



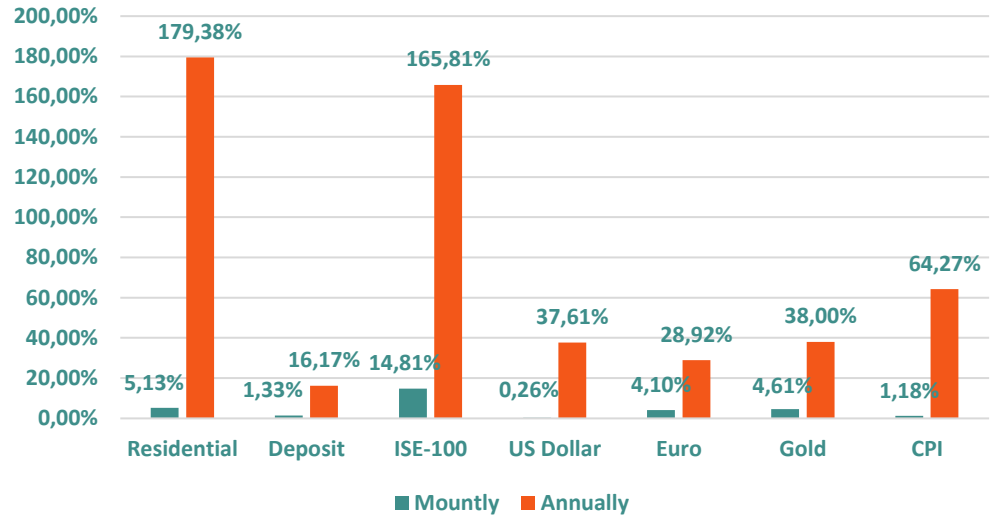
**ISTANBUL HOUSING
MARKET REPORT
FEBRUARY 2023
NO:25**



ISTANBUL: NOMINAL ANNUAL RETURNS OF RESIDENTIAL & FINANCIAL INVESTMENTS

Date	Residential-Total Return	Deposit	ISE-100	US Dollar	Euro	Gold	CPI
2011-12	15,07%	8,57%	-20,19%	22,85%	22,36%	44,76%	10,45%
2012-12	17,73%	9,85%	45,77%	-4,40%	-4,77%	-1,91%	6,16%
2013-12	26,04%	8,23%	-7,76%	15,96%	21,06%	-16,14%	7,40%
2014-12	28,64%	8,21%	18,78%	11,13%	-0,06%	8,97%	8,17%
2015-12	28,63%	9,13%	-12,85%	27,25%	12,37%	13,47%	8,81%
2016-12	18,14%	9,83%	4,10%	19,75%	16,08%	29,37%	8,53%
2017-12	9,50%	9,82%	43,17%	9,91%	23,36%	20,52%	11,92%
2018-12	5,89%	11,72%	-16,11%	38,34%	33,04%	36,72%	20,30%
2019-12	8,77%	21,88%	20,52%	10,07%	7,44%	30,31%	11,84%
2020-12	32,83%	11,40%	25,53%	31,78%	44,30%	64,96%	14,60%
2021-12	68,00%	14,67%	41,53%	75,80%	63,28%	70,68%	36,08%
2022-12	179,38%	16,17%	165,81%	37,61%	28,92%	38,00%	64,27%
Historical Average	32,92%	11,19%	17,54%	24,23%	21,45%	28,89%	16,14%

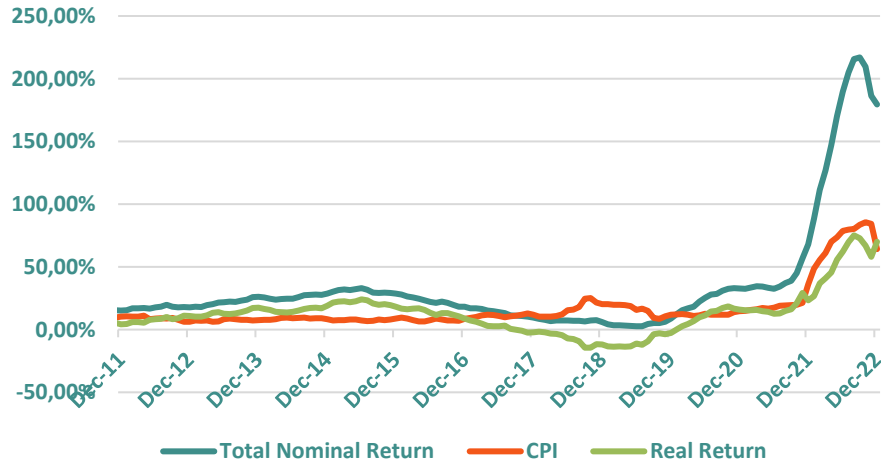
ISTANBUL: ANNUAL RETURNS OF RESIDENTIAL & FINANCIAL INVESTMENTS



Specific to Istanbul, total returns including capital gain and gross rental income in December reached 5,13% monthly and 179,38% annually. In the retrospective 12 years as of December 2022, total returns of housing investments in Istanbul (32,92%) was higher than the financial investment tools.



