

Türkiye

Real Estate Market

Overview

JLL Türkiye Research | May 2022

Shaping the future of real estate for a better world



Preface

Dear Valued Readers,

A resilient, fast-growing economy, Türkiye offers business-friendly policies, a deep talent pool and global market access at the nexus of Europe, Asia and Africa to attract sustainable FDI. With its unique geo-strategic location, manufacturing capabilities and logistics infrastructure, Türkiye is at the center of economic activity in the region. Türkiye has proven itself a resilient player in global value chains with multinational companies shoring up their presence in the country in line with their strategies of nearshoring, regionalization and diversification. Export base of Türkiye is solid, supported by a sophisticated industrial infrastructure. Türkiye is perfectly integrated into global supply chains in the automotive, machinery, chemicals, aerospace and defense, pharmaceuticals and textiles sectors. The country is primed to meet the demand on logistics as a key element of global value chains. It is also home to a thriving, rapidly growing e-commerce sector. Turkish local e-commerce startups are growing globally – two of them have been named decacorn and one of them have been named unicorn recently. 2021 saw a record growth for e-commerce volume in Türkiye, jumping by 69 percent year-on-year up to a new threshold of TRY 381.5 billion.

Türkiye offers abundant opportunities in various verticals of real estate. Under the leadership of President Recep Tayyip Erdoğan, Türkiye has attracted nearly USD 240 billion of FDI since 2003, of which USD 62.5 billion flew into the country's real estate industry. Gifted with a strategic location, multicultural living environment, logistic assets and robust business environment, Türkiye is able to attract investors from Europe, Middle East and Asia to invest in residence, office, retail, tourism and logistic properties. In the last five years, more than 210,000 houses were sold to international investors. Annual average FDI flowing into real estate has reached 5 billion USD between 2017 and 2021. Türkiye has been an important market for corporate real estate investors since 2003. In addition, Türkiye registered 51.2 million tourist arrivals came before the pandemic back in 2019. Türkiye settled a 6th ranking as the most visited country in the world. Türkiye is endowed with a host of varied tourism destinations including Istanbul, Antalya, Aegean coasts, Cappadocia and the Black Sea region. There is significant tourist interest in many areas such as business, sea-sand-sun, culture, history, nature, gastronomy, aerial and snow sports, and health tourism. So, tourism & hospitality has always served as a major investment resource. In addition, a combination of factors since 2003, including a burgeoning middle class, increasing purchasing power, a growing number of tourist arrivals and Istanbul's power of charm as a cosmopolitan global city; have all fueled the interest in retail.

We believe that this report titled "Türkiye Real Estate Market Overview", authored in collaboration with JLL, aims to assist individuals and organizations wishing to invest in Türkiye by providing insights and information on the real estate market in the country. The report presents a detailed overview of the real estate market across the retail, office, logistics, hotel and residential segments as well as market performance. I would like to extend a special thanks to the JLL Team for contributing to this guide by sharing their valuable expertise with us.

I would like to remind you that we, as the Investment Office of Türkiye, are always at your service at every stage of your investment journey in Türkiye.

A. Burak Dağlıoğlu

President, The Presidency of the Republic of
Türkiye Investment Office



Preface

We would like to welcome you to JLL Türkiye's Real Estate Market Overview Presentation which includes the most up-to-date real estate market indicators, parameters, as well as market insights composed by our industry expertise.

With a slow start to the year out of the way under the restrictions, the vaccine roll out and decreasing number of cases have started to make good inroads into a recovery pathway, we have started to see signs of increased activity emerging from both occupiers and investors. This was particularly notable in retail demand that has been a real upward shift in activity also fueled by strong demographic indicators and evolution of household expenditures in Türkiye. While shopping centre openings were on an upward trend in 2021, there is still room for development activities in secondary cities as the most opportunistic markets in Türkiye. The projected retail sales growth significantly outpaces some mature European markets also supports further development.

In context with confident climate within retail, emerging e-commerce continued to be the major driver of the logistics market. Currently, e-commerce take-up reached 34% of the 2021 total and is now the first strongest occupier group. Despite rising demand, the appetite for warehouse development has not increased yet. Much-needed qualified warehouse developments are most likely to boost both leasing and investment transactions in the coming years.


While the office market remained relatively stagnant in 2021 and vacancy rate is higher than other European cities, we have seen a significant widening of the gap between the best and the rest as existing prime office assets have benefited from both high demand and a lack of high-quality A-Grade office supply. Availability in qualified office spaces became quite limited. We believe that the Istanbul International Financial Centre (IIFC), will be completed by the end of 2022, is expected to bring new dynamics to the Istanbul office market for both global and local businesses.

Like the rest of world, hotels across Türkiye suffered from the fallout of the Covid-19 pandemic. During second half of 2021, the hotel market benefited from the ease in restrictions and the reopening of international flights, as well as from postponed holidays, as we expected. The rebound in the hotel sector was especially vibrant in the summer season, primarily for the riviera region of Türkiye. Key performance indicators was realized above the European average in Antalya.

We hope that this presentation provides an objective and useful assessment for individuals and corporations who are interested in Türkiye's real estate market. We also would like to express our special thanks to Presidency of the Republic of Türkiye Investment Office for leading this collaboration to demonstrate Turkish real estate market's potential.



Dora Şahintürk
Co-CEO, JLL Türkiye



Tarkan Ander
Co-CEO, JLL Türkiye



TÜRKİYE YOUR **RESILIENT** PARTNER

RESILIENCE AND POWER TO BACK YOU UP

The world's **11th largest economy** (GDP based on PPP) that jumped
7 places in 17 years.

A success story that reduced the gross public debt to GDP
ratio from **71% in 2002 to 39% in 2020**.

An eye-catching performance that expanded **GDP**
from \$238 billion to **\$717 billion** in 18 years.

The generation of **6.2 million new jobs** in 10 years.

The Presidency of the Republic of Türkiye Investment Office, the official investment advisory body of Türkiye, is a knowledge center for foreign direct investments and a solution partner for the global business community in all stages of investments. It provides customized guidance and qualified consulting before, during, and after entry into Türkiye.



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01

Retail Market Overview

JLL Türkiye Research | 2021 Year-End



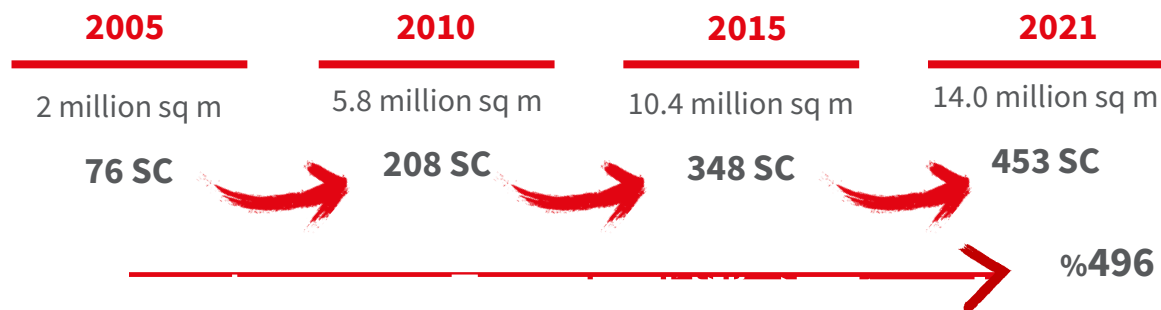
Retail | Supply

Shopping Centre Existing & Pipeline Supply

		Existing	Under Construction*	Total
Istanbul	Unit	134	9	143
	GLA	5,152,116	324,416	5,476,532
Ankara	Unit	45	3	48
	GLA	1,722,142	88,850	1,810,992
Rest of Türkiye	Unit	274	16	290
	GLA	7,095,110	469,600	7,564,710
Total	Unit	453	28	481
	GLA	13,969,368	882,866	14,852,234

*Expected to be completed by 2024.
GLA: Gross Leasable Area in sq m.

Shopping Centre Development in Türkiye



*SC: Shopping Centre

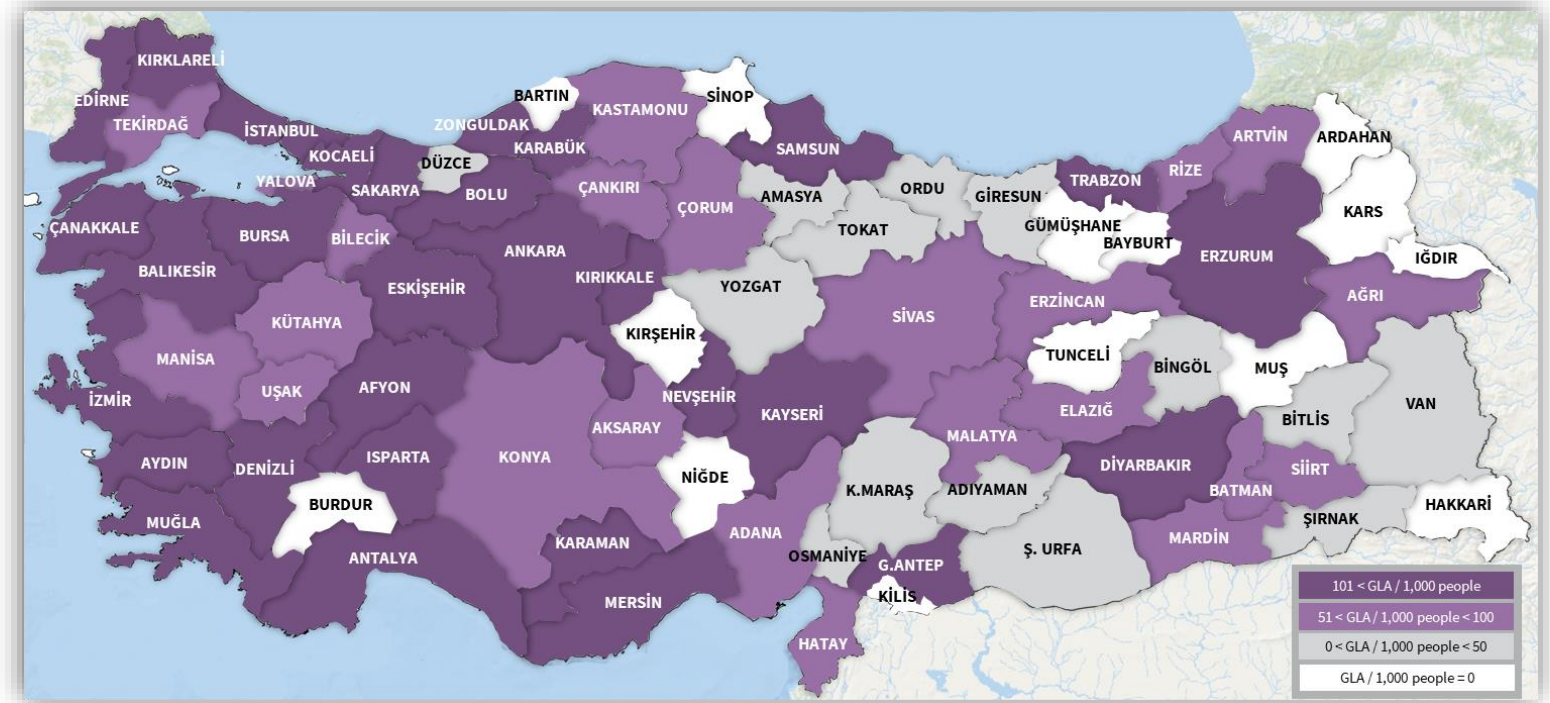
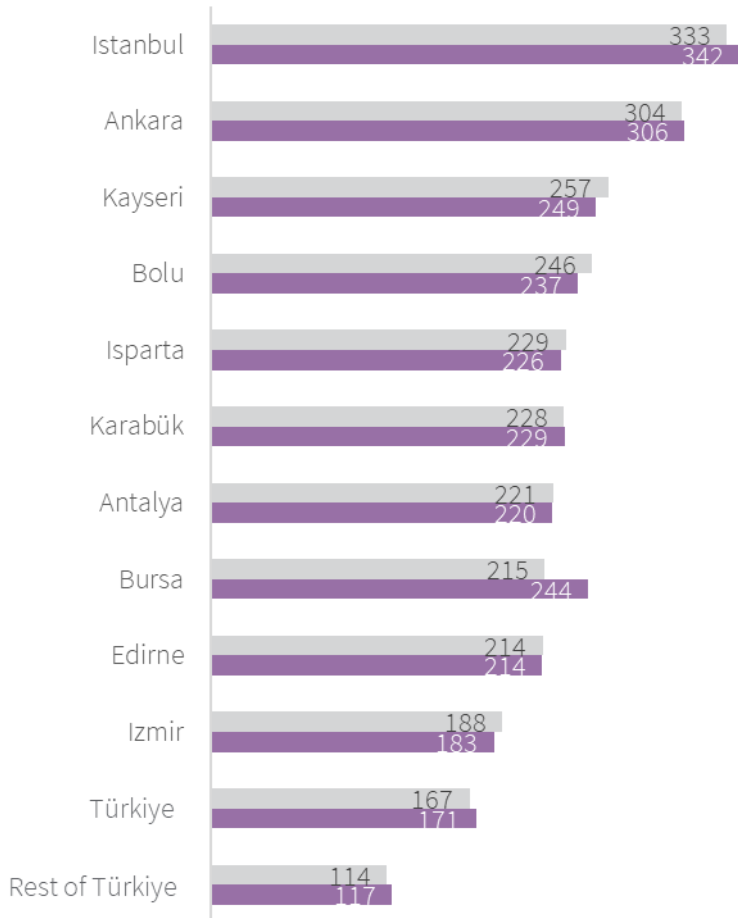
The given increase represents change of total number of shopping centres between 2005 & 2021

Source: JLL Türkiye



Retail | Supply

Retail Density



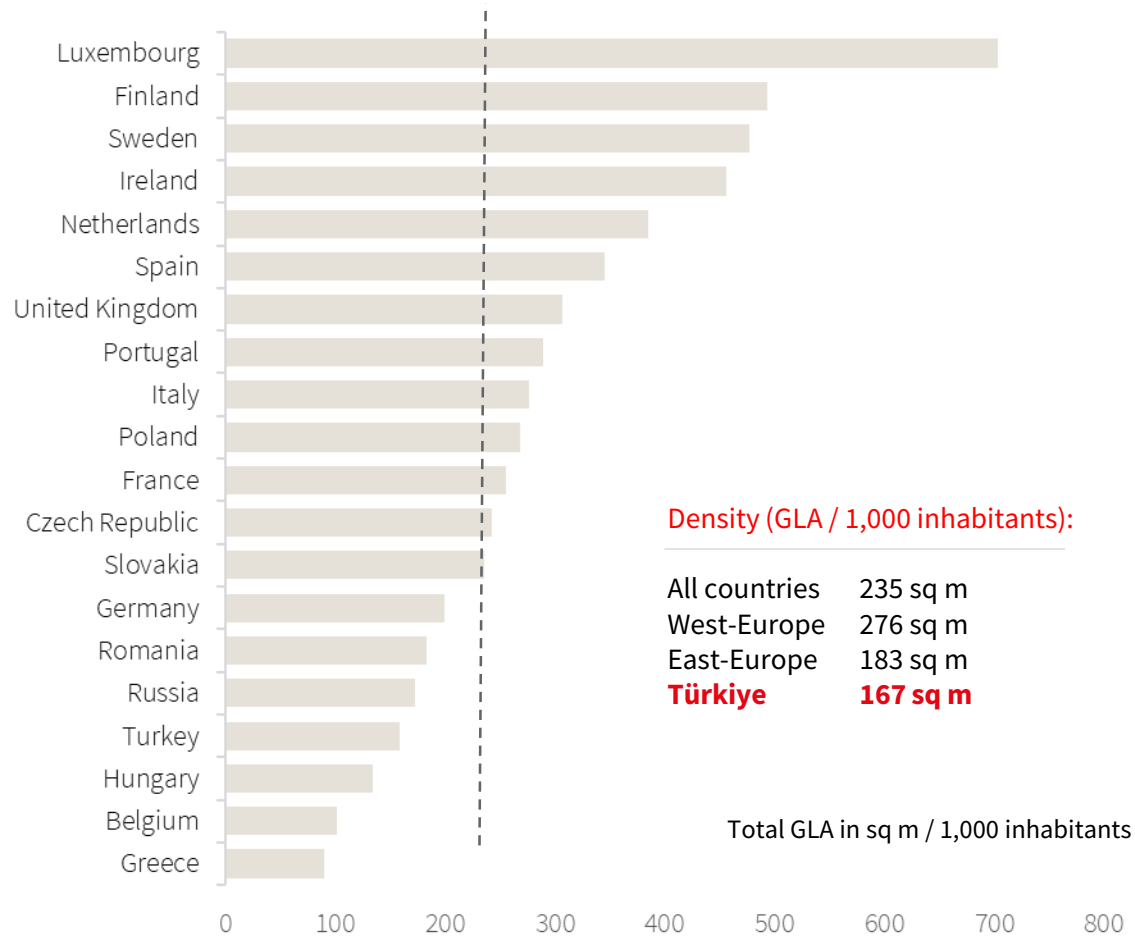
- In early 2005 only 21 cities had a modern shopping centre, currently 67 cities accommodate at least one shopping centre. Istanbul and Ankara are the densest markets – with 330 sq m and 303 sq m - owing to their significant population and purchasing power compared to the rest of the country.
- There are currently no shopping centers in 14 cities and 25 cities has shopping destinations where total GLA is under 20,000 sq m. In context with this, secondary cities are come front as the most opportunistic markets in terms of development activities.

