



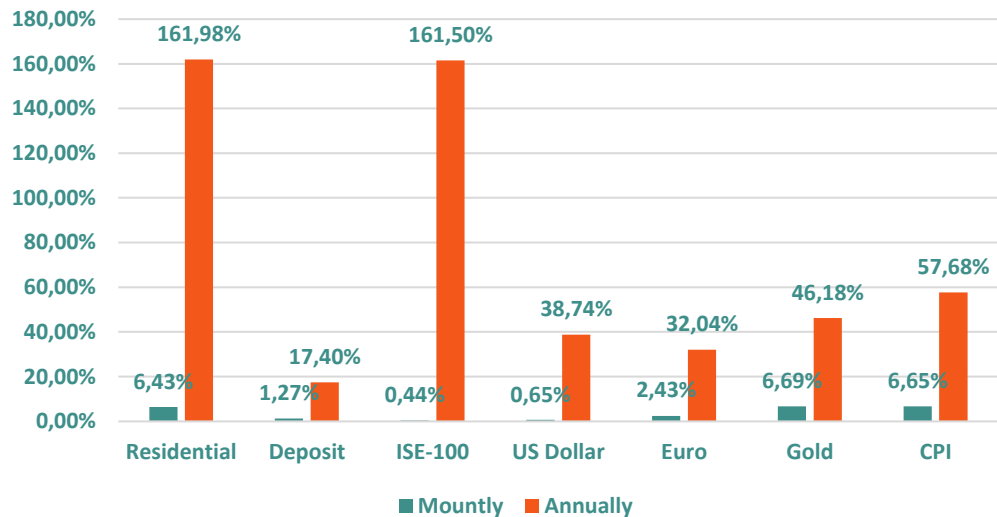
**ISTANBUL HOUSING
MARKET REPORT
MARCH 2023
NO:26**



ISTANBUL: NOMINAL ANNUAL RETURNS OF RESIDENTIAL & FINANCIAL INVESTMENTS

Date	Residential-Total Return	Deposit	ISE-100	US Dollar	Euro	Gold	CPI
2011-01	14,87%	8,88%	22,79%	6,18%	-0,65%	29,76%	4,90%
2012-01	15,54%	8,19%	-19,91%	17,77%	13,80%	42,09%	10,61%
2013-01	18,34%	10,04%	53,94%	-3,85%	-1,02%	-2,53%	7,31%
2014-01	25,54%	8,00%	-19,88%	26,12%	29,23%	-6,59%	7,75%
2015-01	30,34%	8,41%	34,21%	4,93%	-10,43%	5,47%	7,24%
2016-01	27,83%	8,80%	-19,62%	29,00%	20,55%	13,08%	9,58%
2017-01	17,08%	9,78%	13,77%	24,53%	21,78%	35,29%	9,22%
2018-01	8,62%	9,48%	44,21%	0,65%	15,50%	12,60%	10,35%
2019-01	4,22%	11,41%	-17,85%	42,28%	33,31%	37,96%	20,35%
2020-01	12,37%	20,57%	24,15%	10,31%	7,21%	33,32%	12,15%
2021-01	32,60%	10,82%	28,32%	24,82%	36,89%	49,48%	14,97%
2022-01	88,34%	14,87%	31,34%	83,01%	70,18%	77,98%	48,69%
2023-01	161,98%	17,40%	161,50%	38,74%	32,04%	46,18%	57,68%
Historical Average	33,81%	11,24%	18,54%	24,33%	21,52%	29,01%	16,43%