ISTANBUL: NOMINAL & REAL RETURN



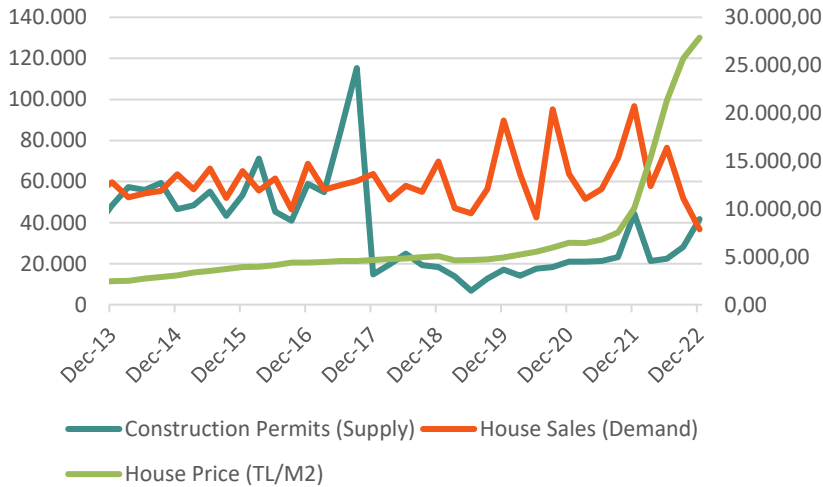
ISTANBUL: RESIDENTIAL PROPERTY PRICE INDICES (RPPI)



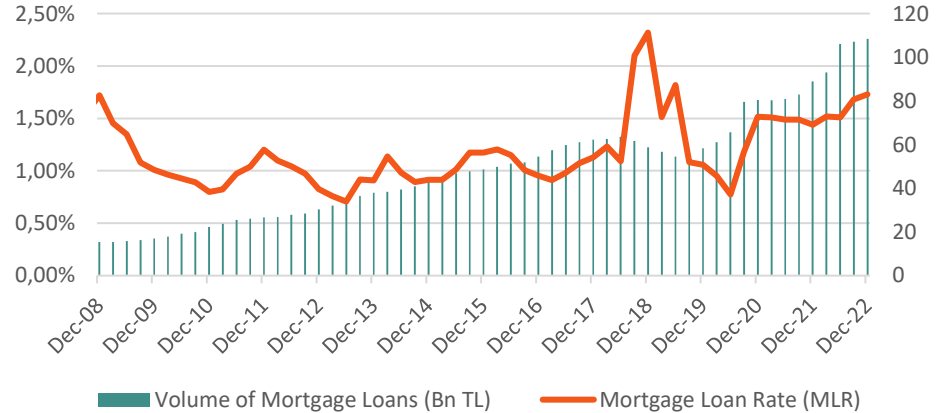
When Residential Property Price Index published by Central Bank of the Republic of Turkey for December is analyzed, it could be seen that all across Istanbul there was a nominal increase in housing prices by 4,78% monthly; 28,52% half-yearly; 174,41% annually, and 83,28% 5 yearly. It could be said that in the long run real return in Istanbul reflected positively. On the other hand, our Istanbul residential property price index expectation change for January is +4,13%.



ISTANBUL: SUPPLY & DEMAND & HOUSE PRICES



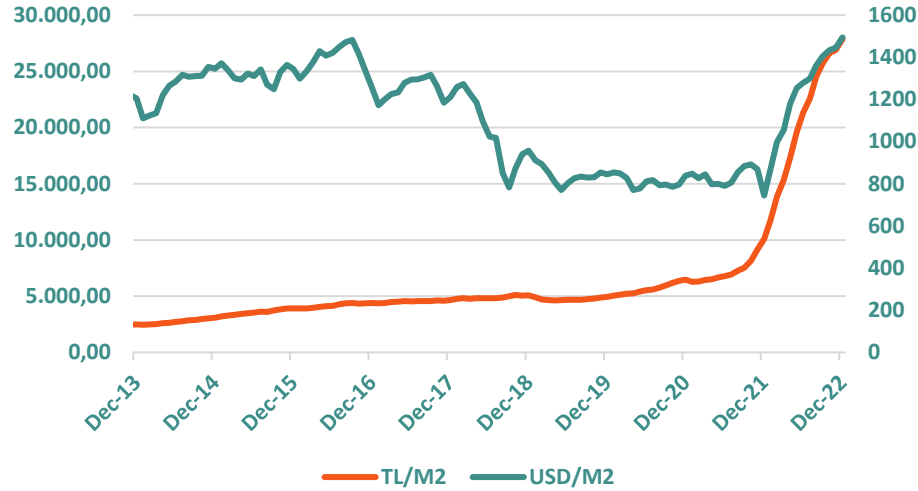
ISTANBUL: VOLUME OF MORTGAGE LOANS (BN TL) & MLR



