in the $424,000 all-in figure. No fee was charged on the VAT refund.

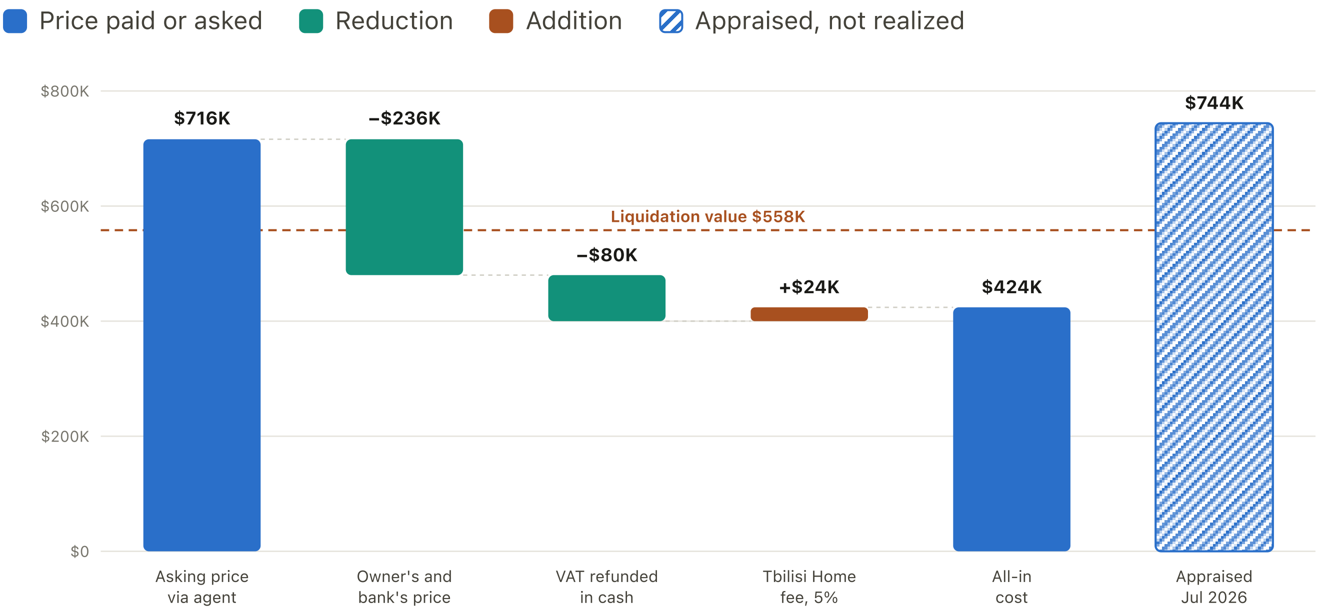
THE NUMBERS

Where $292,000 of the asking price went

Three steps took the price from €620,000 to $424,000 all-in. None of them was a discount for the sake of a discount. Each one came from a fact about the seller, the lender, or the tax code.

Price bridge: asking price to all-in cost to appraised value

USD thousands. The dashed line is the appraiser's liquidation value, the price a forced sale should still achieve.



STEP	SOURCE	AMOUNT	RUNNING TOTAL
Asking price through an agent 25 November 2025	Seller's presentation	€620,000	≈ $716,000
Owner's real price, kept by the bank after repossession 33% below the asking price	Owner, then the bank's sale documents	−$236,000	$480,000
VAT refunded in cash after the buyer registered as a VAT payer	Tax refund	−$80,000	$400,000

STEP	SOURCE	AMOUNT	RUNNING TOTAL
Tilisi Home fee, 5% of the purchase price	Our invoice	+$24,000	$424,000
All-in acquisition cost Registration and licensing fees of a few hundred dollars excluded. 41% below the asking price. $282 per registered m².			**$424,000**
Market value, asset as acquired 1 July 2026, independent licensed appraiser, comparative method. $494 per m².	Appraisal		$744,000
Liquidation value, same appraisal The all-in cost is 24% below even this figure.	Appraisal		$558,000

Currency: the purchase, the refund, our fee and the appraisal were all in US dollars. Only the asking price was in euros. Converted at the ECB reference rate on 25 November 2025, 1 EUR = 1.1551 USD, the day the presentation arrived.

HOW IT HAPPENED

Forty-nine days, in order

Every date below is from our records or from the Public Registry. The bank and the previous owner are not named, and neither is the investor.