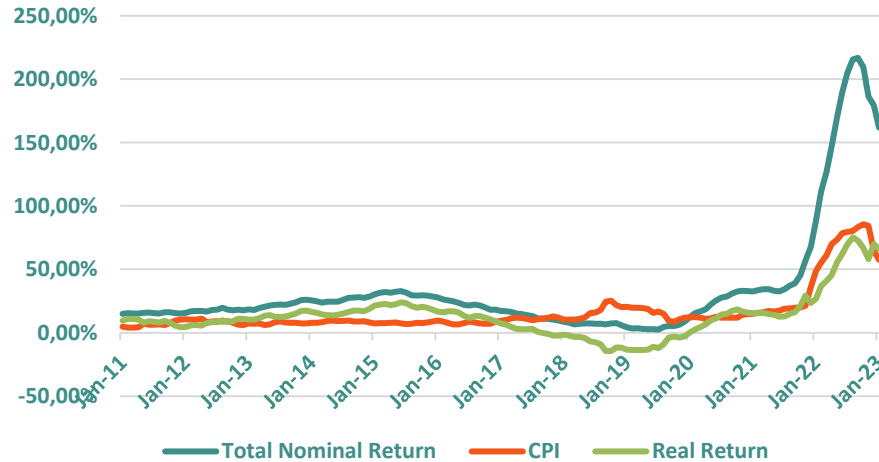
ISTANBUL: ANNUAL RETURNS OF RESIDENTIAL & FINANCIAL INVESTMENTS



Specific to Istanbul, total returns including capital gain and gross rental income in January reached 6,43% monthly and 161,98% annually. In the retrospective 13 years as of January 2023, total returns of housing investments in Istanbul (33,81%) was higher than the financial investment tools.



ISTANBUL: NOMINAL & REAL RETURN



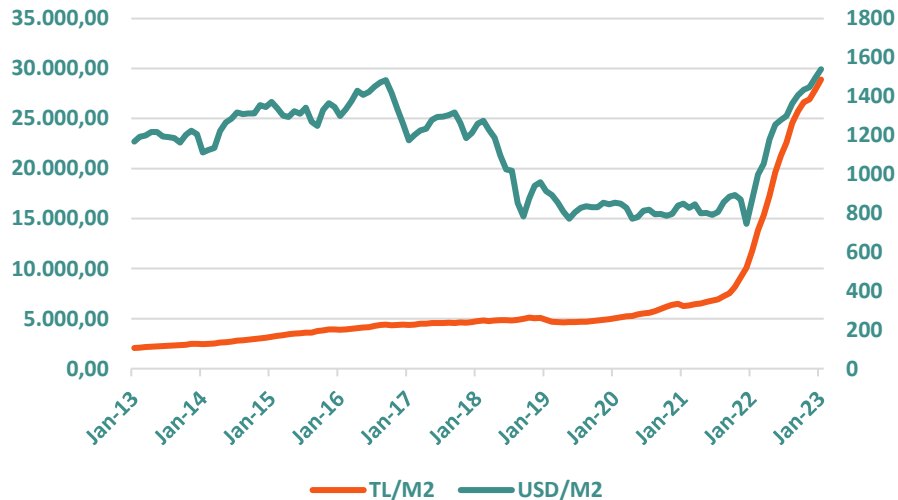
ISTANBUL: RESIDENTIAL PROPERTY PRICE INDICES (RPPI)