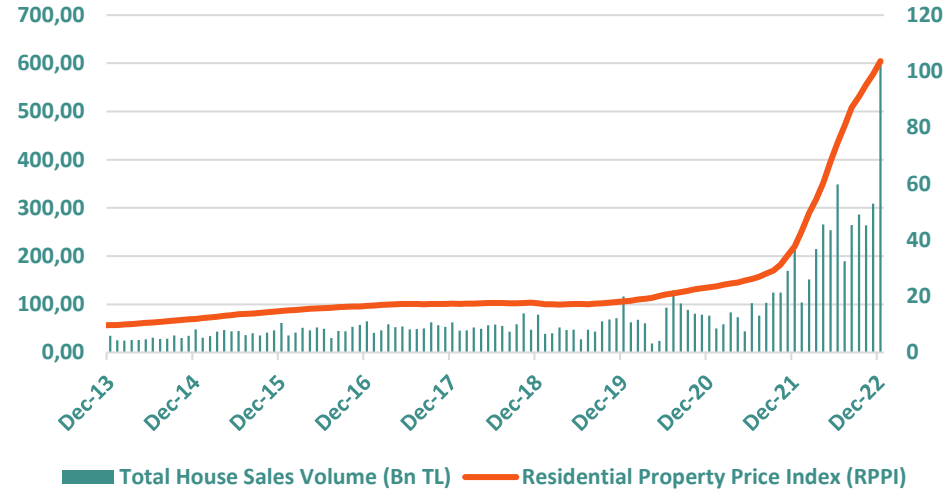
While 222.980 houses were sold in Istanbul in the year 2022, the number of new construction permits received in the same period remained only at 113.631. Despite the decreasing number of new permits, especially in the period after 2017, the continued demand for housing purchases supports the upward movement in prices. On the other hand, at the end of the year 2022, the volume of mortgage loans in Istanbul reached 108.5 billion TL. The mortgage loan volume increased by 22,1% compared to the same period of the previous year.



ISTANBUL: HOUSING UNIT PRICES (TL/M2 & USD/M2)



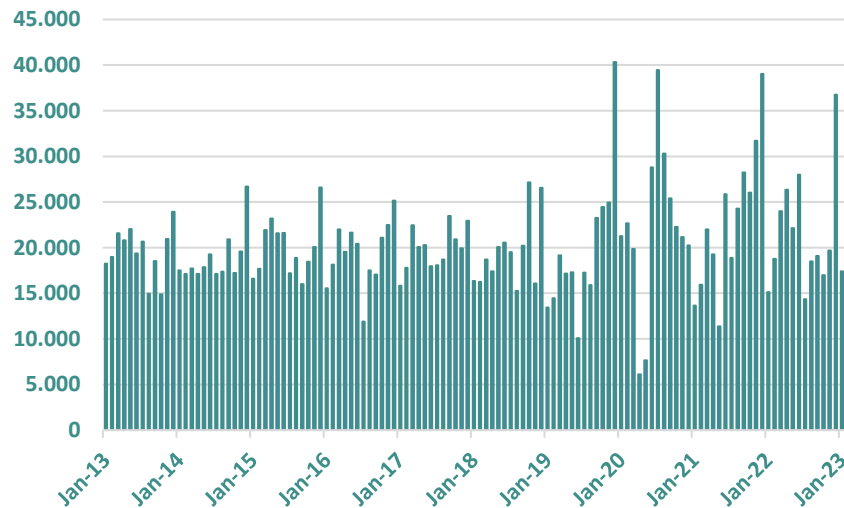
ISTANBUL: TOTAL HOUSE SALES VOLUME (BN TL) & RPPI



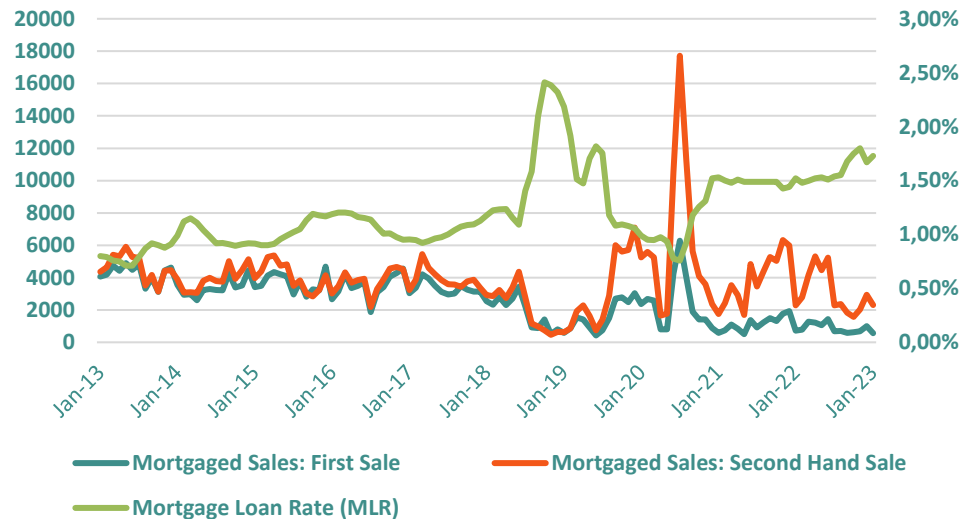
Housing prices in Istanbul were calculated as 27.882,90 TL/m² and 1.495 U.S. Dollars/m² as of December. Housing prices increased by 176% in local currency and increased by 101% in U.S. Dollars compared to the same month of last year. The level of «House Sales Volume» calculated by MintLab considering number of housing sales and average sales prices in Istanbul in December 2022 is 102,4 billion TL.