Source: JLL Türkiye ■ Q4 2021 ■ End 2024

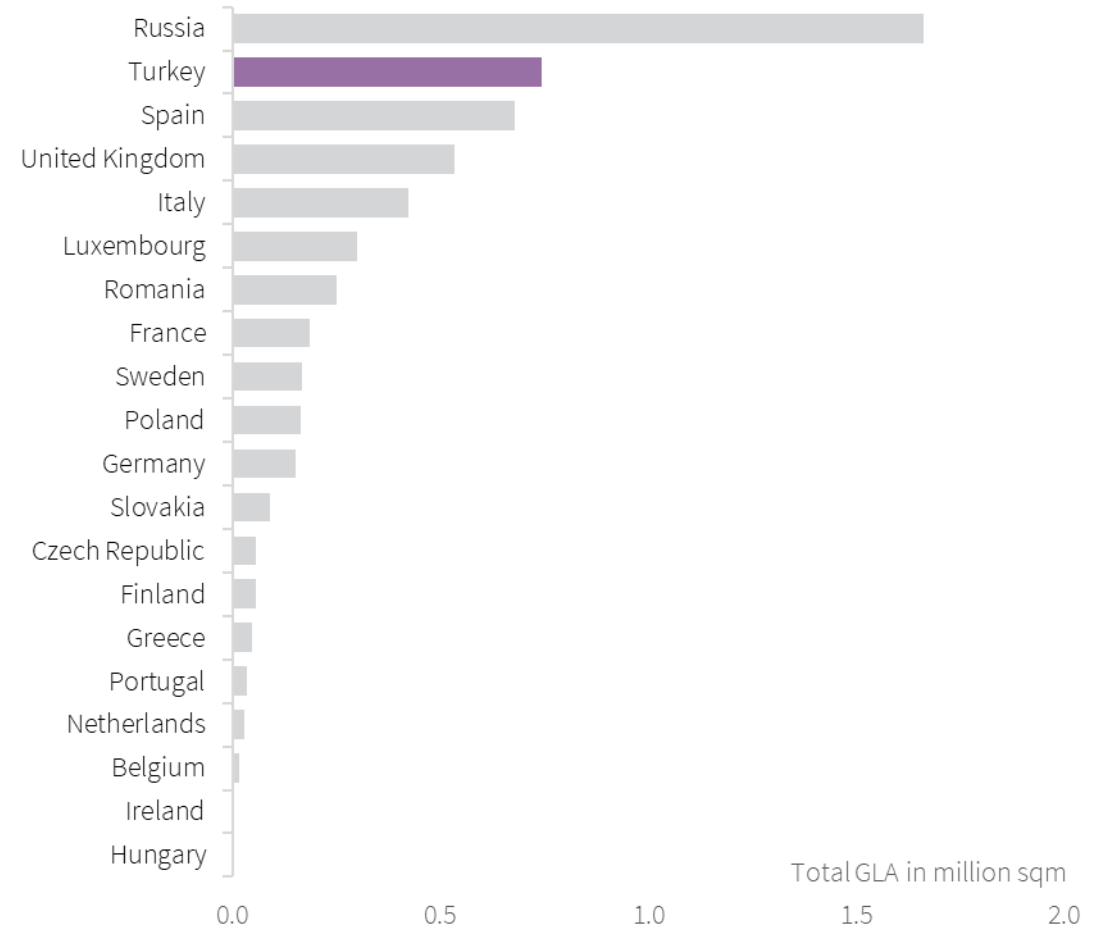


Retail | Supply

Shopping Centre Stock per 1,000 inhabitants



Shopping Centre Pipeline Stock 2022-2023

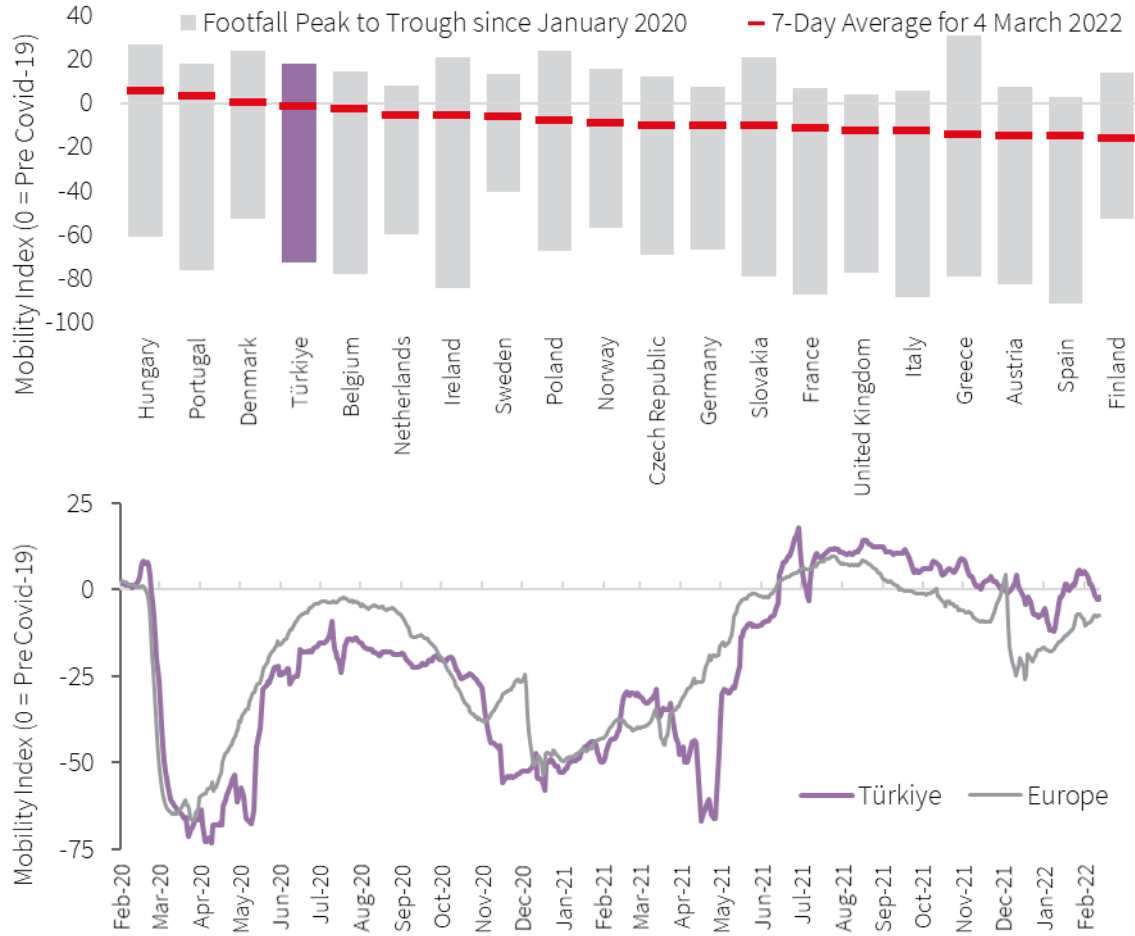


Source: JLL (Q4 2021); Note: Includes schemes >5,000m² GLA only; excludes Retail Warehousing and Factory Outlet Centre; Forecasts do not take into the account the Russia-Ukraine situation.



Retail | Footfall

Retail and Recreation Mobility Index by Country



Source: Google COVID-19 Community Mobility Report (Updated on 8 March 2022). Note: Index based on a 7-day rolling average of the 20 largest retail markets.



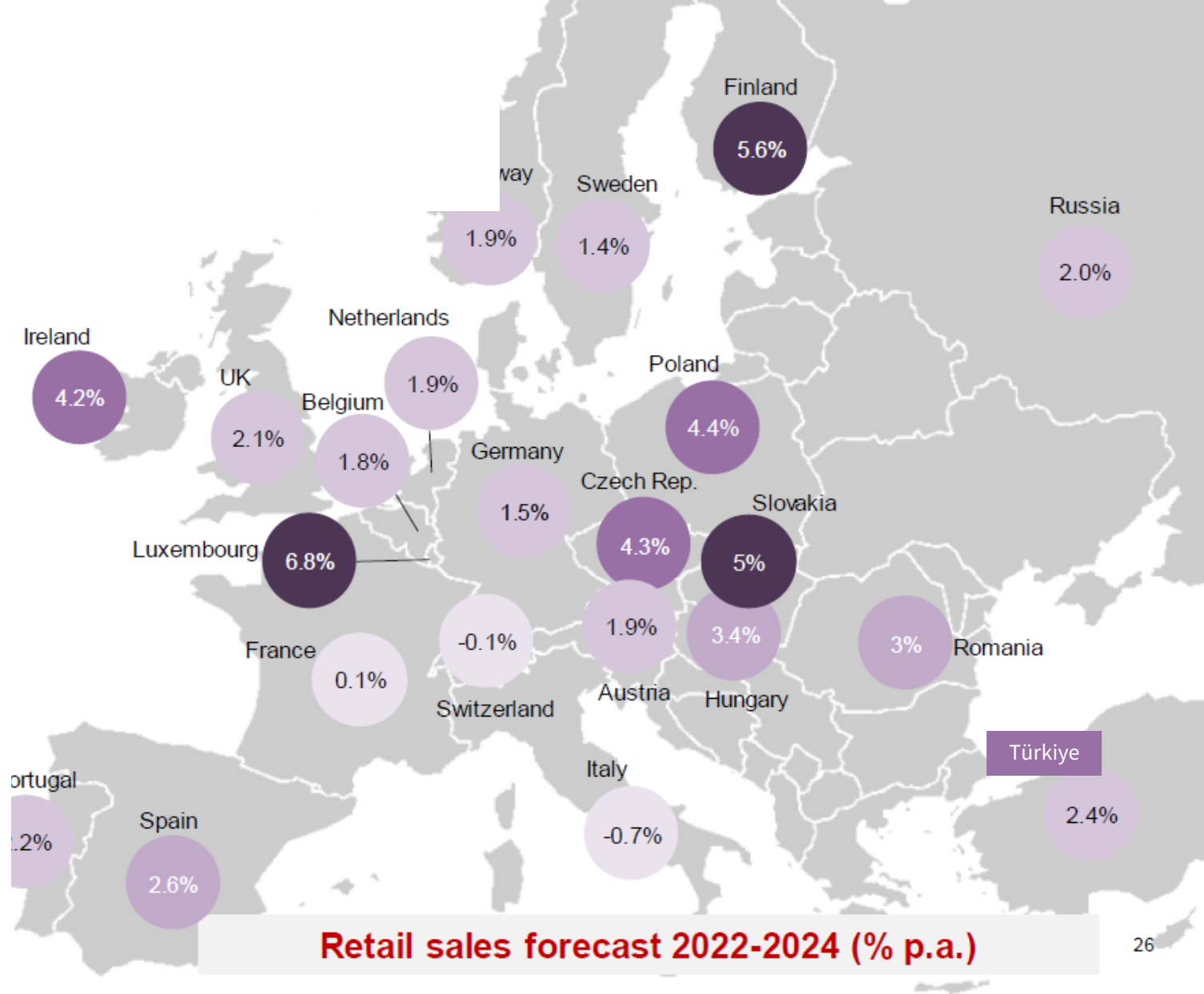
Retail | Retail Sales Forecast

Following the strong rebound in consumer and retailer demand, retail forecasts are also vibrant for Türkiye.

While the recovery in retail spending across Europe is mixed as a result of the impact of the COVID-19 pandemic on local markets and the ability of governments to aim for a swift rebound in economic activity, the projected retail sales growth in Türkiye significantly outpaces some mature European markets such as Italy, the UK, Germany, France and Russia with an annual growth forecast of 2.4% between 2022 and 2024.

Map Key:

- >4.5%
- 3.5%-4.5%
- 2.5%-3.5%
- 1.5%-2.5%
- <1.5%



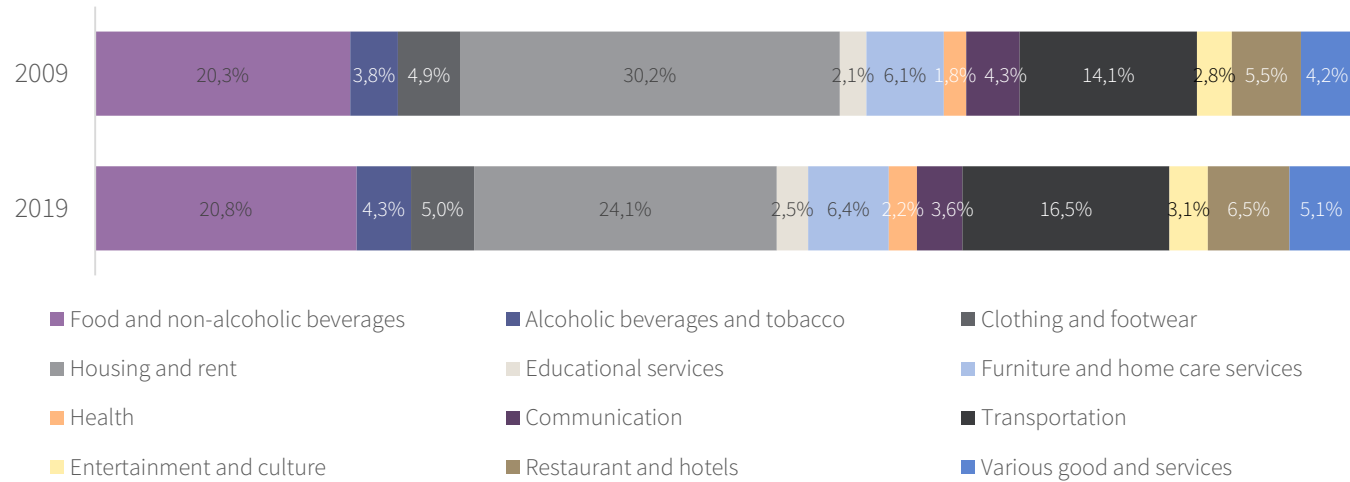
Retail sales forecast 2022-2024 (% p.a.)

Source: Oxford Economics



Retail | Shift in Household Consumption

Evolution of Household Consumption Expenditures in Türkiye



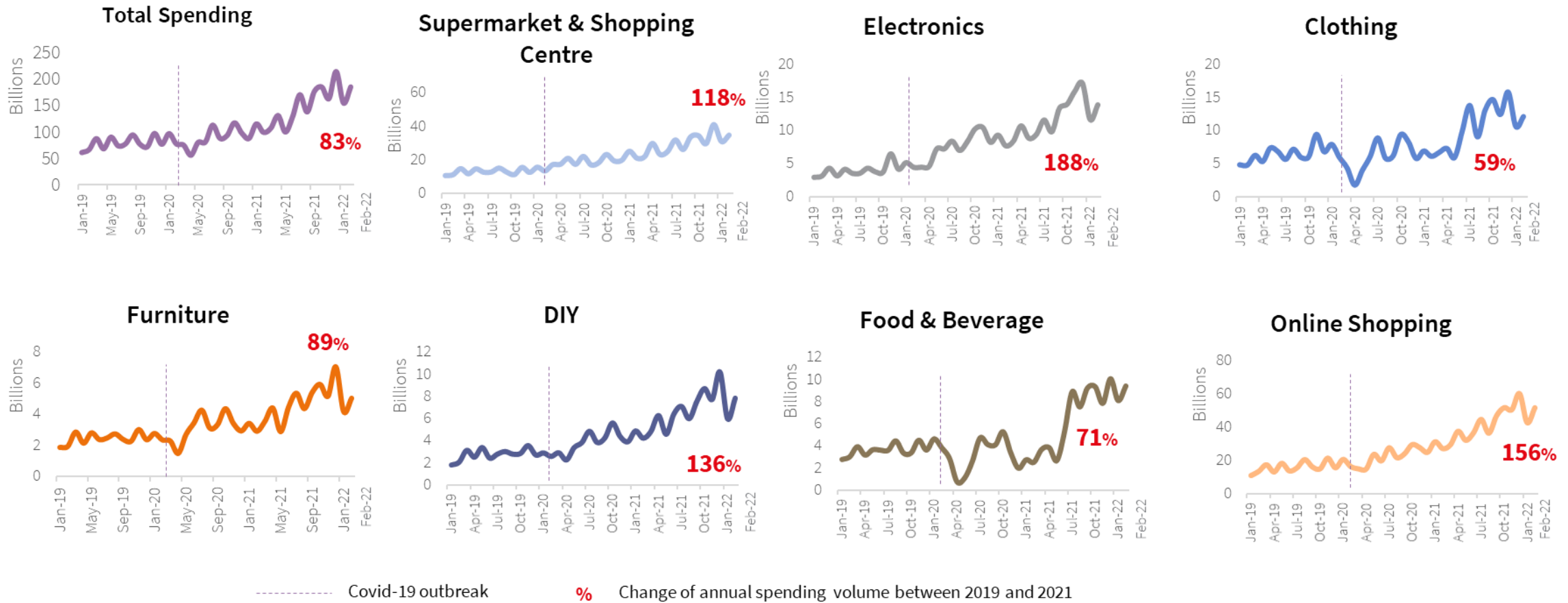
Source: TurkSTAT

- Being the most populated country across Europe with 84.7 million population is one of the major factor that benefits retail demand. As well as population growth, shifts in consumer spending also favoured recorded growth in organized retail in Türkiye. Thanks to the shifting population; nearly one third of the consumer profile in Türkiye changes into individuals who are aged below 21 years, prefer spending rather than saving, always chasing for the innovation and ‘new’.
- Besides the rising share of entertainment, culture and restaurant spending in overall household expenditures have also contributed the transformation of the shopping centre developments into more socialising places alongside shopping purposes.