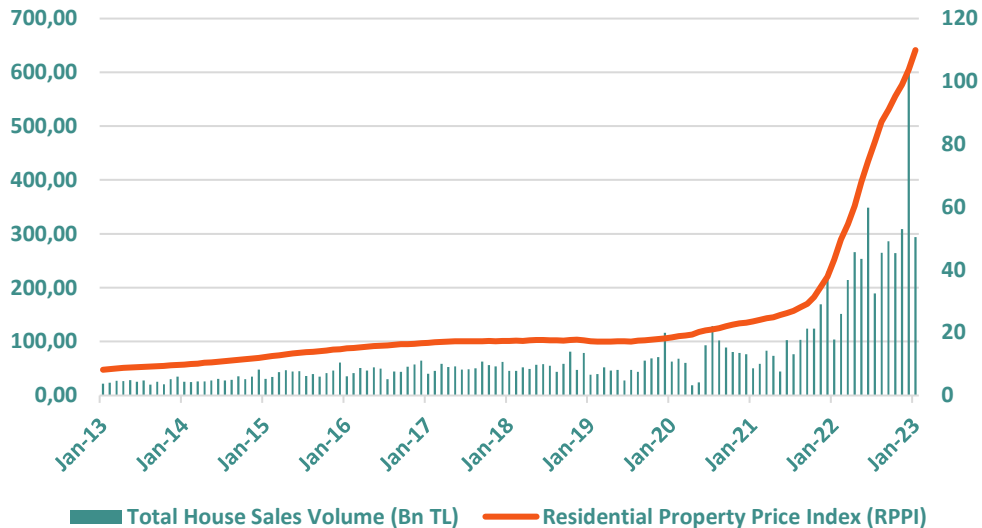
When Residential Property Price Index published by Central Bank of the Republic of Turkey for January is analyzed, it could be seen that all across Istanbul there was a nominal increase in housing prices by 6,00% monthly; 26,18% half-yearly; 154,61% annually, and 84,25% 5 yearly. It could be said that in the long run real return in Istanbul reflected positively. On the other hand, our Istanbul residential property price index expectation change for February is +4,45%.



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



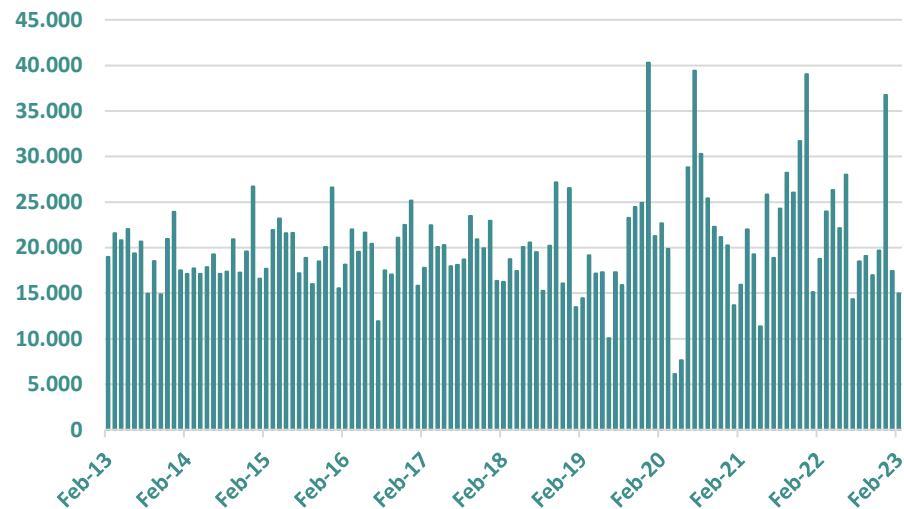
ISTANBUL: TOTAL HOUSE SALES VOLUME (BN TL) & RPPI



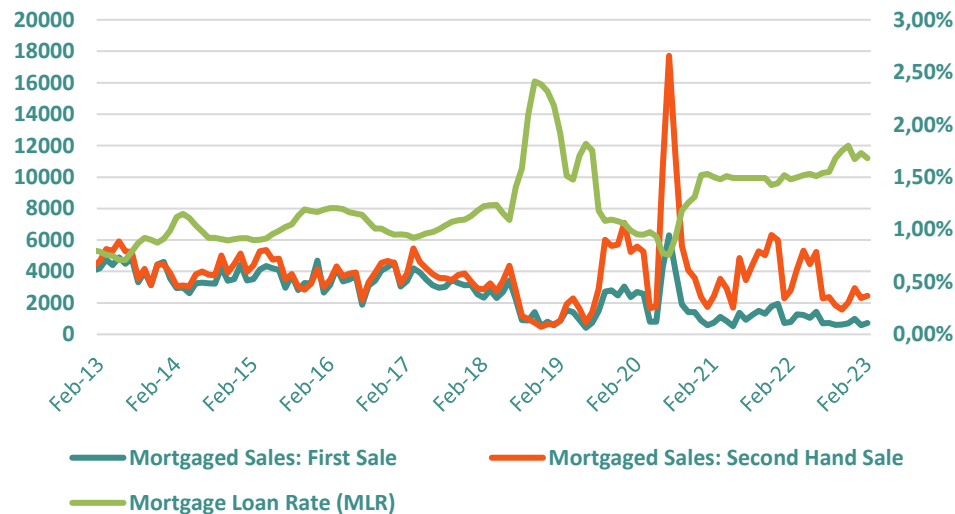
Housing prices in Istanbul were calculated as 28.950,10 TL/m² and 1.538 U.S. Dollars/m² as of December. Housing prices increased by 145,4% in local currency and increased by 76,6% in U.S. Dollars compared to the same month of last year. The level of «House Sales Volume» calculated by MintLab considering number of housing sales and average sales prices in Istanbul in January 2023 is 50,3 billion TL.