ISTANBUL: TOTAL HOUSE SALES



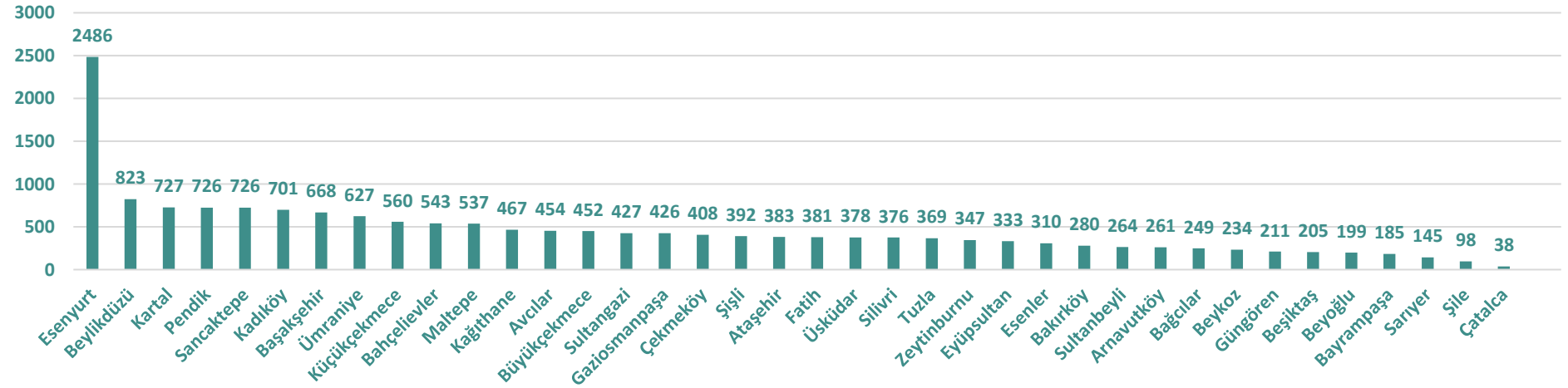
ISTANBUL: MORTGAGED SALES & MLR



In January in Istanbul 17.415 housing sales were concluded (historic average: 20.338). 24% of sales in January are first hand sales while 76% are second-hand sales. Against every first hand house sold in Istanbul, 3,09 second-hand houses were sold. It could be said that consumers gravitate towards relatively low cost houses.



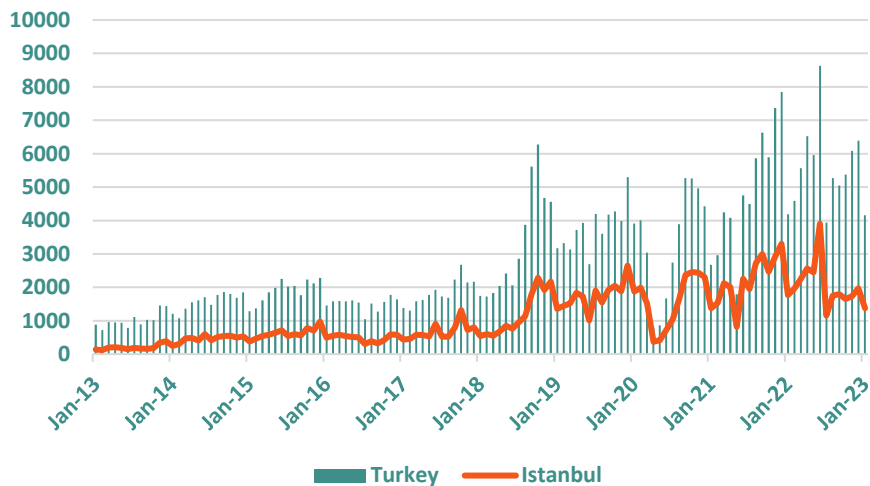
ISTANBUL: HOUSE SALES BY DISTRICTS (JANUARY 2023)