Retail | Demand

Credit & Debit Card Spending by Categories



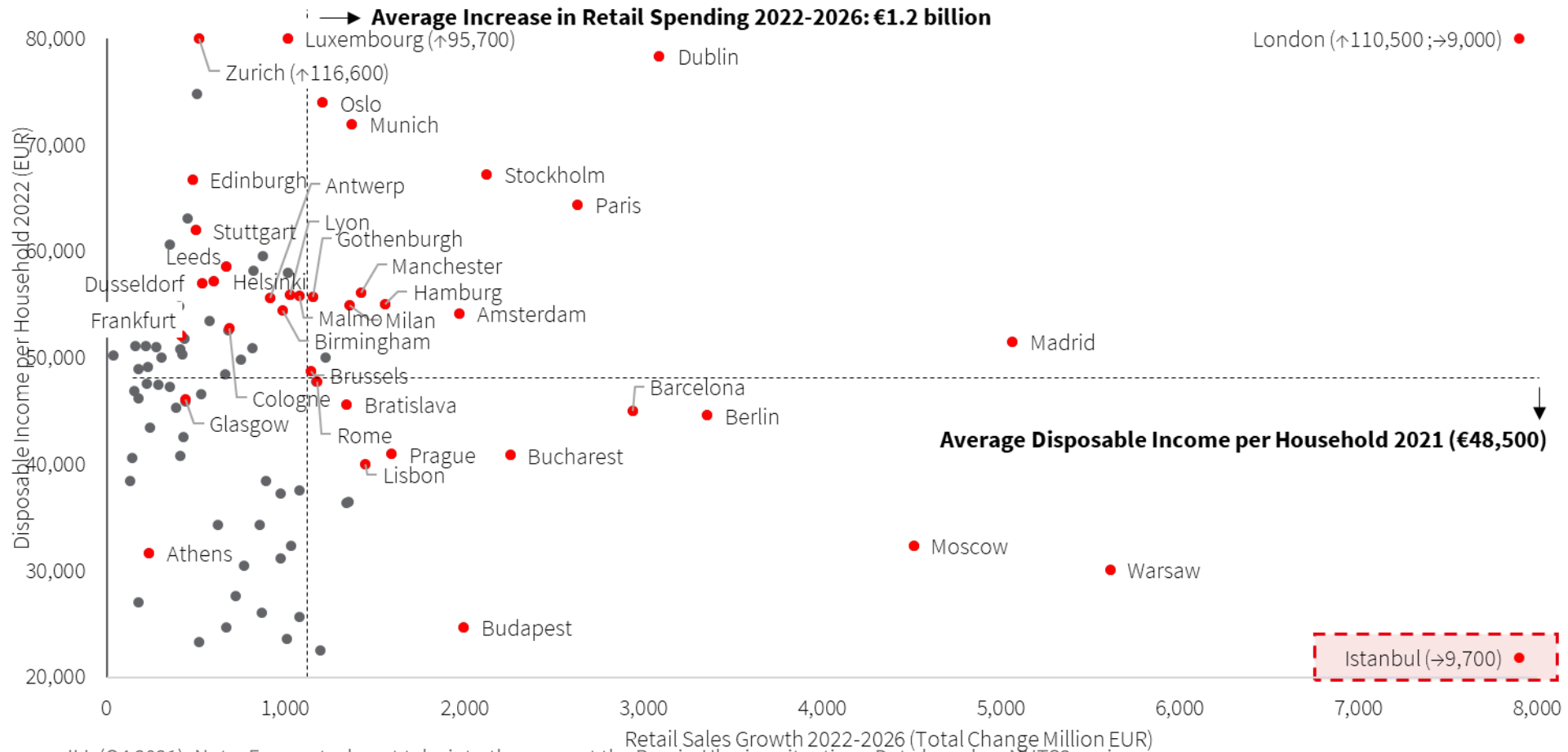
Source: CBRT



Retail | Demand

Retailers will align portfolios to market opportunities...

Top 100 European Cities: Disposable Income vs Retail Sales Growth 2022-2026



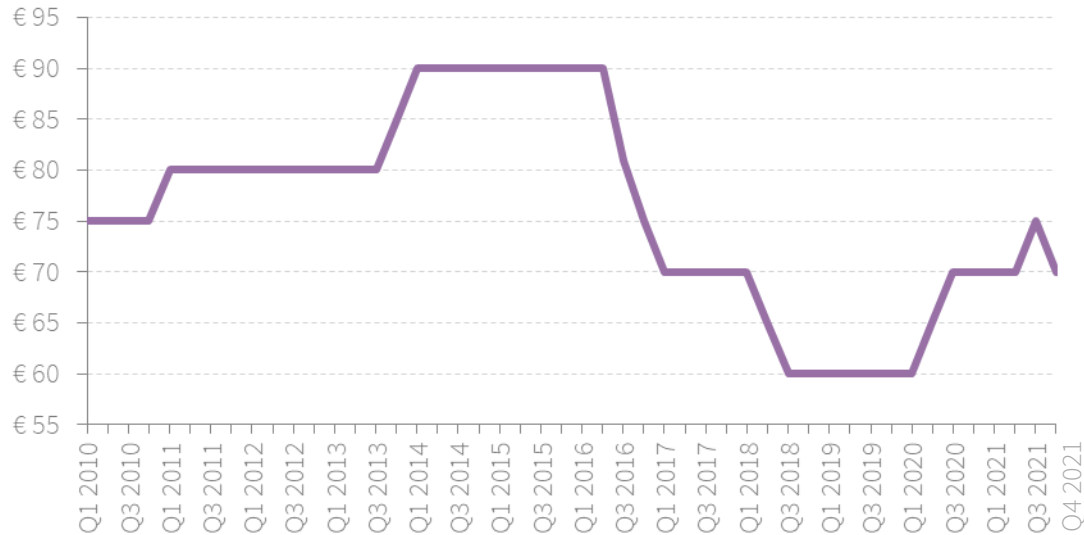
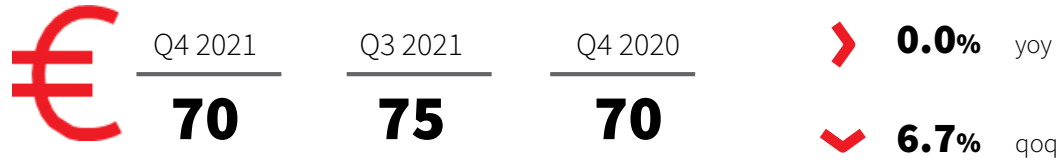
Source: JLL (Q4 2021); Note: Forecasts do not take into the account the Russia-Ukraine situation.; Data based on NUTS3-regions

- Despite having lower disposable income per household that is mainly occurred by depreciation in Turkish Lira in the recent years, Istanbul is one of the best opportunistic market in terms of forecasted retail sales growth total change and is competing with main mature markets such as London, Paris, Moscow and Madrid.
- While the pandemic has altered the growth outlook, an accelerated return to physical-retail space in Istanbul is observed and expected to remain its momentum for international retailers who would like to align portfolios to market opportunities.



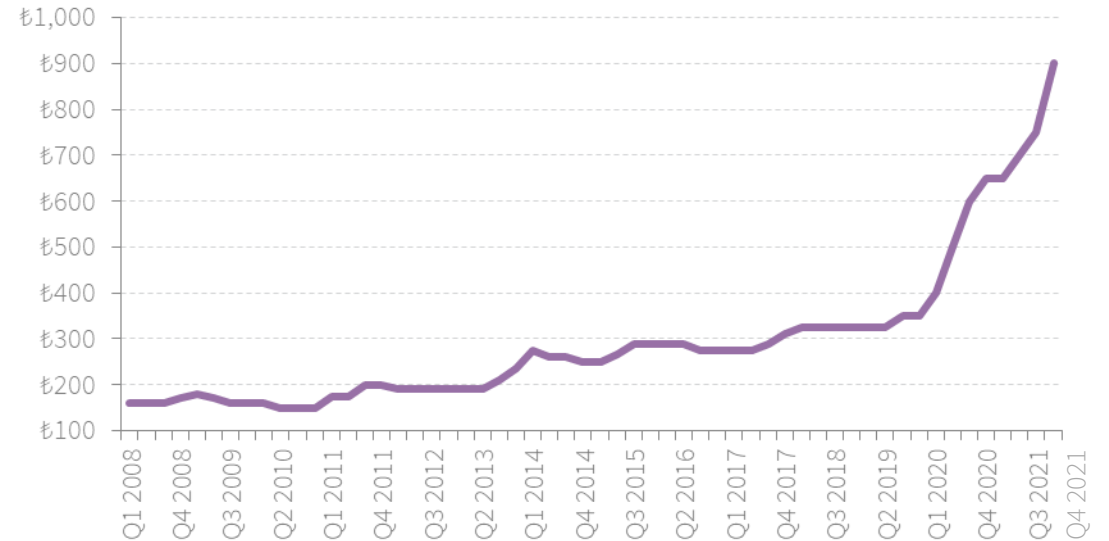
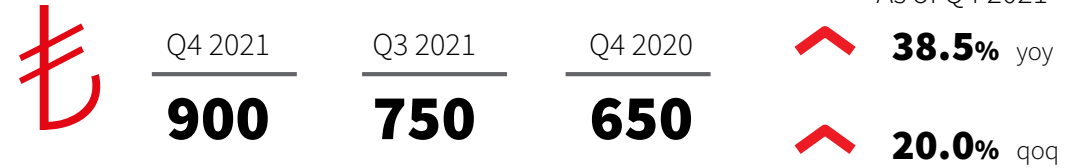
Retail | Prime Rent Indices

Prime Rent (EUR/sq m/month)



Source: JLL Türkiye

Prime Rent (TRY/sq m/month)



Prime rent is defined as the highest rent achievable for a typical store of approximately 200 sq m on the ground floor or the first floor of a good-quality shopping centre in a prime location in Istanbul.

Retail

Office

Logistics

Hotel

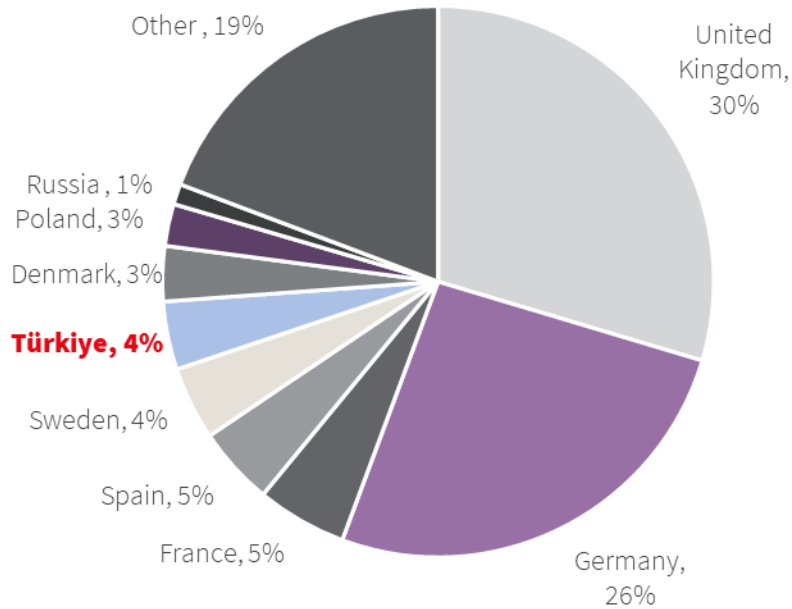
Residential

Investment

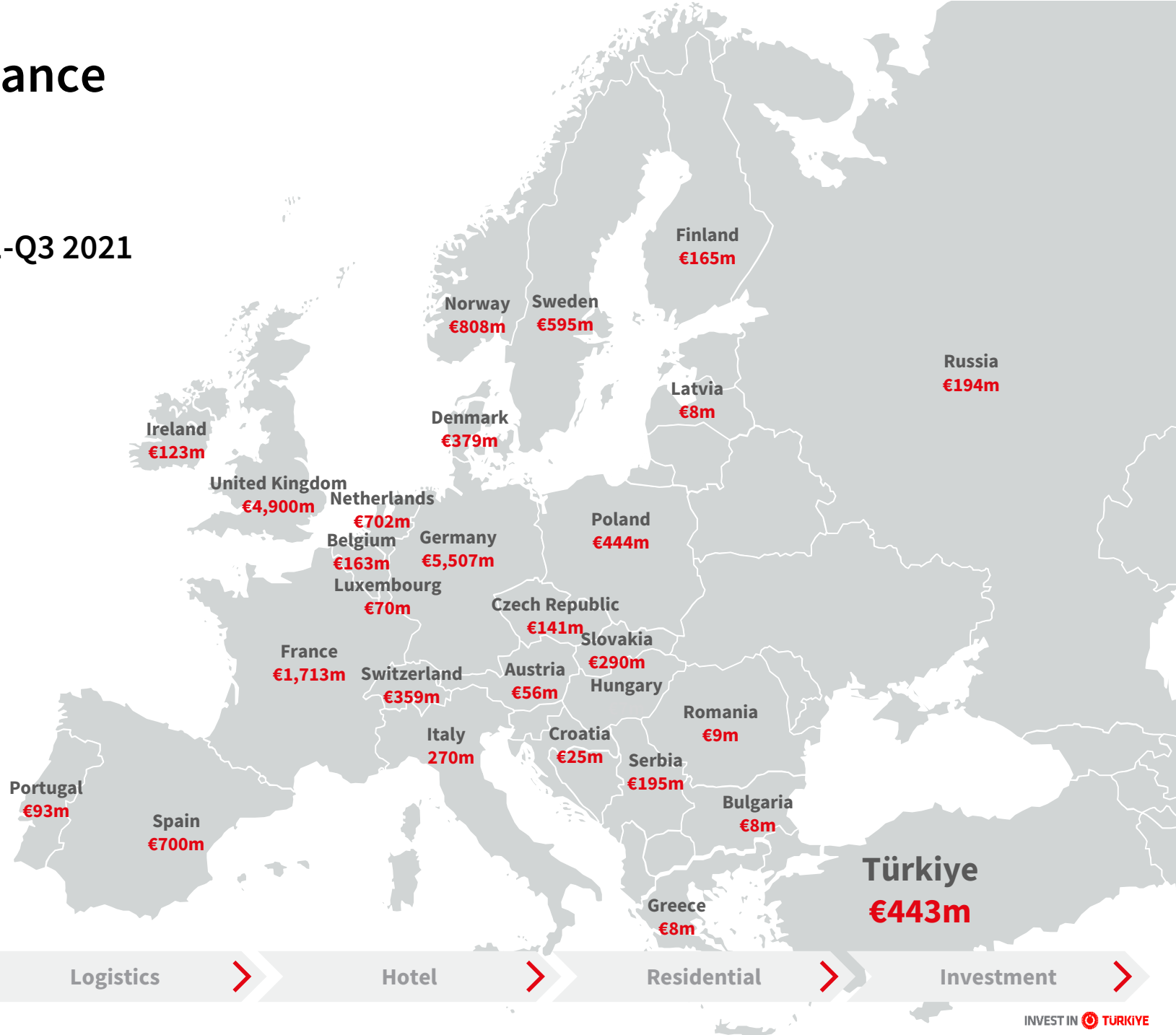
Retail | Investment Performance

Retail Investment Volumes by Country Q1-Q3 2021

Share by Country



Source: JLL (Q3 2021); Note: This review considers all investment sales of shopping centres, retail warehouses, factory outlet centres, supermarkets and high streets, but excludes any investment deal less than €5 million in value.