22 Oct 2025

Okrokana, Tbilisi

It started with a rental, not a hotel

The investor asked us to rent out his apartment in Okrokana: 75 m² with a 25 m² balcony. We ran five showings between 25 October and 14 November and signed a tenant on 21 November. Thirty days, one good tenant, no drama. That is where the trust for everything that followed came from.

25 Nov 2025

Four days after his tenant moved in

The presentation arrives

The investor sent us a presentation he had received from an agent: a 10-room hotel in Bakuriani, asking €620,000. He wanted one thing from us: is this real, and is this the price?

Late Nov to early Dec

Due diligence

Two facts the listing did not mention

We traced the ownership and spoke to the owner directly. First: the owner's own price was $480,000, about a third below the agent's number. Second: the owner was in a foreclosure process with the bank that held the mortgage. The listing was an intermediary's price on an asset that was about to change hands.

> We told the investor not to make any offer at €620,000 and suggested seeing the building and meeting the owner in person.

18 Dec 2025

Bakuriani

The bank got there fifteen minutes before us

When we arrived, the bank's seizure notices were on the doors. The repossession had happened that morning. The building now belonged to the bank, and there was no owner left to negotiate with. Nino called the bank's recovery team from the car park. They had left fifteen minutes earlier. They turned around and came back the same afternoon, and the negotiation started in front of the building.

> This is the moment the case study turns on. We say more about how much of it was luck below.

25 Dec 2025

Christmas Day, Tbilisi

Closing at the bank's head office

One week later we met at the bank's head office and closed. Price: $480,000, with VAT included in the bank's sale. A VAT-registered buyer can reclaim that VAT. That was the next job.

Dec 2025 to Jan 2026

Structuring

$80,000 of VAT comes back in cash

Tbilisi Home brought in lawyers and accountants. The investor registered as a VAT payer, set up the company that will operate the hotel, and filed for the refund. The refund of $80,000 was paid in cash. Net purchase price: $400,000.

13 Jan 2026

Public Registry

Title registered, clean

The Public Registry recorded the investor as owner. No mortgage, no tax lien, no restrictions, no obligations. Forty-nine days after the presentation arrived.

1 Jul 2026

Independent appraisal

$744,000 market value, $558,000 liquidation value

An independent licensed valuation firm inspected the property and valued the asset as acquired. Renovation work the investor has carried out since closing is separate and is not included in either figure, or in the $424,000.

Dec 2026

Planned

Opening under new ownership

The hotel is scheduled to open under its new ownership in December 2026, in time for the ski season.

WHY THE PRICE MOVED

Three facts, not three discounts

Nobody talked the price down. Each step came from a fact about who was selling, why they were selling, and how the tax code treats the buyer.

LEVER 1 · VERIFICATION

The agent's number was not the owner's number

€620,000 was an intermediary's asking price. The owner's own figure was $480,000. Nobody had checked. We did, by tracing the ownership and speaking to the owner directly. Most buyers negotiate against the listing price. The listing price was never the real starting point.

–$236,000

LEVER 2 · THE LENDER'S POSITION

A bank prices to its exposure, not to the market

A lender that has just repossessed a building wants its loan recovered, cleanly and quickly. It does not want to run a hotel through a winter. That gives a prepared cash buyer real leverage, but only if you are in the room on the day it matters. The bank kept the owner's number and did not re-price upward.

Held at $480,000

LEVER 3 · STRUCTURING

VAT is a cost only if you are not registered

Georgia charges VAT on commercial property sales by VAT-registered sellers. A VAT-registered buyer can reclaim it. We arranged the VAT registration and the operating company with lawyers and accountants, and the refund was paid in cash. Buyers who skip this step pay it and never see it again.

–$80,000

TBILISI HOME'S ROLE

What the 5% paid for

The investor paid us $24,000. Here is what he got for it.

- ✓ Verified the ownership and found the real price behind the listing
- ✓ Travelled to Bakuriani and inspected the building in person
- ✓ Reached the bank's recovery team the same day and opened the negotiation
- ✓ Negotiated the price and terms directly with the bank
- ✓ Coordinated lawyers and accountants for the VAT registration, the operating company and the refund
- ✓ Managed the closing at the bank and the registration of title at the Public Registry

On the fee. Our fee was 5% of the $480,000 purchase price: $24,000, paid by the buyer. It is included in the $424,000 all-in figure. We charged nothing on the VAT refund. If the investor had paid the asking price with no help, the fee would have been zero and the cost $716,000.