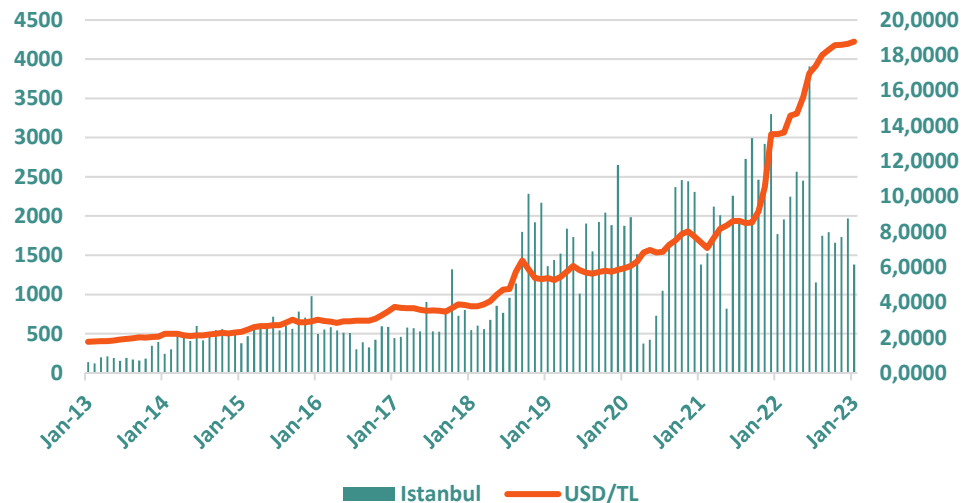
In Istanbul the highest number of housing sales in January were made in Esenyurt (2.486 houses). Sales in Esenyurt were 14 percent of total sales in Istanbul. While 467 houses were sold in Kağıthane and only 38 sales were made in Çatalca which made Çatalca the district with the lowest number of sales.



ISTANBUL: HOUSE SALES TO FOREIGNERS



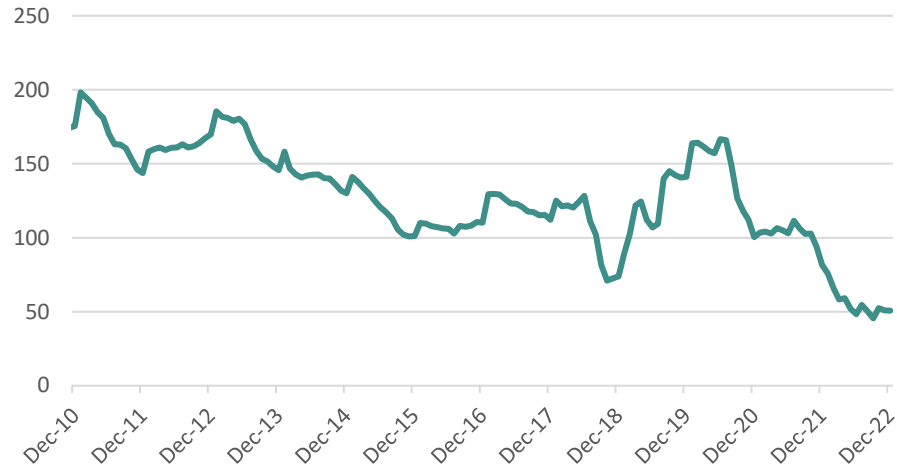
ISTANBUL: HOUSE SALES TO FOREIGNERS



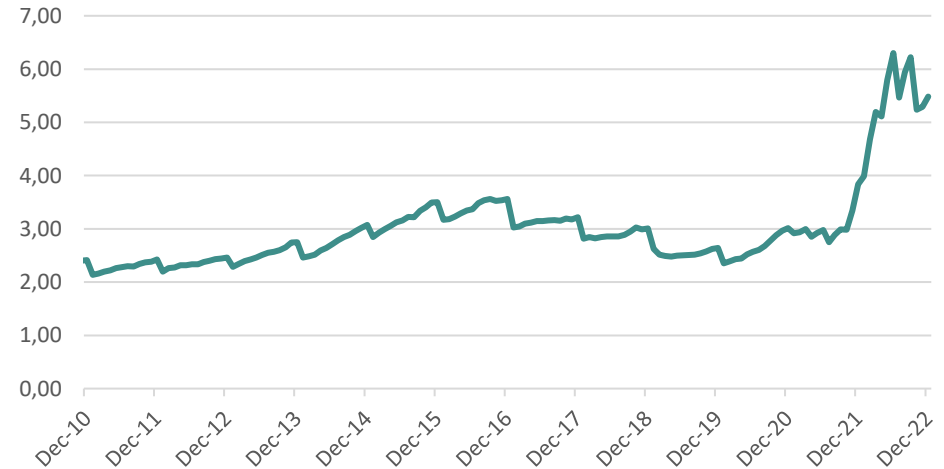
In Istanbul in January 2023, 1.380 houses were sold to foreigners. Sales in Istanbul were 33% of the total houses sold to foreigners in Turkey. On the other hand, the level of sales in January were lower 588 houses than the last month. It could be said that there was a correlation of +0,69 between the exchange rate and the housing sales to foreigners.