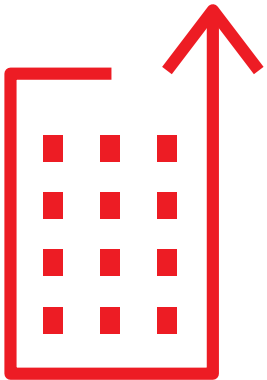




02

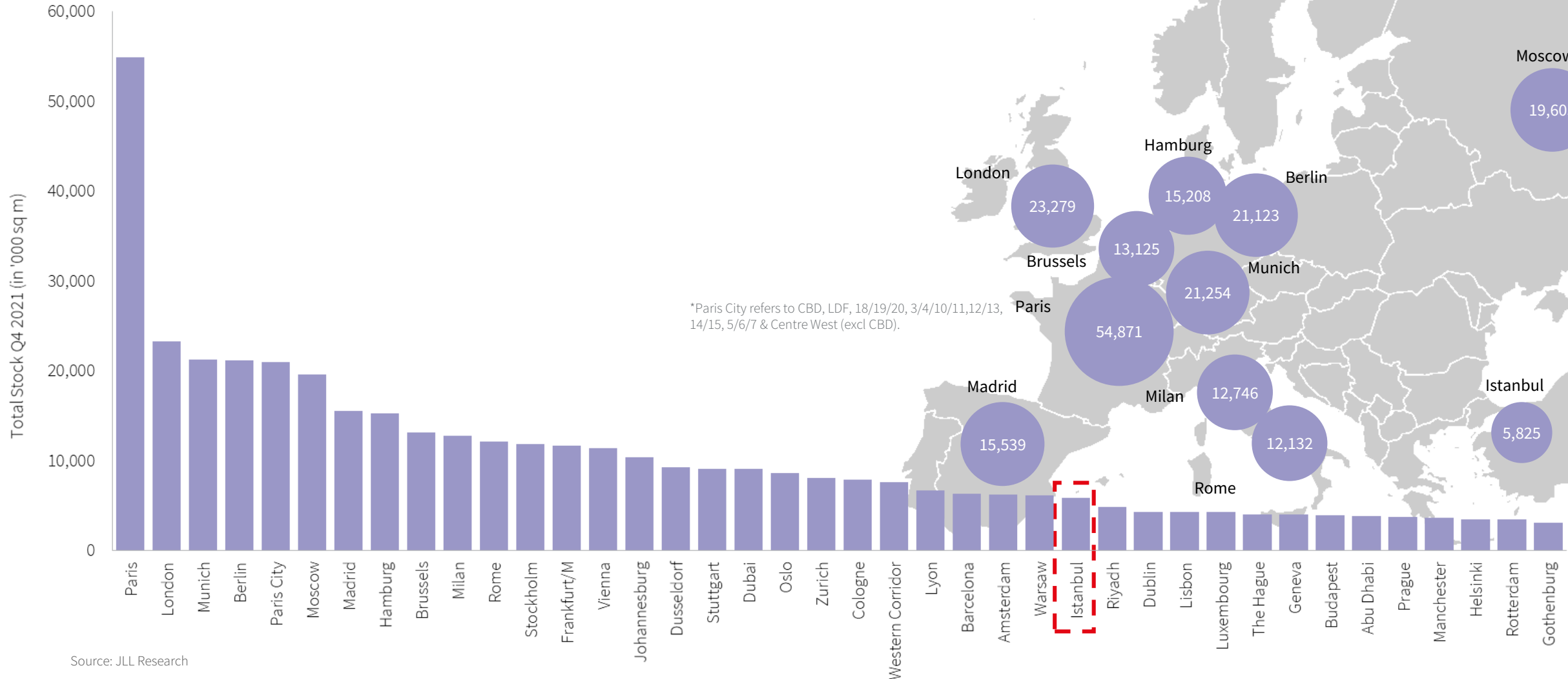
Office Market Overview

JLL Türkiye Research | 2021 Year-End



Office | Supply

EMEA Office Markets by Size (in 000's)



Source: JLL Research



Office | Supply

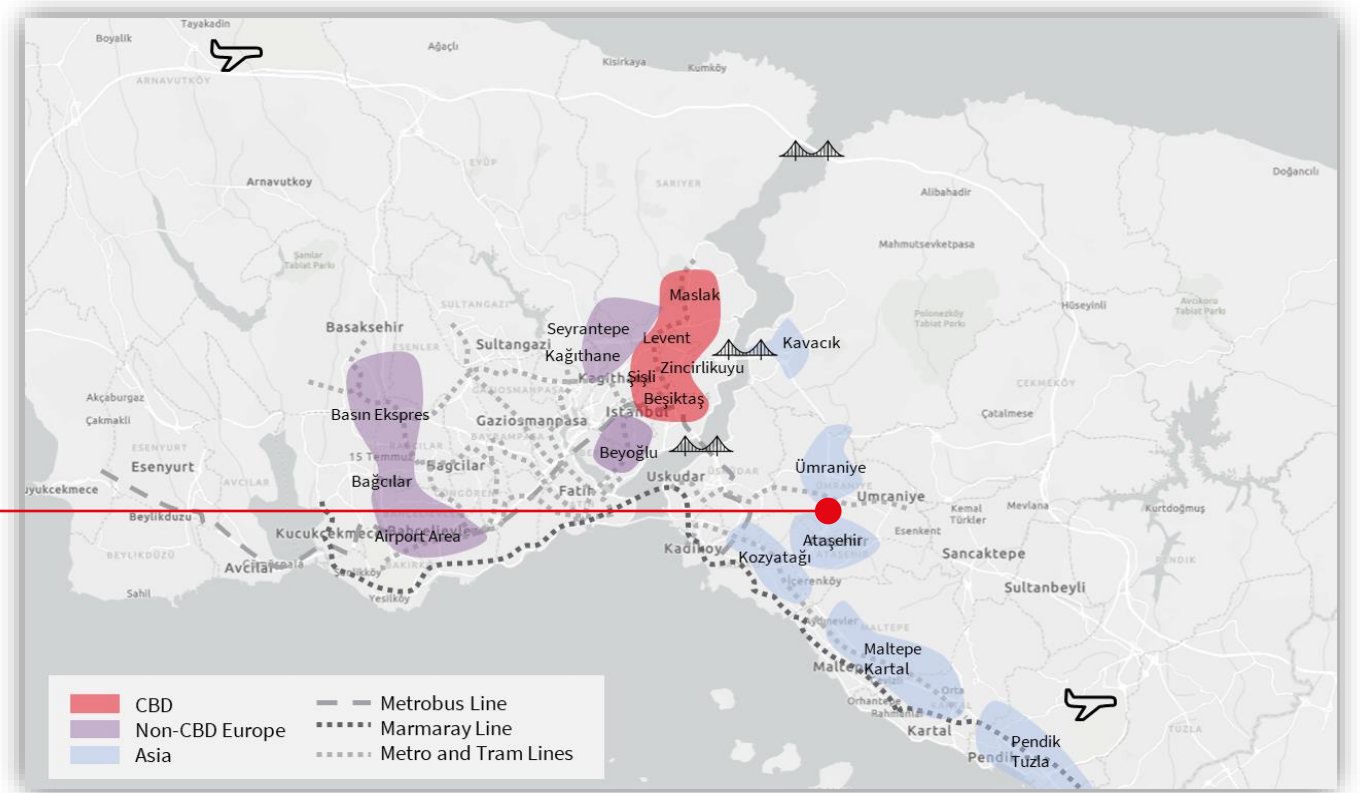
“*Istanbul, the financial capital of Türkiye, has become a key player in the global services economy in the past decades. A broad range of global firms from sectors such as financial services, IT, media, pharmaceuticals, logistics and FMCG use Istanbul as a regional service hub for large parts of the Middle East, South-East Europe, Central Asia, and Africa, embracing up to 90 countries.*”

Istanbul Existing & Pipeline Grade A Office Supply

		Existing	Under Construction*	Total
CBD	Unit	89	2	91
	GLA	1,971,031	140,400	2,111,431
Non-CBD	Unit	55	2	57
	GLA	1,620,435	165,000	1,785,435
Europe	Unit	112	12	124
	GLA	2,233,545	1,307,980	3,541,525
Total	Unit	256	16	272
	GLA	5,825,011	1,613,380	7,438,391

Source: JLL Türkiye

While the existing Grade-A office supply in Istanbul reached 5.8 million sq m GLA as of year-end 2021, there is circa 1.6 million sq m office supply under construction and it is expected that the total Grade-A office supply will outpace 7.4 million sq m GLA by the end of 2023.



Istanbul Financial Centre (IFC) is currently under-construction, and expected to provide more than 1.5 million sq m office space. IFC is designated to make Istanbul as the financial centre of the region, for which Istanbul is **competing mainly with Dubai and Moscow** and then **aiming to be one of the top 20 financial centres in the world**. IFC is strategically located between the Atasehir and Umraniye districts on the Asian side, where it is highly accessible by highways and has the potential to be a significant centre with **Istanbul’s dynamic population and skilled workforce**. Many international companies, state banks and financial institutions will come together.



Office | Demand

Office-Based Employment Growth Forecast 2022-2025



“Istanbul stands out in terms of office-based employment due to the expansion in information, communication, financial, real estate, professional and scientific services activities across EMEA cities.”

Source: Oxford Economics

Demand for office space in Istanbul is mainly triggered by new business establishments, companies’ expansions and new entries of foreign companies to the country in the mid 2000s and accelerated since 2013 by the growth of Turkish economy. Although Covid-19 pandemic has caused uncertainties in the office market, employment has been rising for several years led by the office sector. Accordingly, pandemic-driven declines in 2020 is expected to be made up in the coming years.

Istanbul’s office-based employment average annual growth is recorded at 3.3% between 2015 and 2019, ranking 27th place among 100 European cities. The Oxford Economics forecast indicates the growth between 2023 as 6.5% for Istanbul and taking the first place.

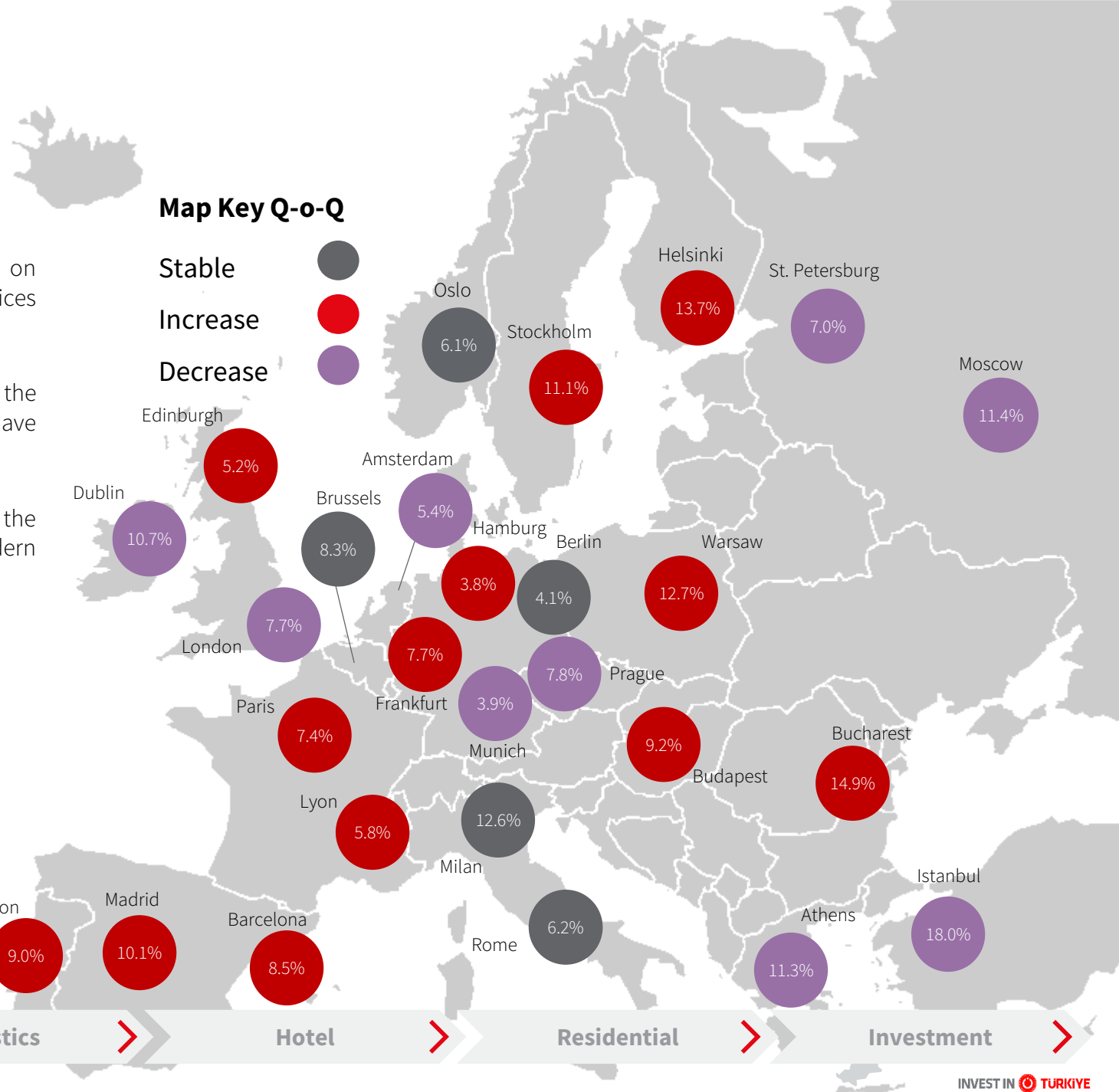


Office | Grade A Vacancy

Office Vacancy Rate Across EMEA Cities

- Although vacancy in Istanbul is higher than Europe average, it has been on downward trend due to increasing demand for high quality & premium offices that is accelerated by Covid-19 pandemic.
- Despite the increasing remote working and uncertainties across return to the offices, the drift of Grade-B office occupiers to Grade-A buildings have contributed the recorded fall in vacancy rates.
- In addition to the impact of the pandemic, the earthquake risk is boosting the demand for Grade A offices that offer high quality & standards, modern ventilation systems, open spaces as well as socializing areas.

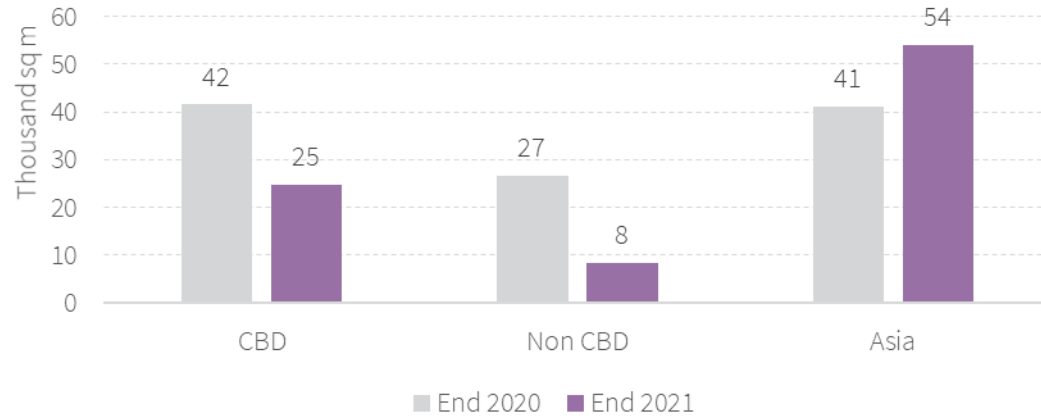
“We have seen a significant widening of the gap between the best and the rest as existing prime office assets have benefited from both high demand and a lack of high-quality A-Grade office supply.”



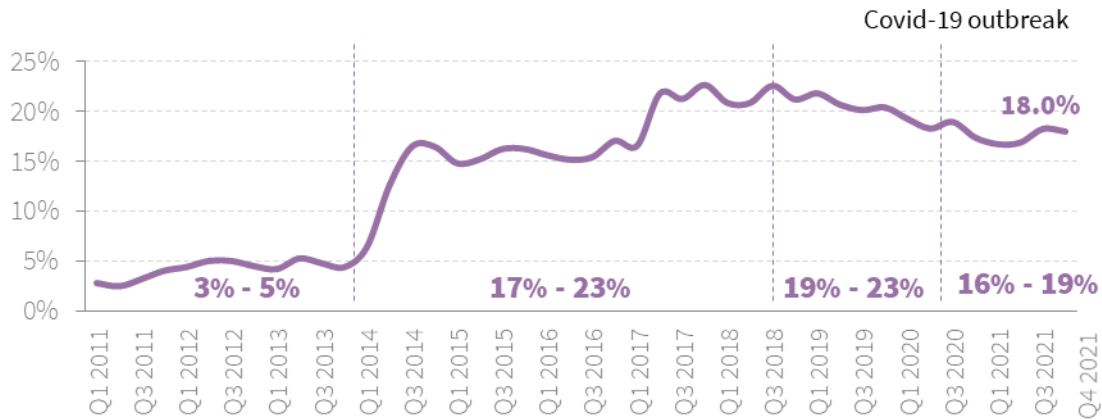
Office | Grade A Take-Up & Vacancy

Take-Up Volume

Year to date take-up volume



Vacancy Rate, CBD



Vacancy in CBD has been on downward trend due to increasing demand for high quality & premium offices that is accelerated by Covid-19 pandemic.

Source: JLL Türkiye



Retail

Office

Logistics

Hotel

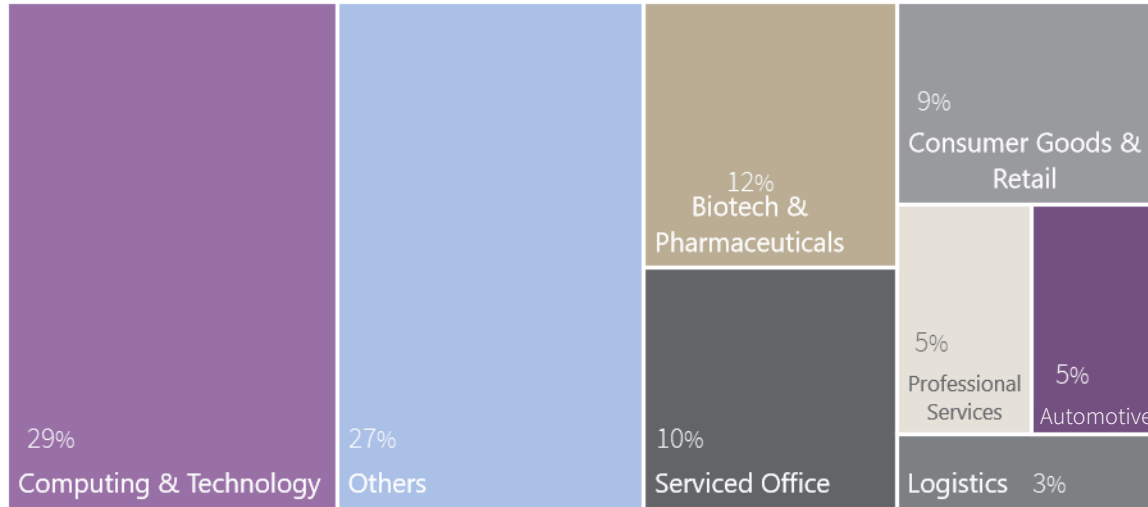
Residential

Investment

Office | Take-Up

Take-Up by Sectoral Breakdown

Year to date take-up volume



Source: JLL Türkiye

- 87,351 sq m office take-up was realized in 2021. Atasehir on the Asian side and Levent in the CBD have become prominent in leasing activities. Computing and technology, pharmaceuticals and serviced offices were the most active companies in terms of leasing transactions in 2021.
- The vacancy in the CBD was recorded at 18.0% in H2 2021. Although overall vacancy has increased from 17.4% in 2020, vacancy in premium Grade-A office buildings decreased due to high demand for qualified office space.