ISTANBUL: TOTAL HOUSE SALES



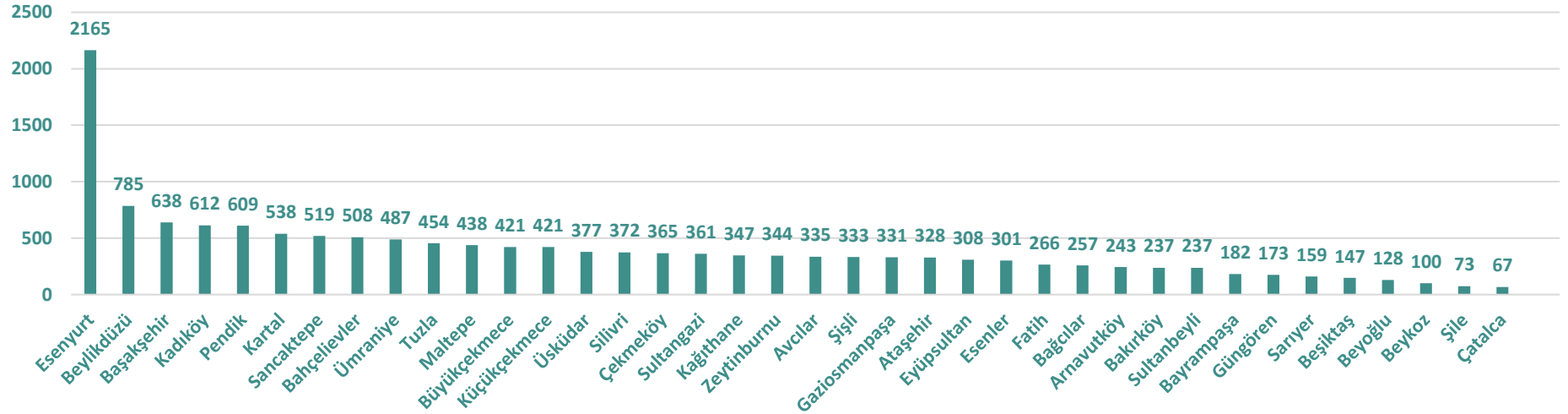
ISTANBUL: MORTGAGED SALES & MLR



In February in Istanbul 14.980 housing sales were concluded (historic average: 20.294). 26% of sales in February are first hand sales while 74% are second-hand sales. Against every first hand house sold in Istanbul, 2,83 second-hand houses were sold. It could be said that consumers gravitate towards relatively low cost houses.