ISTANBUL: HOUSING AFFORDABILITY INDEX



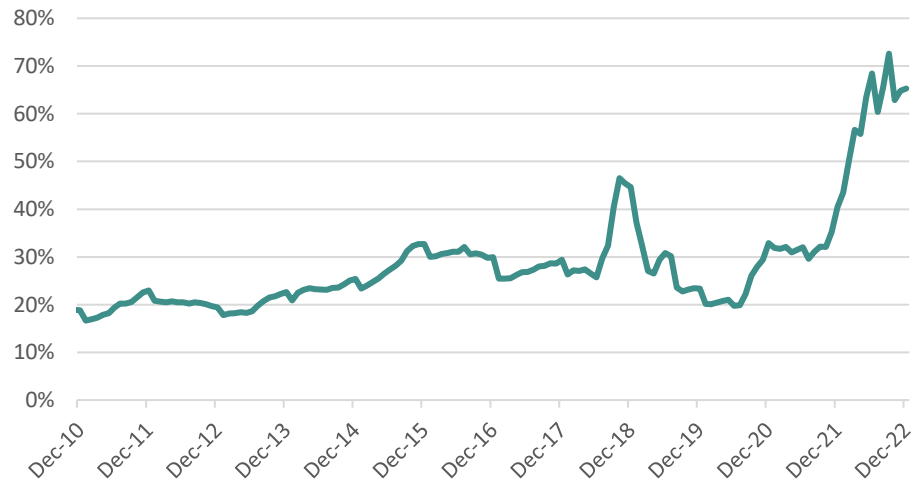
ISTANBUL: HOUSE PRICE TO INCOME RATIO



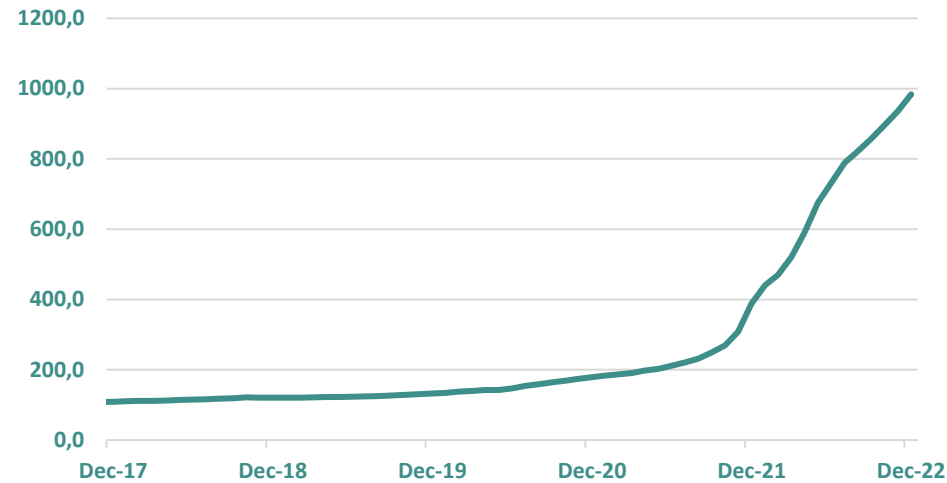
According to data from «Housing Affordability Index» prepared by MintLab, in Istanbul the index was calculated as 51 in December. Housing prices, disposable household income, and interest rate affect housing affordability. (100 and higher parity values in housing affordability index demonstrate that with the existing loan rate a house could be purchased using a 10-year loan; while index belows 100 point at the fact that the family cannot own a house under existing financial circumstances and using mortgage loan.) On the other hand, according to data from «House Price to Income Ratio» calculated by MintLab, in Istanbul housing prices were 5,49 times average household disposable income in December and above to 3,00 threshold value.