Retail >

Office >

Logistics >

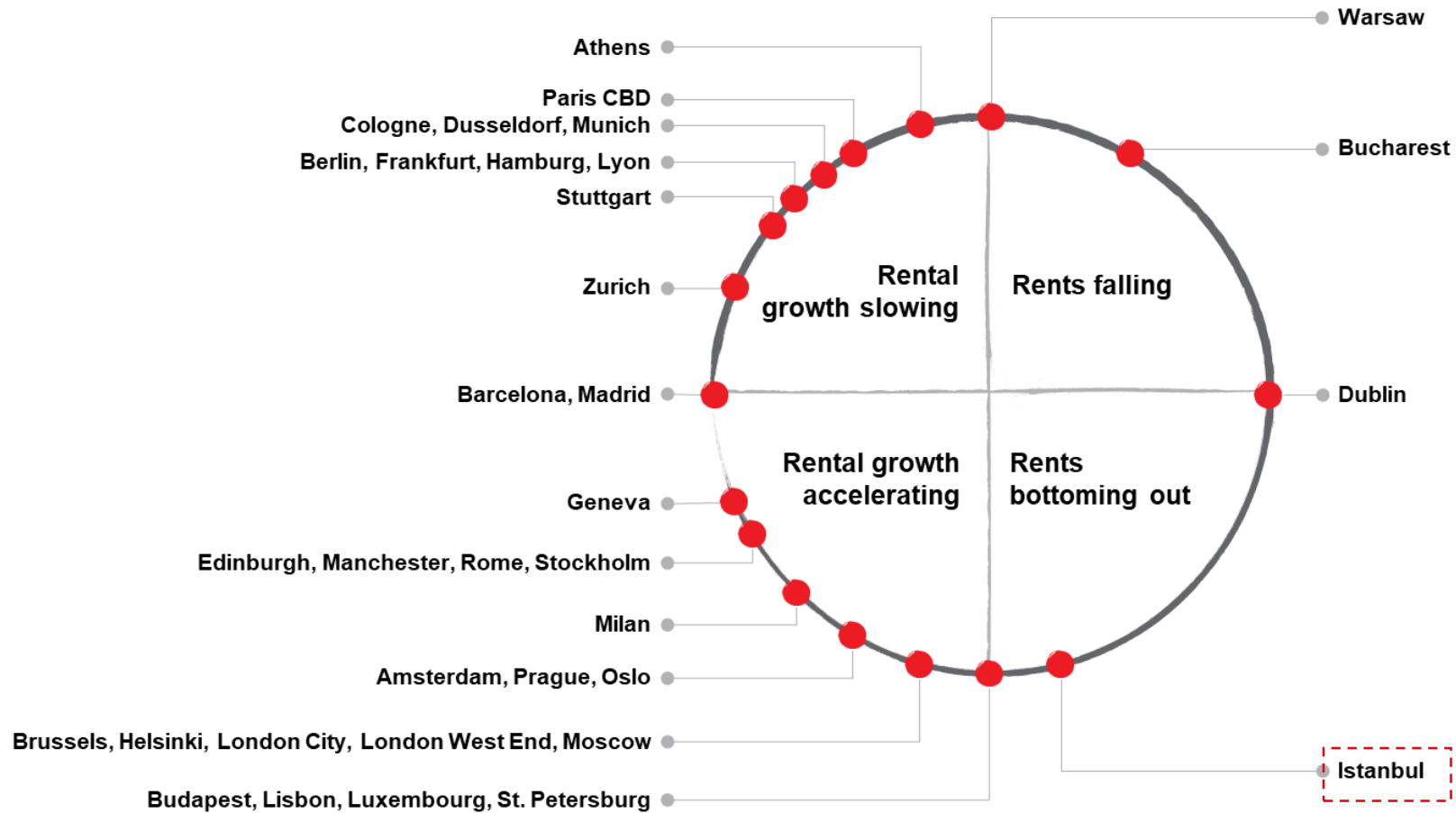
Hotel >

Residential >

Investment >

Office | Office Rental Clock

European Offices Rental Clock Q4 2021



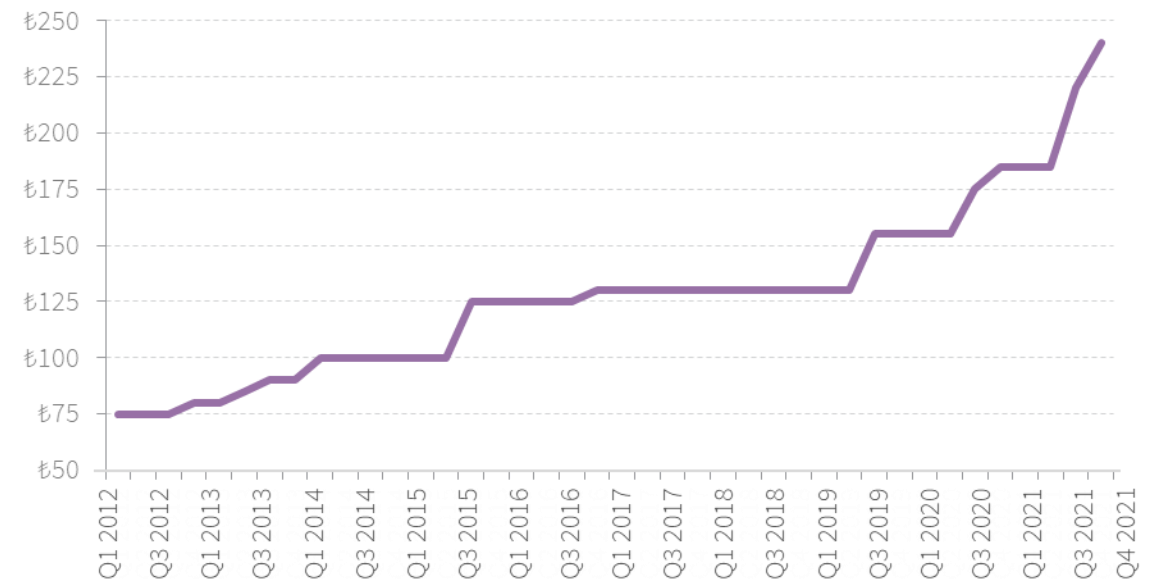
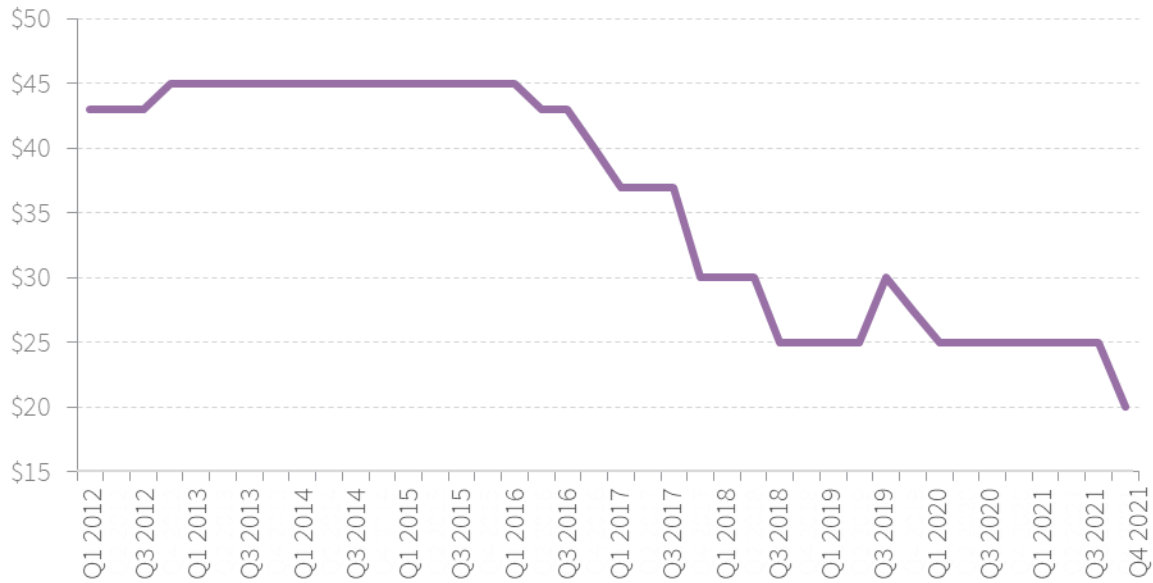
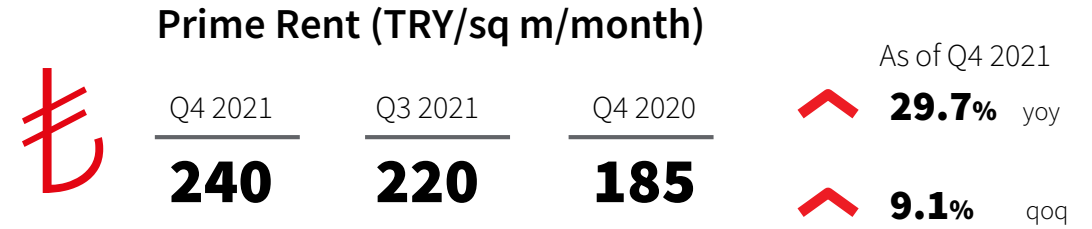
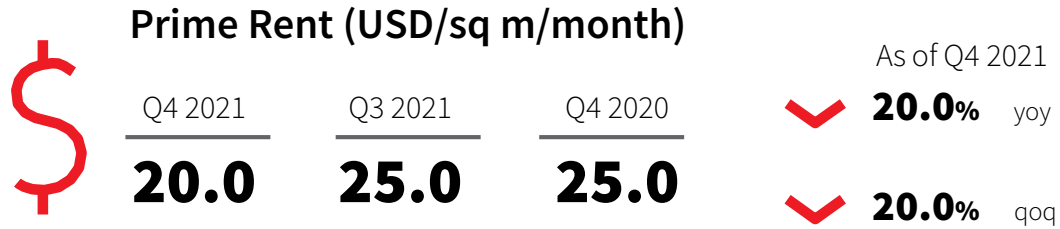
- This diagram illustrates where JLL estimate each prime office market is within its individual rental cycle at the end of December 2021.
- Markets can move around the clock at different speeds and directions.
- The diagram is a convenient method of comparing the relative position of markets in their rental cycle.
- Their position is not necessarily representative of investment or refers to Prime Face Rental Values. development market prospects.

This data is based on material/sources that we believe to be reliable. While every effort has been made to ensure its accuracy, we cannot offer any warranty that it contains no factual errors. Neither JLL nor any of its affiliates accept any liability or responsibility for the accuracy or completeness of the information contained herein.

Source: JLL Research



Office | Prime Rent Indices



Source: JLL Türkiye

*Prime office rent represents the top open-market rent that could be expected for a notional office unit of the highest quality and specification in the best location in a market, as at the survey date (normally at the end of each quarter period). The rent quoted normally reflects prime units of over 500 m² of lettable floorspace, which excludes rents that represent a premium level paid for a small quantity of space. Prime office rent represents JLL's market view and is based on an analysis/review of actual transactions for prime office space.

Please note that most of the prime office leases are Turkish Lira-based, therefore rent figures are also based on Turkish Lira. USD-based prime rents are calculated by converting from TRY to USD.

Retail >

Office >

Logistics >

Hotel >

Residential >

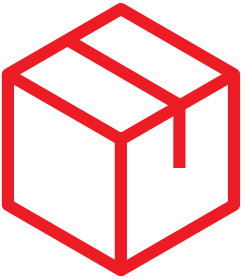
Investment >



03

Logistics Market Overview

JLL Türkiye Research | 2021 Year-End



Logistics | Market Overview



“The logistics market has been one of the markets most positively affected by the Covid-19 pandemic. Alongside a confident climate within the retail market, emerging e-commerce continued to be the major driver of the logistics market in H2 2021.”

“The Turkish logistics market remained firm under global supply chain disorders due to having a strategically significant location and being a logistics hub, as well as offering a shorter lead time compared to Europe and China. Some international companies, particularly retailers, have recently announced their plan to relocate their production to Türkiye.”

The primary logistics market is located in Türkiye’s Marmara region, which includes the Istanbul and Kocaeli provinces. Hadımköy and Esenyurt on the European side, Tuzla on the Asian side in Istanbul, and Gebze, Çayırova and Dilovası in Kocaeli remained the primary logistics markets of the Marmara region.

Retail

Office

Logistics

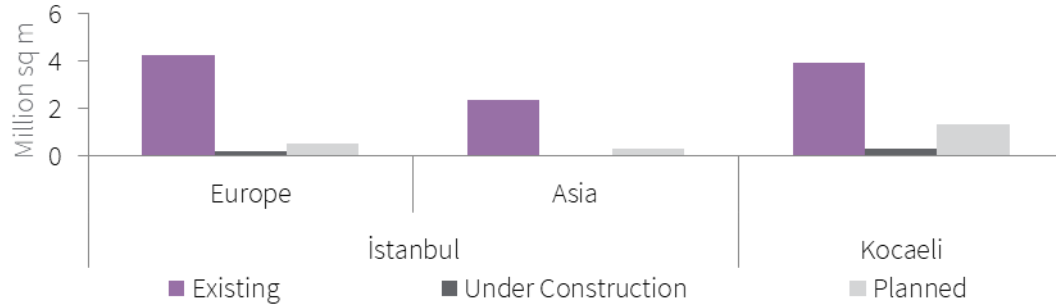
Hotel

Residential

Investment

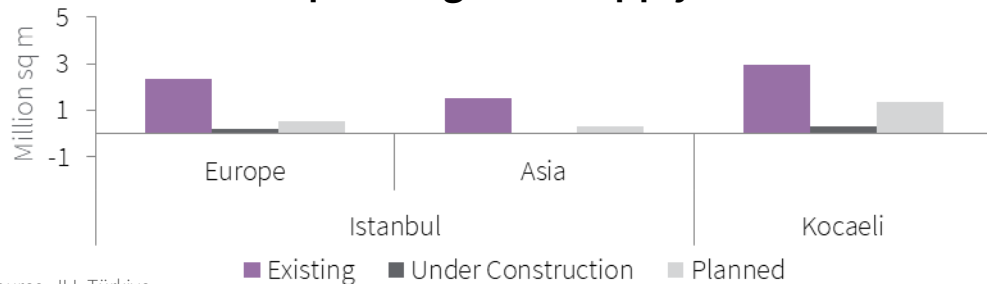
Logistics | Supply

Total Logistics Supply



- As of year-end 2021, the total existing logistics supply in the Marmara region, including the Istanbul and Kocaeli sub-markets, was recorded as 10.55 million sq m.
- While Istanbul Europe has a share of 40.4% of the total supply, Kocaeli follows with 37.3% and Istanbul Asia with 22.3%. There are approximately 550k sq m of logistics warehouse projects under construction and 2.3 million sq m in the pipeline.

Non-Owner Occupied Logistics Supply



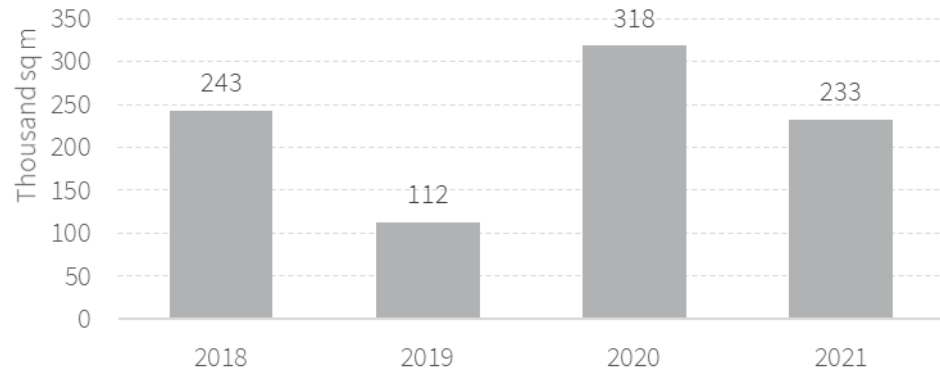
Source: JLL Türkiye

- There is also 6.8 million sq m existing non-owner-occupied logistics supply, which was constructed for lease and/or sale purposes as of 2021 year-end.