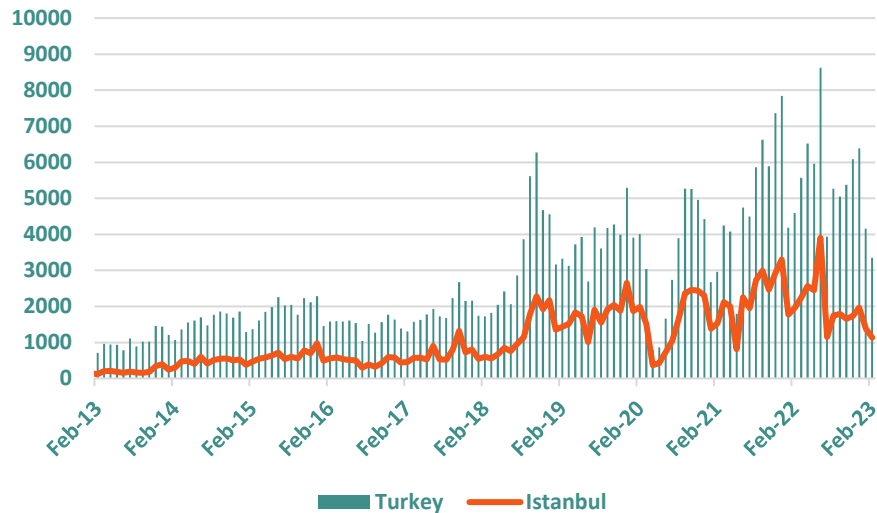
ISTANBUL: HOUSE SALES BY DISTRICTS (FEBRUARY 2023)



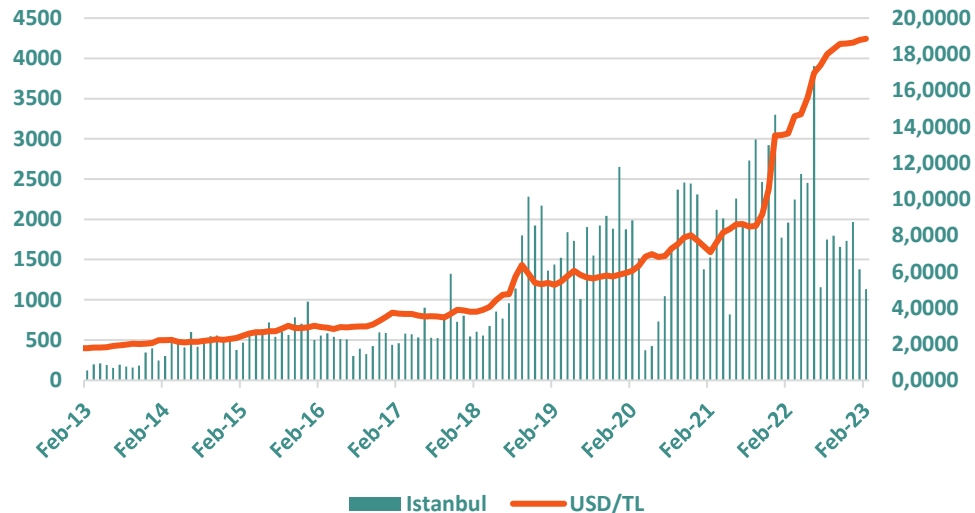
In Istanbul the highest number of housing sales in February were made in Esenyurt (2.135 houses). Sales in Esenyurt were 14 percent of total sales in Istanbul. While 347 houses were sold in Kağıthane and only 67 sales were made in Çatalca which made Çatalca the district with the lowest number of sales.