ISTANBUL: MORTGAGE PAYMENTS TO INCOME RATIO



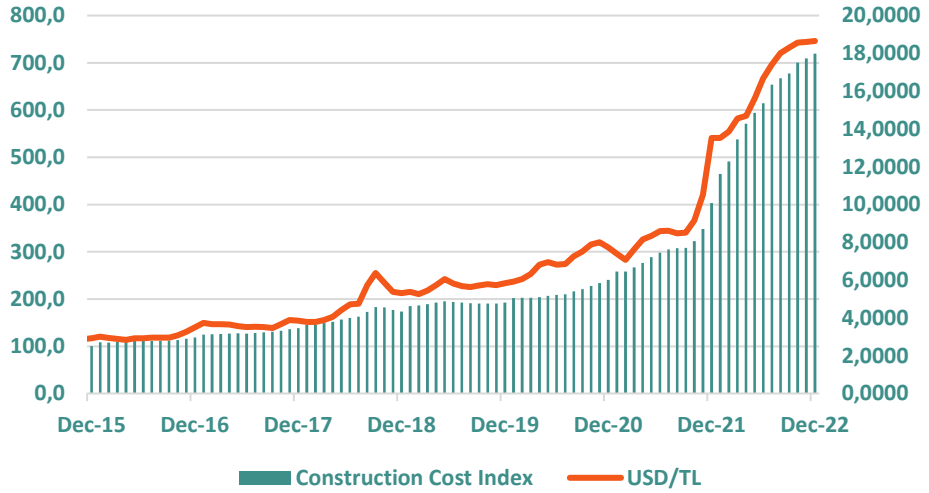
ISTANBUL: HOUSING TOTAL RETURN INDEX



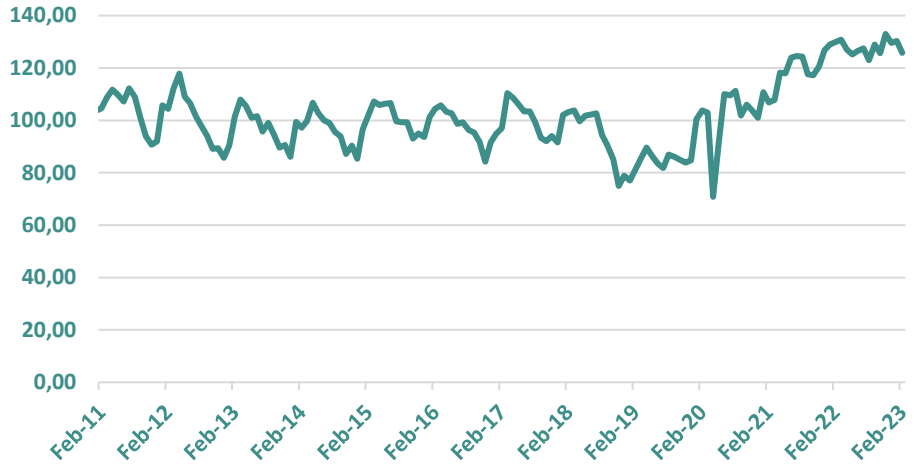
According to data from «Mortgage Payments to Income Ratio» prepared by MintLab, it is seen that the monthly payments of the mortgage loan to be used in the purchase of a house with an average sales price in Istanbul (average house sales price: 2.788.290 TL) are 65% of the household's net disposable income in December 2022. As a general rule, mortgage payments shouldn't be more than 28% of the monthly net disposable income of a household. On the other hand, the «Housing Total Return Index (2017 January = 100)» prepared by MintLab, tracks both the capital gains as well as rental yields. The Index increased 983,6 points; which represents an increase of 5,19% in December 2022.



TURKEY: CONSTRUCTION COST INDEX (2015=100)



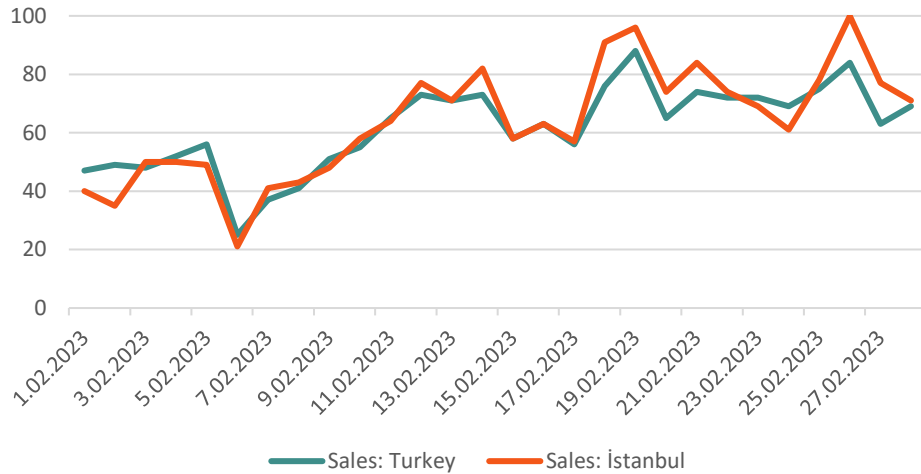
SALES PRICE EXPECTATION OVER NEXT 3 MONTHS



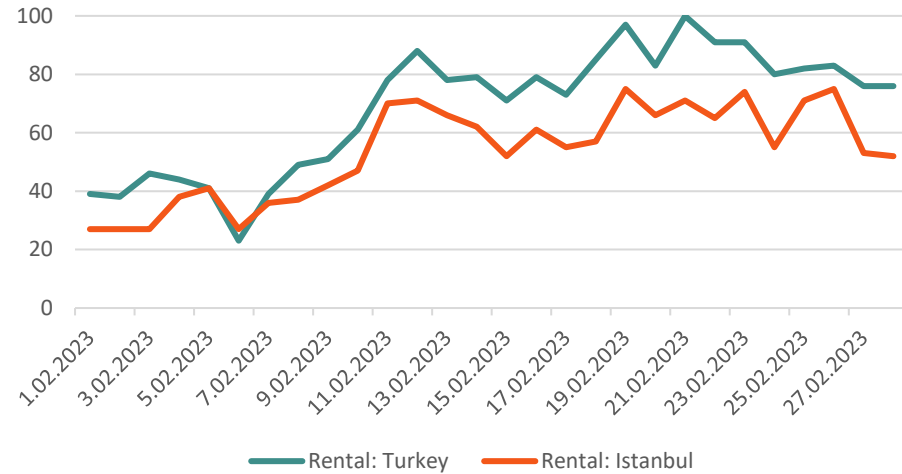
Based on «Construction Cost Index» data prepared by Turkish Statistical Institute, construction costs increased by 1,44% monthly, and increased by 78,40% annually in December 2022. The fact that correlation between construction cost index and exchange rate of dollar is at +0,99 level, demonstrates that variability in exchange rate has absolute effect on construction input costs. On the other hand, in February according to «Sales Price Expectations Over Next 3-Months» data, expectations of sales prices will increase in the next 3-months show a decrease trend (-3,5%) compared to the previous month.