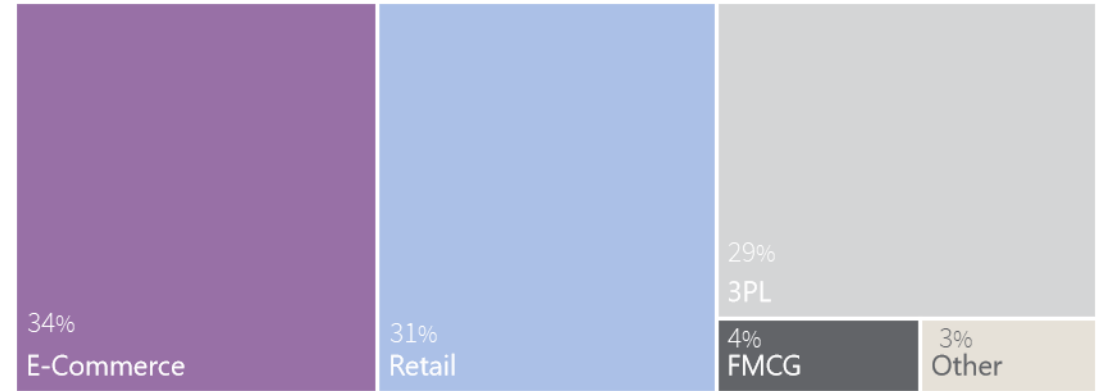


Logistics | Demand

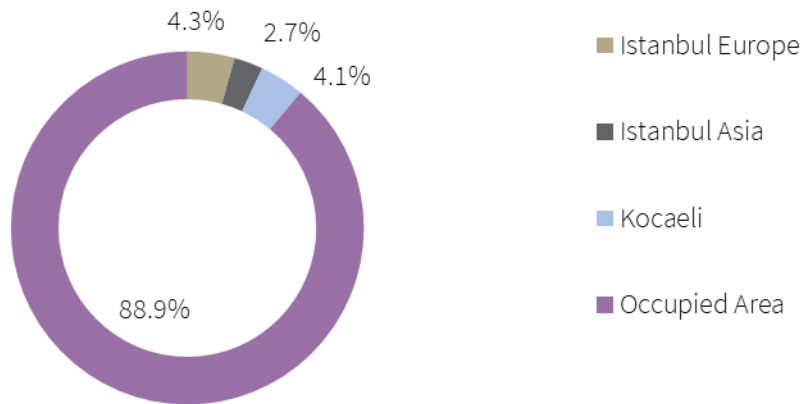
Take-Up



Take-Up by Sectoral Breakdown



Regional Distribution of Vacancy

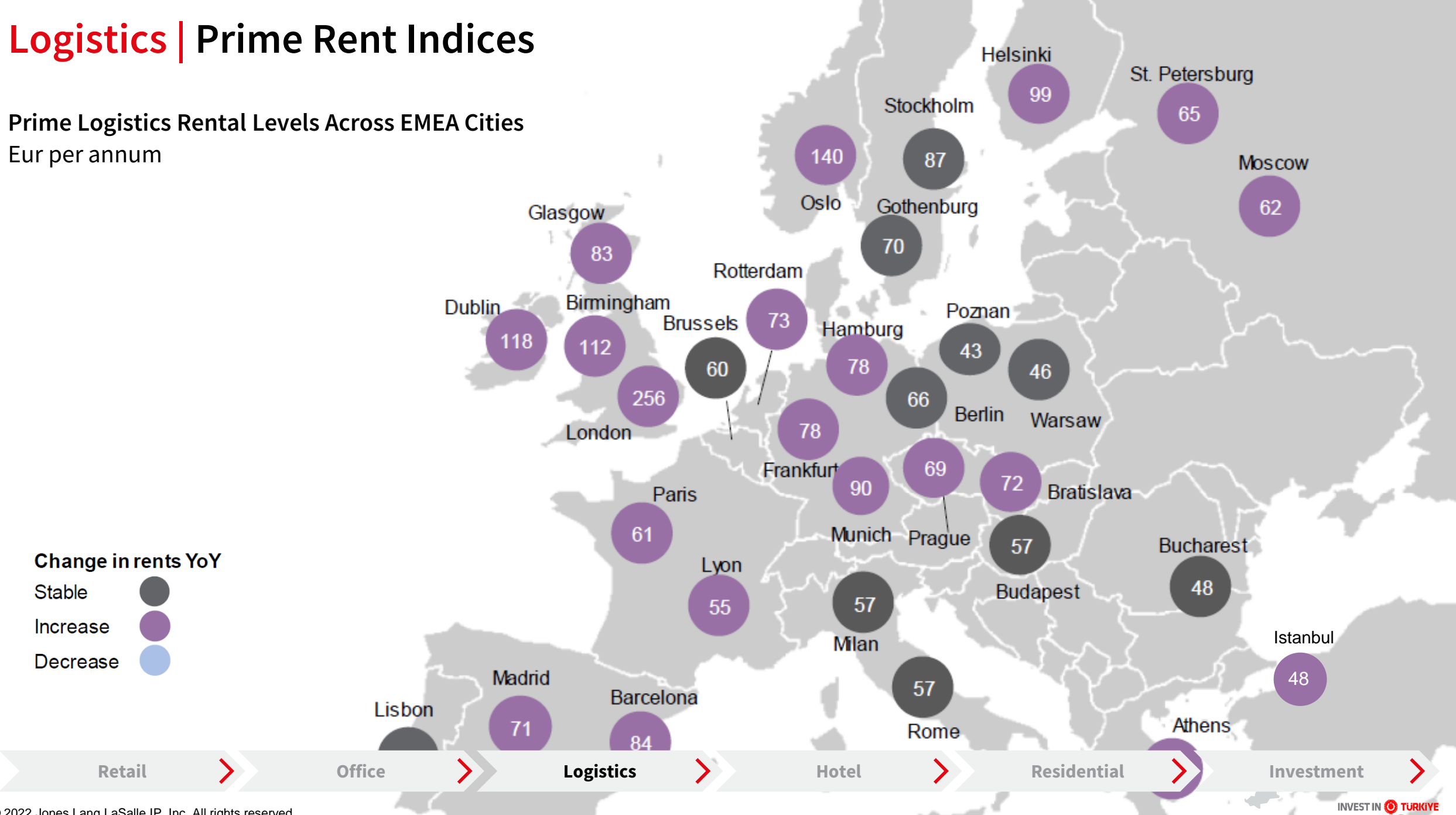


- According to the available data, 17,370 sq m of logistics leasing transaction was realized in Q3 2021 and 10,917 sq m in Q4 2021, reaching a total of 232,553 sq m as of year-end 2021. Leasing transactions were dominated by e-commerce and retail companies, with shares of 34% and 31% respectively, followed by 3rd Party Logistics (3PL), with a 29% share in 2021.
- On the other hand, both logistics warehouse development activities and new leasing transactions were flat despite rising demand due to the lack of qualified and modern building supply. Land suitable for developing logistics warehouses and existing high-quality warehouse buildings stood out among the most sought-after real estate assets for investment purposes.

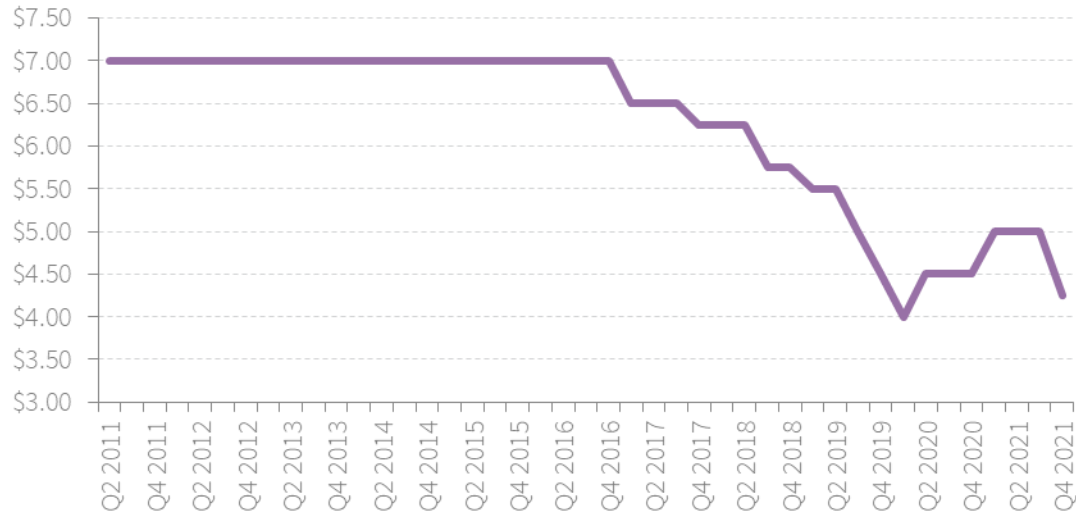
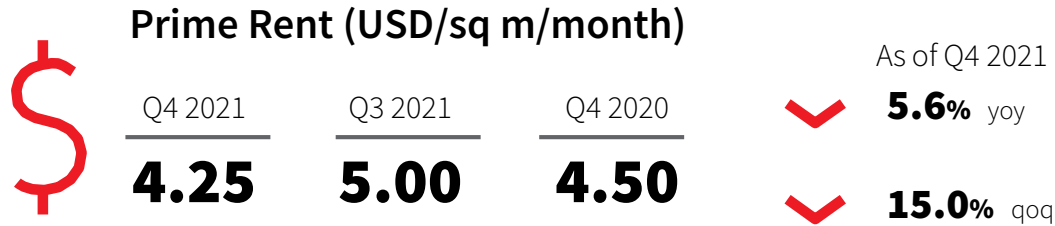


Logistics | Prime Rent Indices

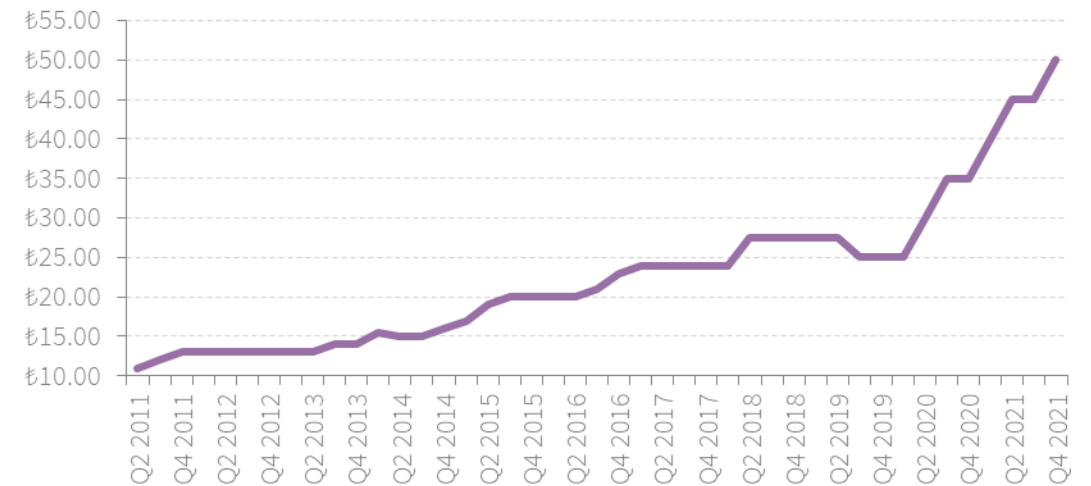
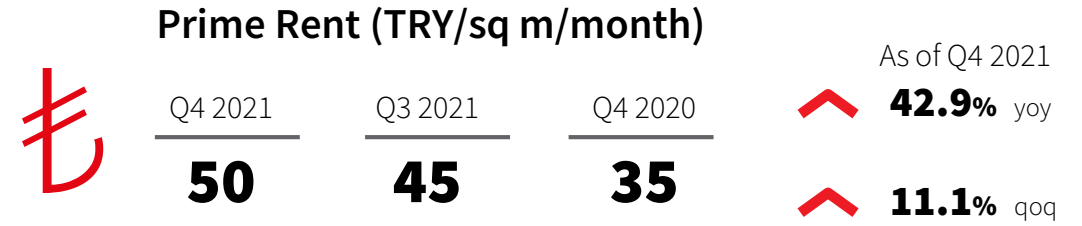
Prime Logistics Rental Levels Across EMEA Cities
Eur per annum



Logistics | Prime Rent Indices



Source: JLL Türkiye



Prime rent of logistics buildings was recorded at 4.25 USD per sq m as of year-end 2021 due to Turkish Lira depreciation. Meanwhile, logistics prime rent increased to 50 TRY per sq m, recording a 42.9% yoy rise. The ongoing high demand for premium buildings and lack of new supply within the market gives signals of upward pressure on rental levels for the upcoming period.

Retail

Office

Logistics

Hotel

Residential

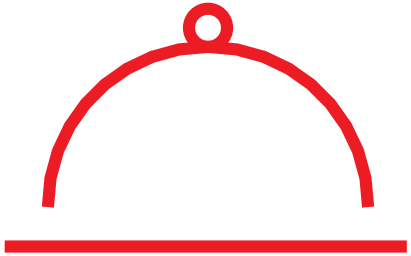
Investment



04

Hotel Market Overview

JLL Türkiye Research | 2021 Year-End



Hotel | Demand

Number of Foreign Visitors

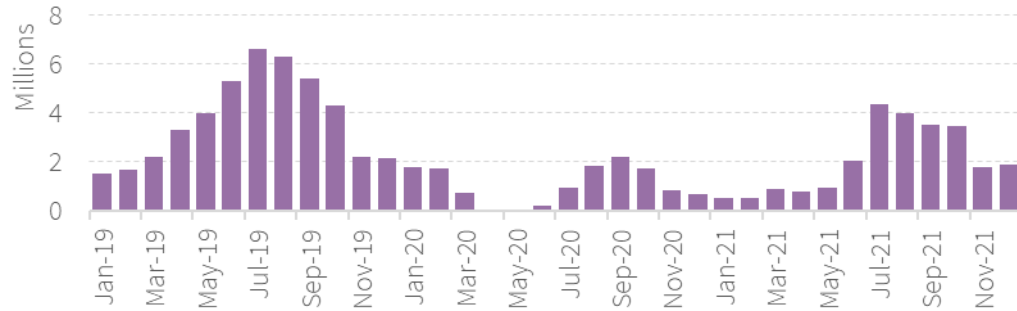


▼ **45.2%**

2019 & 2021

▲ **94.1%**

2020 & 2021



Source: Ministry of Culture and Tourism

As of 2021 year-end, 24.7 million foreigners visited Türkiye. The highest number of foreign visitors was recorded during August, with almost 4 million visitors. While the number of foreign visitors increased by 94.1% compared to the previous year, it is still 45.2% below the pre-pandemic period.

“During H2 2021, the hotel market benefited from the ease in restrictions and the reopening of international flights, as well as from postponed holidays, as expected. The rebound in the hotel sector was especially vibrant in the summer season, primarily for the riviera region of Türkiye.”