ISTANBUL: HOUSE SALES TO FOREIGNERS



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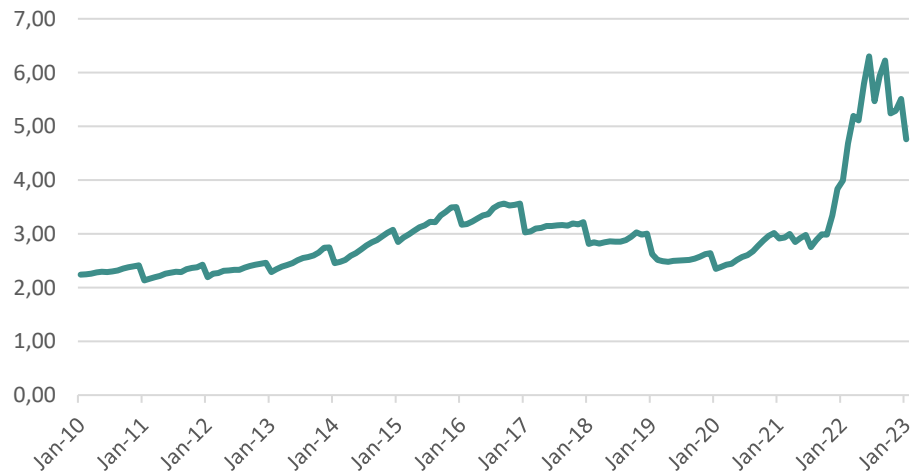
In Istanbul in February 2023, 1,380 houses were sold to foreigners. Sales in Istanbul were 34% of the total houses sold to foreigners in Turkey. On the other hand, the level of sales in February were lower 247 houses than the last month. It could be said that there was a correlation of +0,67 between the exchange rate and the housing sales to foreigners.



ISTANBUL: HOUSING AFFORDABILITY INDEX



ISTANBUL: HOUSE PRICE TO INCOME RATIO



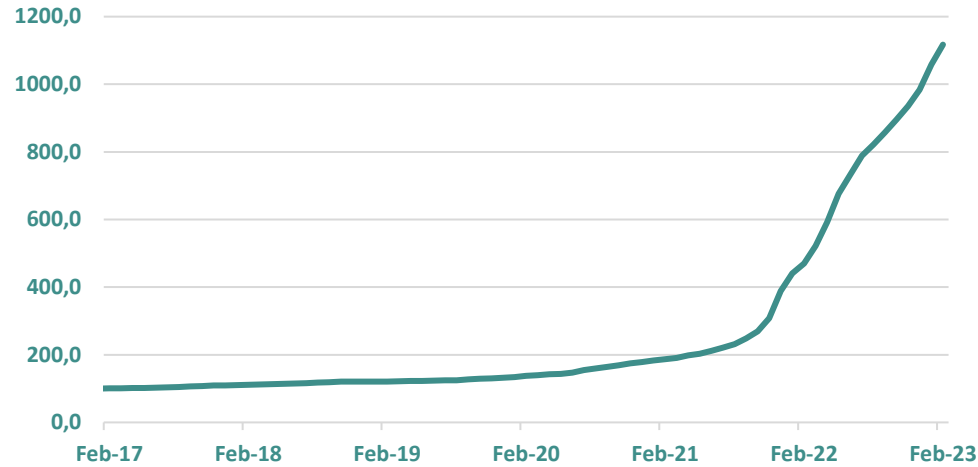
According to data from «Housing Affordability Index» prepared by MintLab, in Istanbul the index was calculated as 58 in January. Housing prices, disposable household income, and interest rate affect housing affordability. (100 and higher parity values in housing affordability index demonstrate that with 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 4,76 times average household disposable income in January and above to 3,00 threshold value.