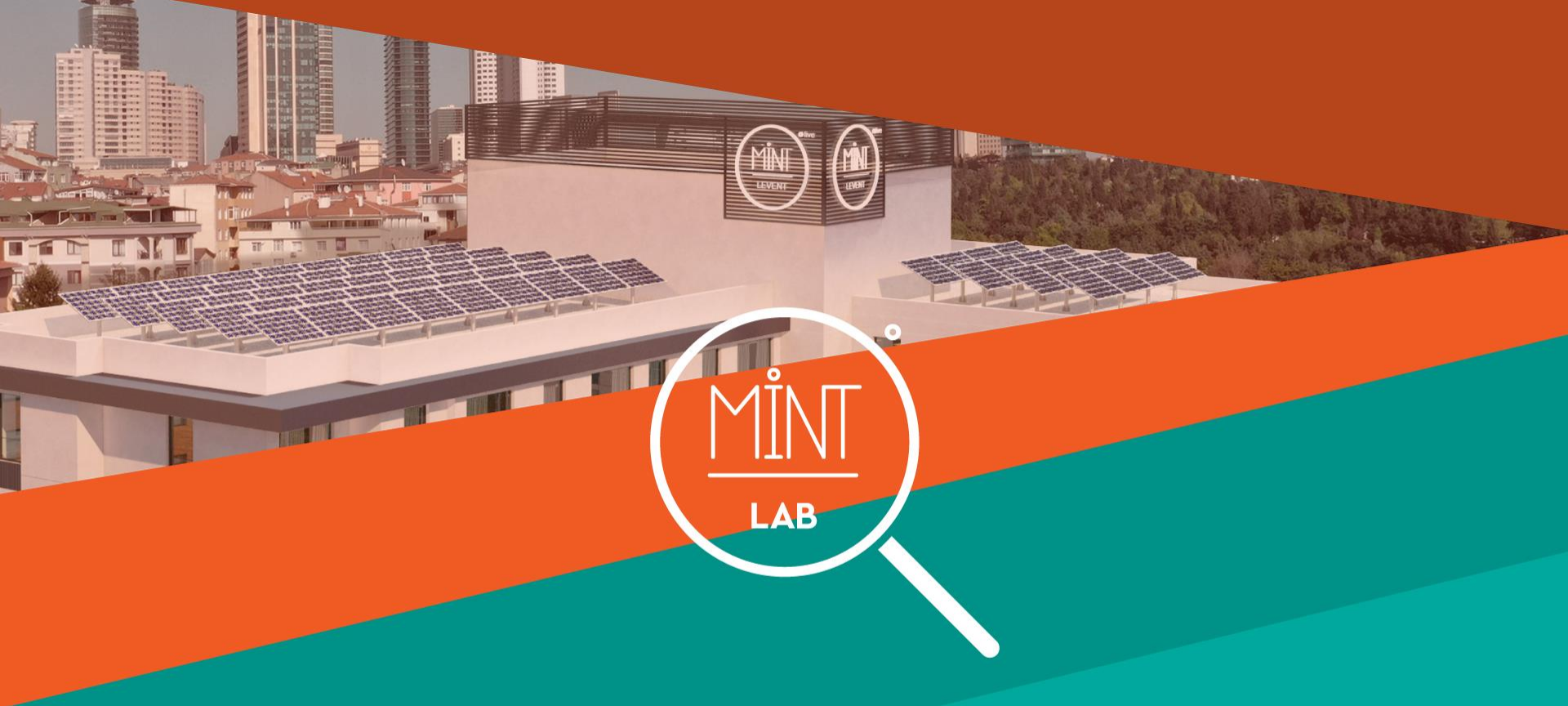
GOOGLE SEARCH FREQUENCY: SALES (RESIDENTIAL)



GOOGLE SEARCH FREQUENCY: RENTAL (RESIDENTIAL)



When «Google Trends» search statistics for houses for sale or rent in February 2023 are analyzed, Google searches across Istanbul for houses for sale were decreased but rental searches were increased compared to the previous month. (Relevance in Time: Numbers show search relevance relative to the highest point on graph for a certain time and area. The value 100 means that the term has the highest popularity. The value 50 means term is half as popular as that. The value 0 means there is not sufficient data for this term.)



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