Retail

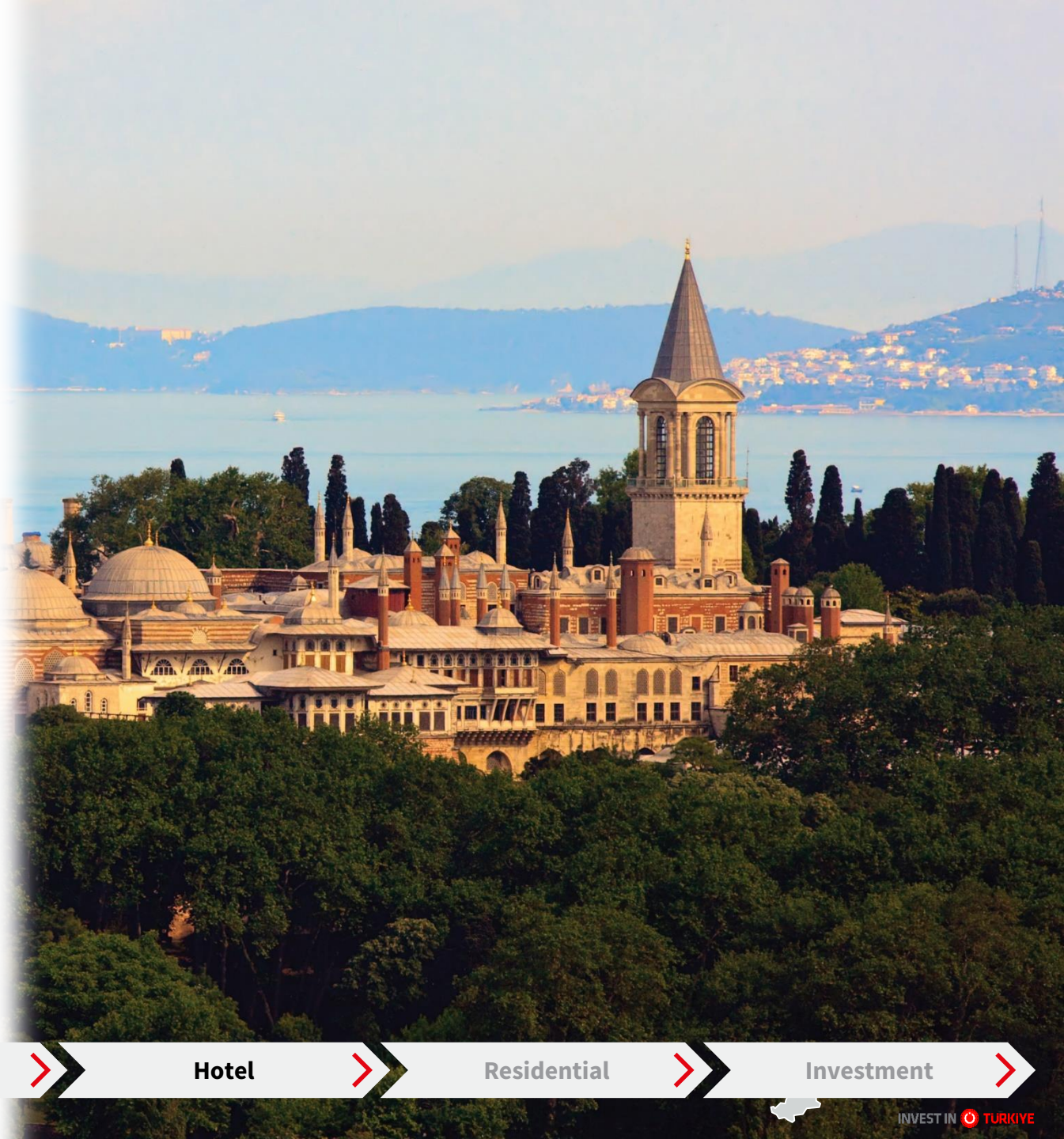
Office

Logistics

Hotel

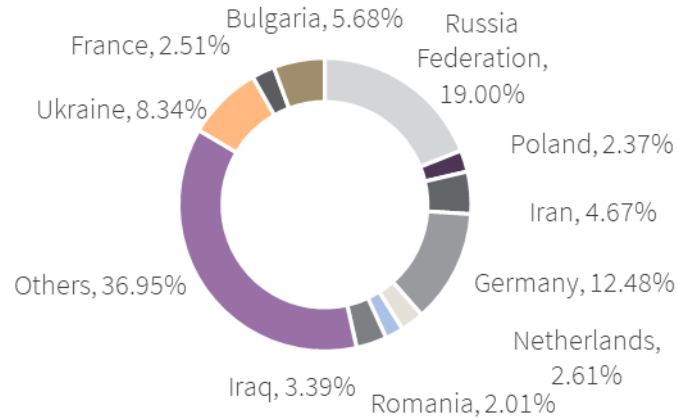
Residential

Investment



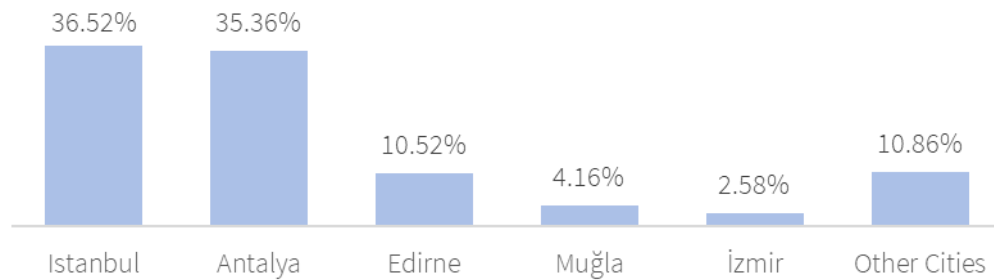
Hotel | Demand

Nationalities of Foreign Visitors



Source: Ministry of Culture and Tourism

Most Preferred Cities by Foreign Visitors



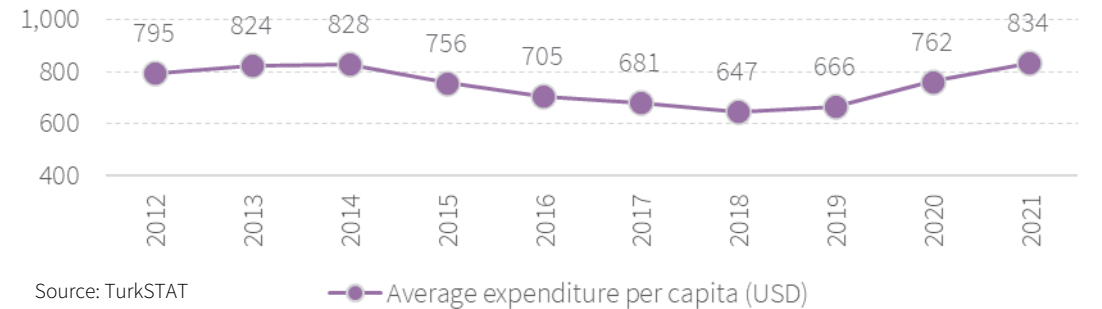
Source: Ministry of Culture and Tourism

Tourism Revenues



Source: TurkSTAT

Average Expenditure per Capita



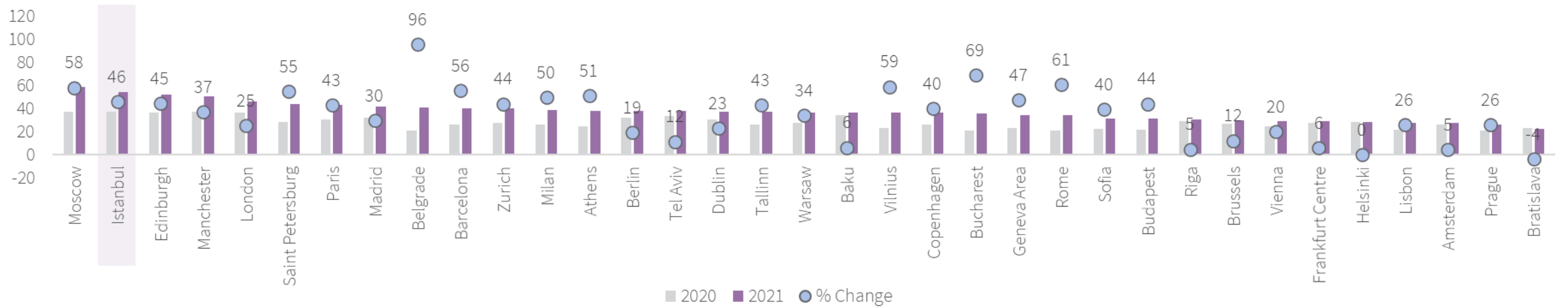
Source: TurkSTAT



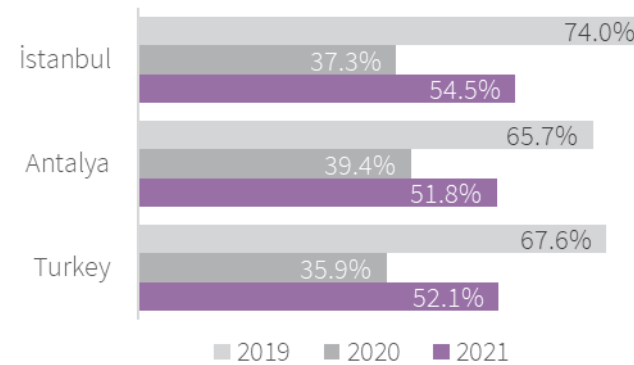
Hotel | Key Performance Indicators

Occupancy Rate

- Occupancy rate in Istanbul ranked at second place with 54.5% ratio in 2021.



Türkiye	<u>67.6%</u>	<u>35.9%</u>	<u>52.1%</u>
	2019	2020	2021
Europe	<u>72.2%</u>	<u>33.1%</u>	<u>43.3%</u>
	2019	2020	2021



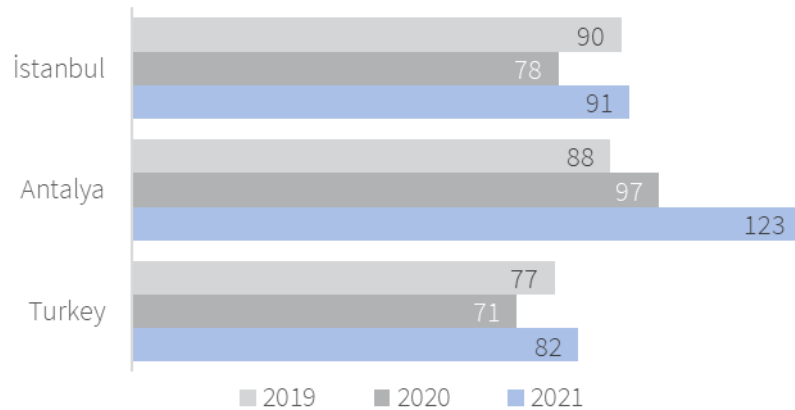
Source: STR



Hotel | Key Performance Indicators

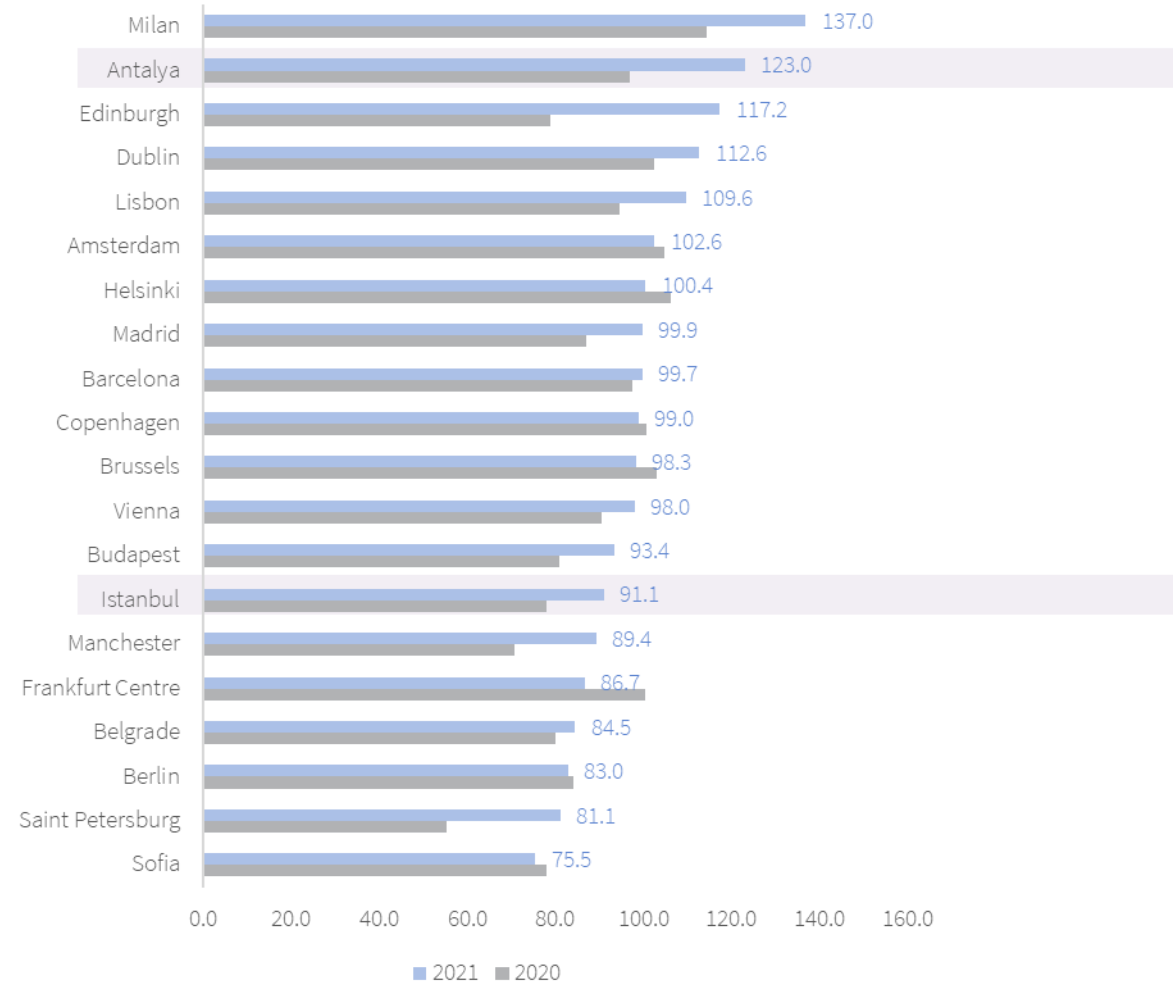
Average Daily Rate, in EUR

Türkiye	<u>77.5</u> 2019	<u>70.5</u> 2020	<u>81.7</u> 2021
Europe	<u>113.4</u> 2019	<u>91.3</u> 2020	<u>104.0</u> 2021



- ADR figures have fully recovered to pre-pandemic levels, especially for the coastal regions of Türkiye such as Antalya, Muğla and Bodrum. In Antalya, ADR was realized at 122.5 EUR, well above the European average of 104 EUR.

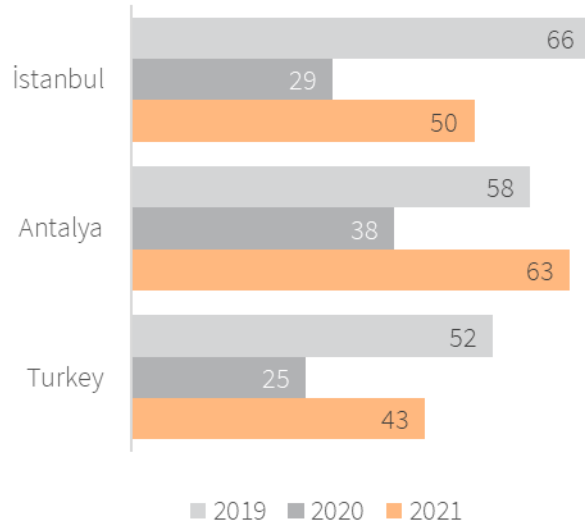
Average Daily Rate, in EUR



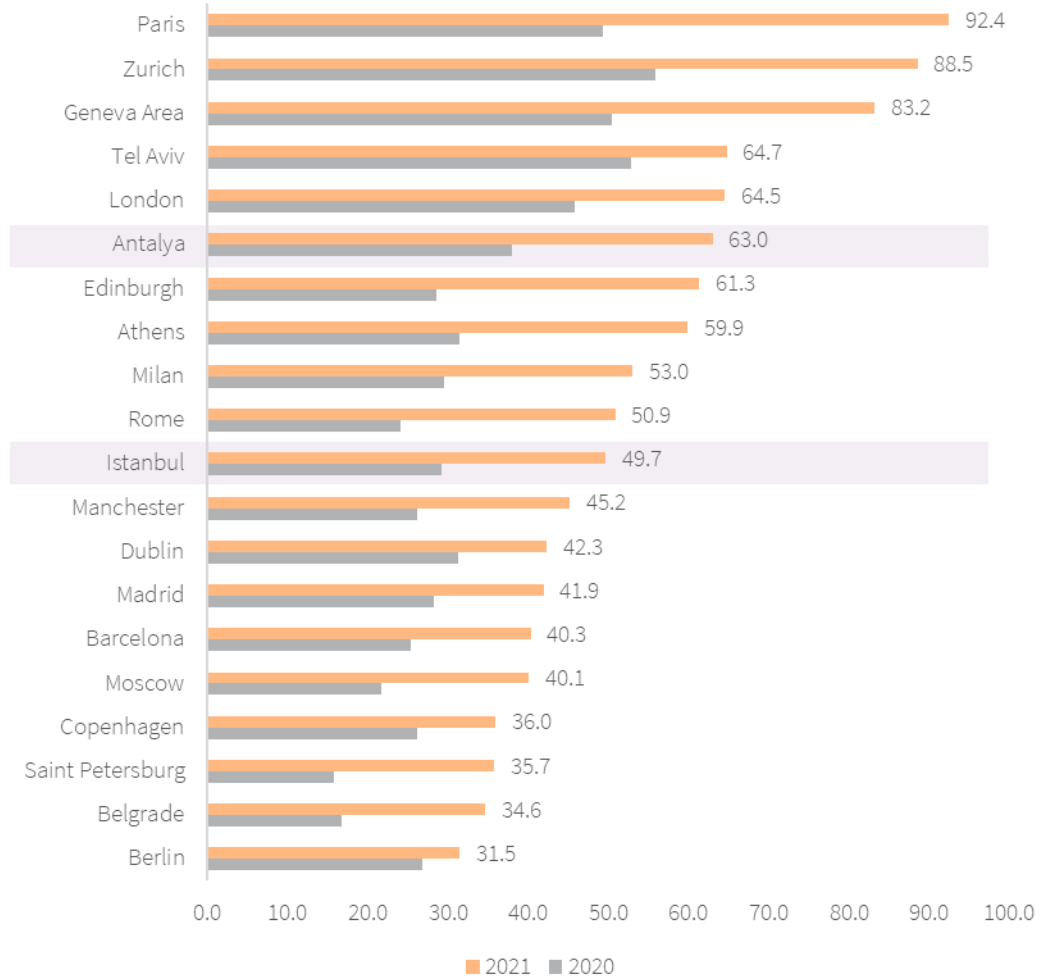
Hotel | Key Performance Indicators

Revenue per Available Room, in EUR

Türkiye	<u>52.5</u>	<u>25.3</u>	<u>42.6</u>
	2019	2020	2021
Europe	<u>81.9</u>	<u>30.2</u>	<u>45.0</u>
	2019	2020	2021




Revenue per Available Room, in EUR




Hotel | Supply

Supply


Total Number of Establishments

	<u>12,865</u> 2019	<u>13,476</u> 2020	<u>14,323</u> 2021
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Total Number of Rooms

	<u>795,297</u> 2019	<u>818,417</u> 2020	<u>833,436</u> 2021
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Total Number of Beds

	<u>1,718,862</u> 2019	<u>1,764,340</u> 2020	<u>1,795,381</u> 2021
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Source: Ministry of Culture and Tourism

Includes municipality, tourism operating and tourism investment licensed establishments

- Türkiye boasts 14,323 tourist accommodation establishments with over 833,000 rooms as of 2021 year-end – a 6.29% annual increase in terms of number of establishments.
- While 65% of total hotel stock is licensed by municipality, 31% of hotels have a tourism operating licence and 4% a tourism investment licence.