ISTANBUL: MORTGAGE PAYMENTS TO INCOME RATIO



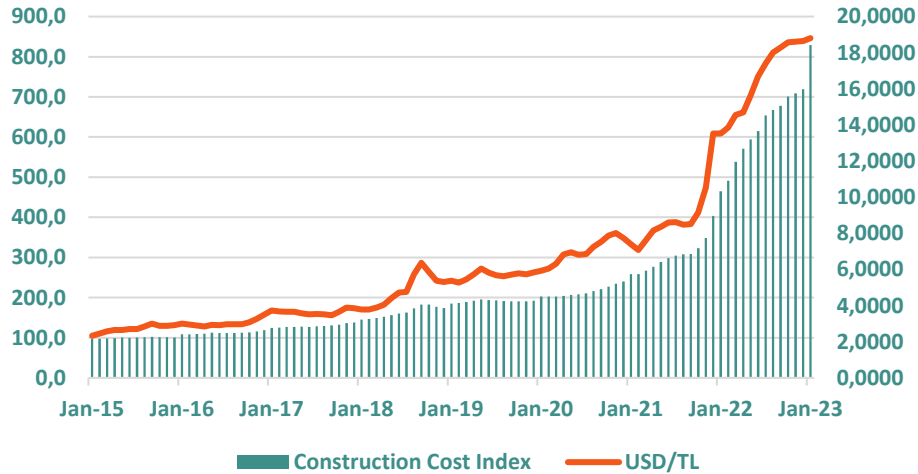
ISTANBUL: HOUSING TOTAL RETURN INDEX



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: 2.891.000 TL) are 56% of the household's net disposable income in January 2023. 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 1.058,1 points; which represents an increase of 7,58% in January 2023.



TURKEY: CONSTRUCTION COST INDEX (2015=100)



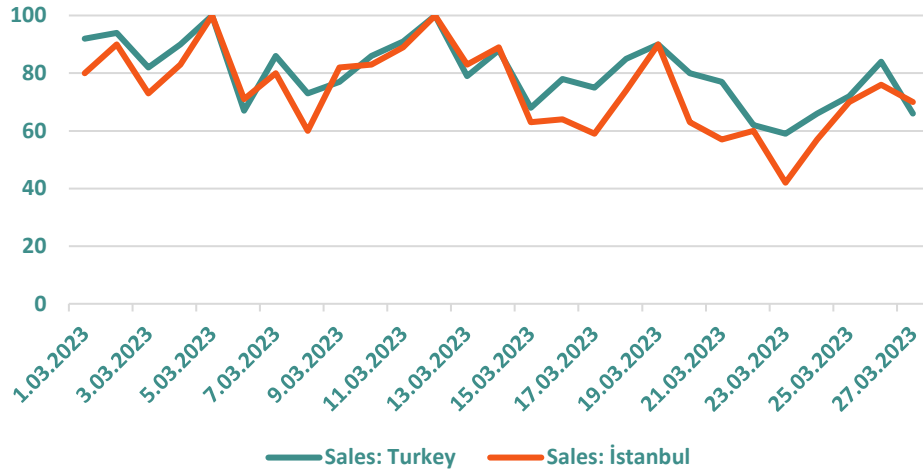
SALES PRICE EXPECTATION OVER NEXT 3 MONTHS



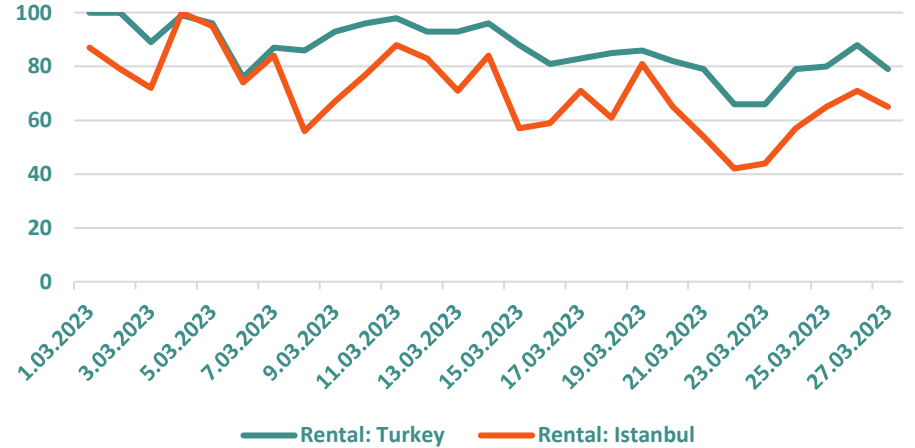
Based on «Construction Cost Index» data prepared by Turkish Statistical Institute, construction costs increased by 15,31% monthly, and increased by 78,52% annually in January 2023. The fact that correlation between construction cost index and exchange rate of dollar is at +0,99 level, demonstrates that variability in exchange rate has absolute effect on construction input costs. On the other hand, in March 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 (-3,0%) compared to the previous month.