THE PAPER TRAIL

Three documents behind the numbers

We reviewed the originals. Names, identification numbers, the cadastral code and photographs are withheld to protect the client. What remains is enough to check every figure on this page.

EXHIBIT A Seller's presentation · 25 Nov 2025

Asking price	**€620,000**
Rooms	**10**
Floors	**4, plus parking level**
Parking	**130 m²**
Presented by	[redacted]
Property name	[redacted]

REDACTED

EXHIBIT B Public Registry extract · 13 Jan 2026

Registered owner	[redacted]
Cadastral code	[redacted]
Plot	**612 m², non-agricultural**
Building	**1,504 m², 4 floors**
Mortgage	**None**
Tax lien / restrictions	**None**

REDACTED

EXHIBIT C Independent appraisal · 1 Jul 2026

Market value	**$744,000**
Liquidation value	**$558,000**
Value per m²	**$494**
Method	**Comparative, 3 Bakuriani hotel listings**
Condition	**Completed, in operation, very good**
Appraiser	**Licensed valuation firm, Tbilisi**

REDACTED

The appraisal's three comparables are hotel listings in Bakuriani at asking prices of $400,000 to $1,000,000, adjusted by the appraiser to $474 to $513 per m². They are asking prices, not closed sales. We say so again in the risks below.

HONEST ACCOUNTING

What was luck, and what was process

A case study that pretends everything was skill is not worth reading. Here is the split.

Luck

- **The fifteen minutes.** If we had arrived a day earlier, we would have been negotiating with an owner in distress, and the bank could still have stepped in. A day later, the bank might have already routed the property into its own sale process, with a different price and a queue of buyers.
- **The date.** A closing on 25 December worked because the bank's team was willing to meet then. That was their choice, not ours.

Process

1. **We did not accept the listing price.** We traced ownership and asked the owner directly. That alone removed $236,000.
2. **We went in person.** The seizure notices were not in any listing. You only see them on the door.
3. **We called immediately, and knew who to call.** A bank's recovery team will talk to a serious buyer on the day of repossession. Most buyers find out weeks later.
4. **The client was ready.** Cash available, decision made, trust already built through a rental we had handled well a month earlier.
5. **We knew the VAT could come back,** and we had the lawyers and accountants to make it happen before the refund window closed.

THE PART MOST CASE STUDIES SKIP

What this page does not claim

The numbers are real. Here is where they stop.

The equity is unrealized

$320,000 is an appraisal figure, not a sale. It becomes real only on a sale or a refinance, and a sale carries selling costs and, within two years of purchase, capital gains tax.

The appraisal uses asking prices

The valuation compares the asset to three Bakuriani hotel listings at asking prices, not closed sales. The liquidation value of $558,000 is the more conservative anchor. Even against that figure, the all-in cost is 24% lower.

No income yet

The hotel opens in December 2026. There is no operating history under the new owner, and a mountain resort is seasonal. This page shows a purchase, not a yield.

Capital spent since purchase

The investor has renovated since closing. That spending is separate from the $424,000 and is not reflected in the July 2026 appraisal, which valued the asset as acquired.

Not a typical result

Bank sales at this discount depend on timing, a cash-ready buyer, and a lender that wants a fast, clean exit. We see them a few times a year. We cannot promise the next one, and we will not pretend to.

Not advice

Nothing on this page is investment, legal or tax advice. VAT treatment depends on the seller's status and the buyer's registration. Every deal is checked with lawyers and accountants before money moves. Yours should be too.

About this page

This case study describes a real transaction closed by Tbilisi Home on 25 December 2025. Figures come from the seller's presentation, the bank's sale documents, the VAT refund, Tbilisi Home's invoice, the Public Registry extract of 13 January 2026, and an independent appraisal dated 1 July 2026. Euro to dollar conversion uses the European Central Bank reference rate of 25 November 2025, 1 EUR = 1.1551 USD. Figures are rounded to the nearest thousand. The client's identity, the property's name, the lender and the registry details are withheld at the client's request. The originals are held by Tbilisi Home and the client.

Disclaimer

Past transactions do not guarantee future results. Appraised values are opinions of value, not sale prices. Not investment, legal or tax advice.

Read this case study online, with the interactive chart, at tbilisihome.ge/investors/case-studies/bakuriani-hotel-acquisition/