Retail >

Office >

Logistics >

Hotel >

Residential >

Investment >



05

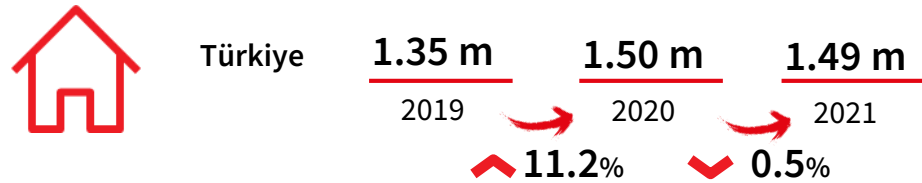
Residential Market Overview

JLL Türkiye Research | 2021 Year-End

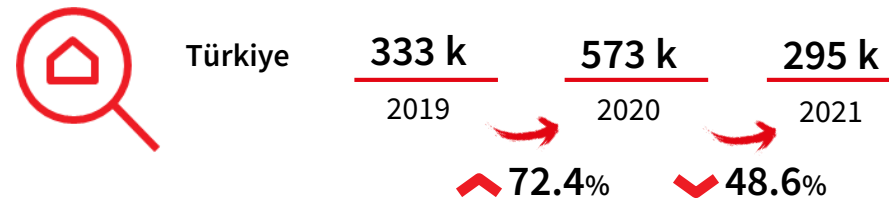


Residential | Demand

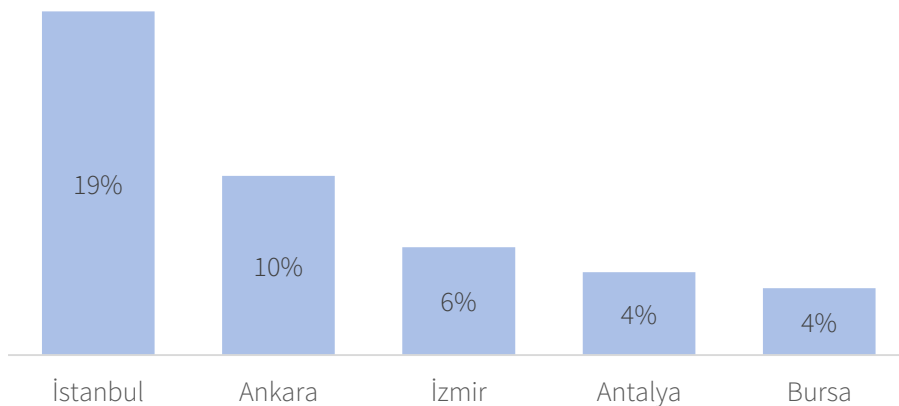
Total Residential Sales



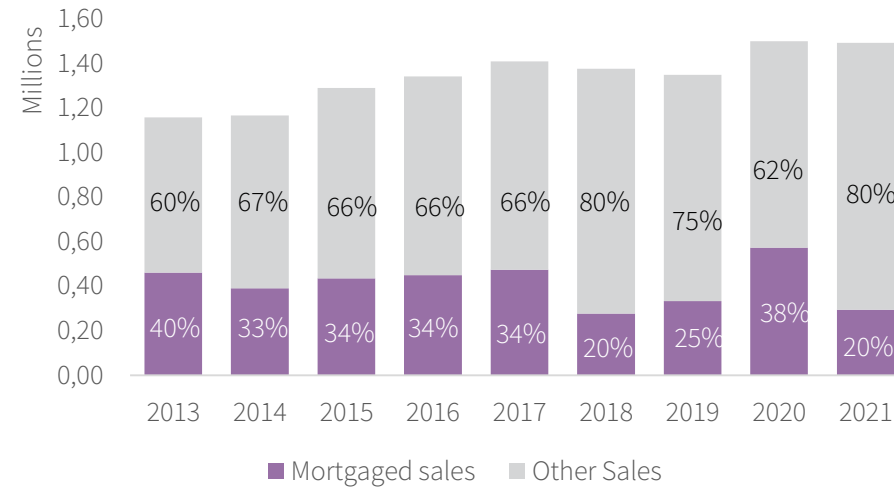
Mortgaged Residential Sales



2021 Top 5 Cities According to Sales Numbers



Share of Mortgaged & Other Sales by Years

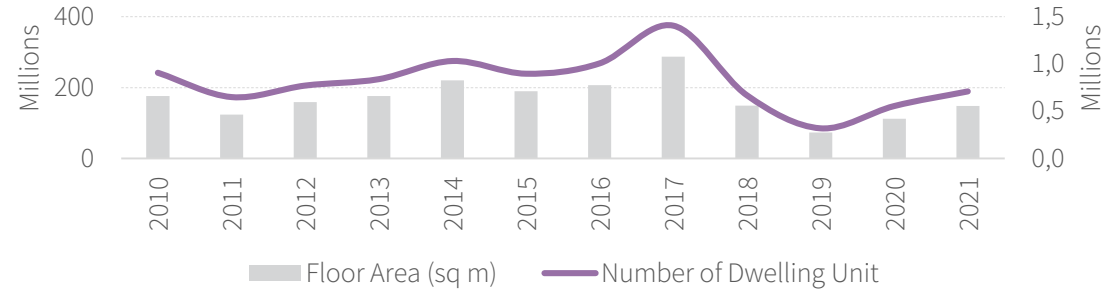


Source: TurkSTAT

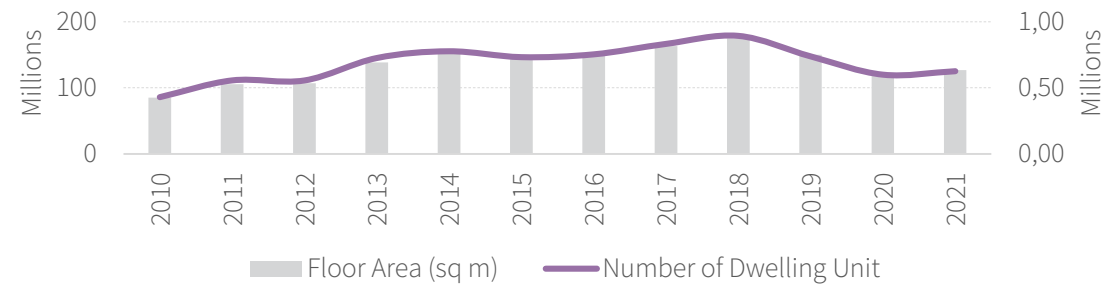


Residential | Supply

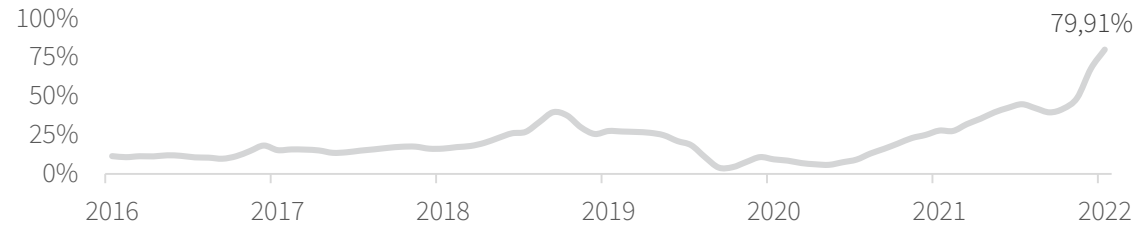
Building Permits



Occupancy Permits



Construction Cost Index, yoy change

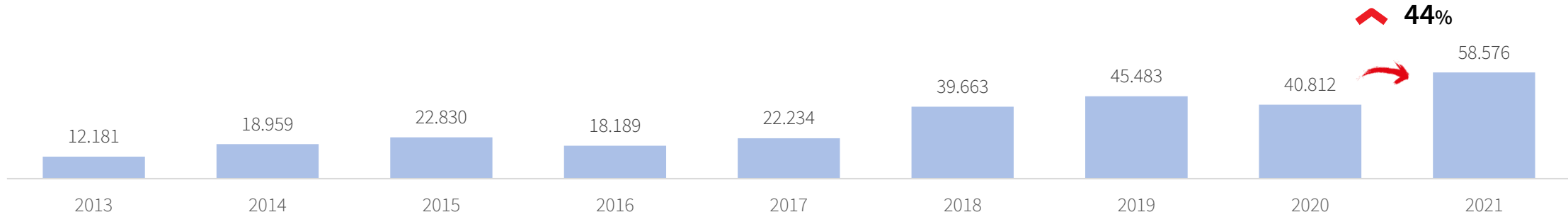


Source: TurkSTAT

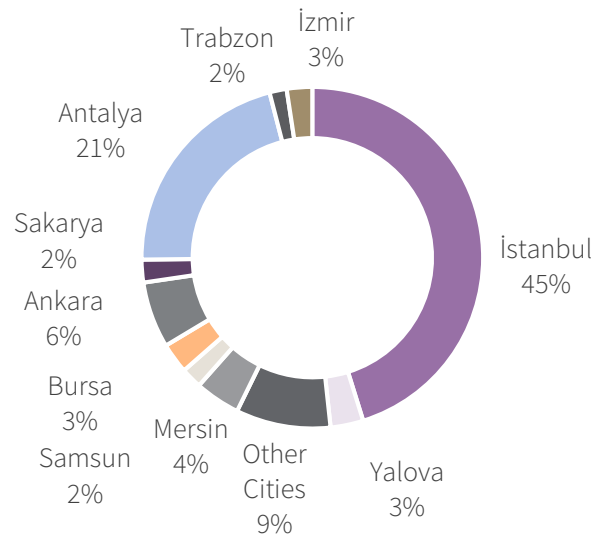


Residential | Sales to Foreigners

Residential Sales Numbers to Foreigners

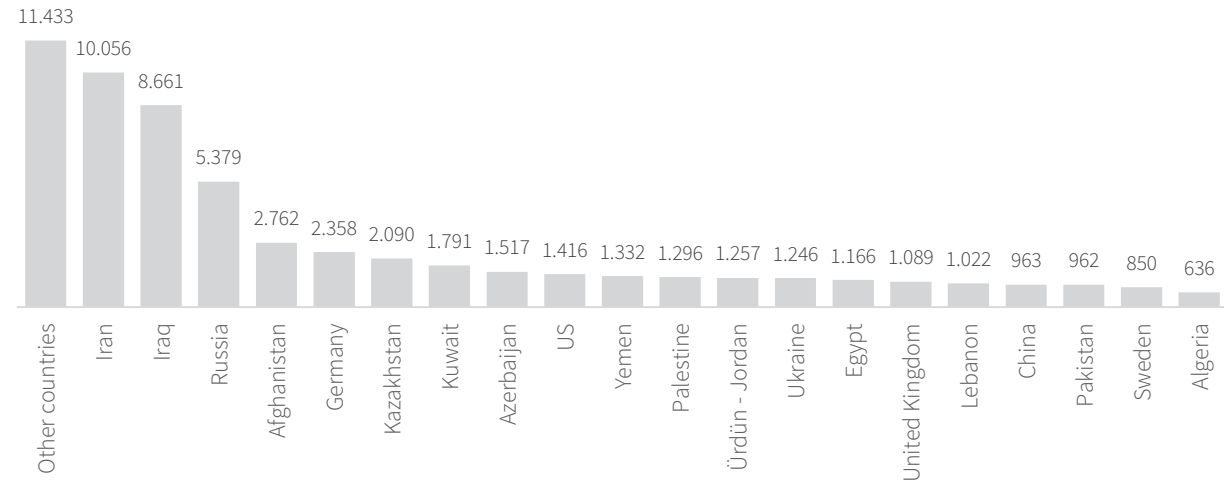


Most Preferred Cities by Foreigners in 2021



Source: TurkSTAT

Residential Sales Numbers to Foreigners by Nationalities, 2021



Retail

Office

Logistics

Hotel

Residential

Investment



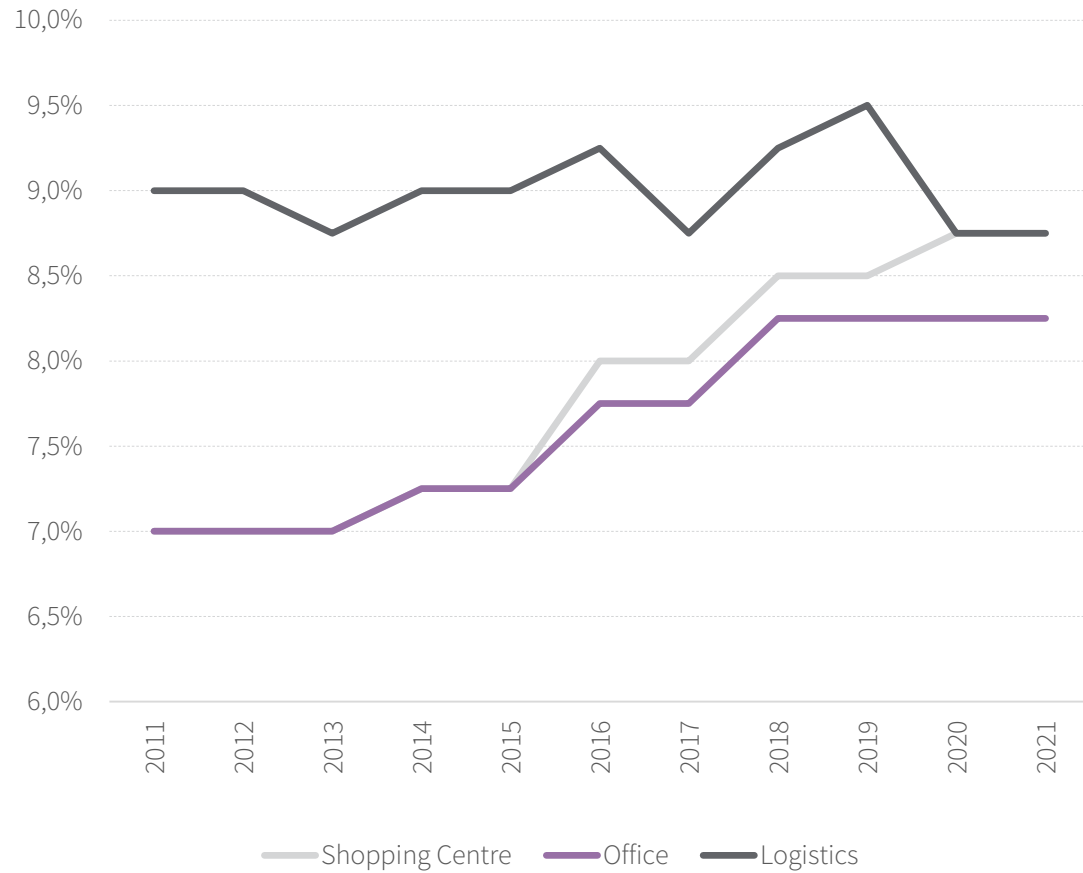
06

Türkiye Real Estate Investment Market Overview

JLL Türkiye Research | 2021 Year-End



Investment Market | Prime Yield Levels



Source: JLL Türkiye



Retail >

Office >

Logistics >

Hotel >

Residential >

Investment >

Investment Market | Performance & 2022 Forecast



Logistics



Residential



Hotel

“The logistics sector, which benefits from an increased reliance on delivery platforms, online retail and urban logistics in terms of both land suitable for warehouse developments and existing high-quality buildings, saw a renewed investment appetite.”

- Aside from the increased momentum in logistics, land available for the development of residential projects was at the top of investors' lists in 2021, as residential sales numbers reached record highs, and these two sectors benefited from a lack of supply and robust growing demand.
- The hotel sector, which was one of the most vulnerable assets during the pandemic's peak period, gained traction as key performance indicators recovered to pre-pandemic levels, and we have seen investors increasingly seeking major hotel investment deals, although transactions were limited during the second half of 2021.

“While a greater number of assets is expected to be listed on the market for sale, we anticipate that transaction volumes and numbers will increase depending on local investors' investment appetite in 2022.”



Retail

- Apart from prime assets, shopping centres with excess land area for future development opportunities may continue to pique the interest of investors in 2022.
- The future looks bright for the logistics and residential sectors, as demand remains high. The rise in e-commerce will continue to be a major driver of logistics market. Much-needed qualified warehouse developments are most likely to boost investment transactions in the coming years.
- Thanks to the acceleration of the remote working model, the demand for suburban areas increased as well. The most popular destinations are Istanbul and Bodrum, as well as the Aegean region. In this context, despite high construction costs, residential and logistics development activities are expected to increase to meet demand, and transactions for investment purposes may gain traction in 2022.

Retail



Office



Logistics



Hotel



Residential



Investment





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