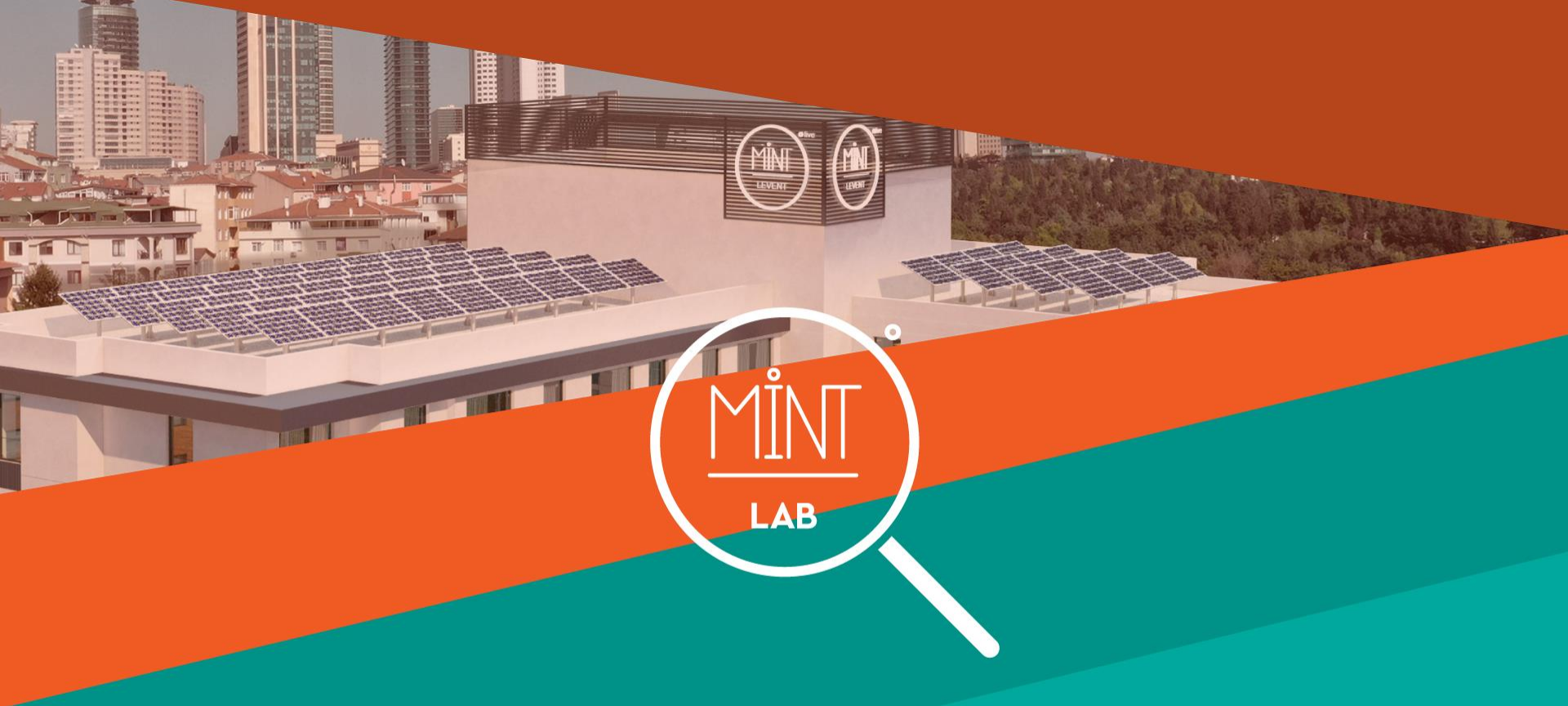
GOOGLE SEARCH FREQUENCY: SALES (RESIDENTIAL)



GOOGLE SEARCH FREQUENCY: RENTAL (RESIDENTIAL)



When «Google Trends» search statistics for houses for sale or rent in March 2023 are analyzed, Google searches across Istanbul for houses for sale and 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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