

LUXURY RESIDENTIAL PROJECTS ON SISLI-MASLAK LINE

One of the most advanced business and life centers in İstanbul is Büyükdere Avenue and it is used as a connection axis between Şişli- Zincirlikuyu- Maslak districts. The avenue is an investment destination for investors with increasing new housing projects and increasing sales value.

Development of luxury residential projects started with **Akmerkez**, and accelerated with **Metrocity** towards Levent and its surroundings. It was shown that the area would be preferred as luxury residential housing area beside its central business district identity. Among outstanding developments that were delivered in the area are **Kanyon**, **Sapphire**, **Levent Loft** and **Levent Loft Bahçe**. **Nispetiye On**, is a recently completed mixed-use project that includes both residence and retail use.

Şişli – Mecidiyeköy was included in this axis after completion of **Elit Residence** in 2002, **Astoria** in 2008 and **Trump Towers** in 2011, and also increased housing supply and demand. Nowadays, **Torun Center** by Torunlar REIT on the former land of Ali Sami Yen Stadium and **Quasar** by Viatrans INC – Meydanbey joint-venture on the former land of Liquor Factory are the most important projects in the region. **Torun Center** consists of 399 residential units that are ranging from 1+1 to 4+1 and average sales price is 8.000 USD/sqm. There are 215 residential units within **Quasar** which are located between 14th-40th floors. The sales prices of these units change between 10.500 – 11.000 USD/sqm.



Çiftçi Towers

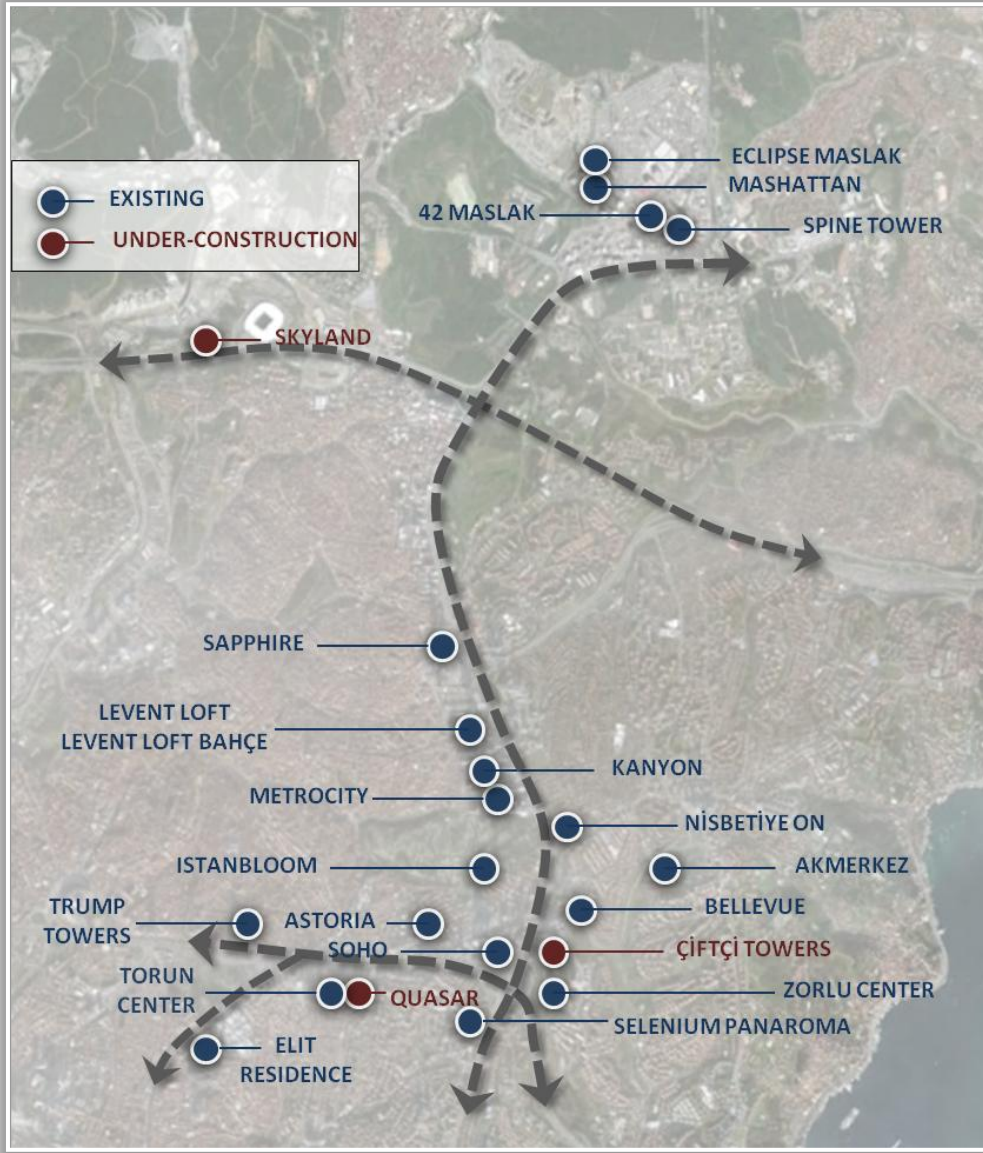


Quasar

Lately, by the completion of **Eclipse Maslak**, **Maslak 42** projects and **Skyland** project which is still under construction, Maslak Region of the axis has shown quite rapid development.

Besides, Zincirlikuyu has gained importance after completions of **Zorlu Center**, **Soyak SOHO** and **Istanbloom** projects. Additionally, **Çiftçi Tower** is a mixed use project which is the joint-venture project of Çiftçi Real Estate and Türkerler Construction will also affect the market positively. Within the project, there are 288 residential units that are ranging from 2+1 to 6+1. The asking sales prices of these units are between 5.750 – 15.000 USD/sqm.

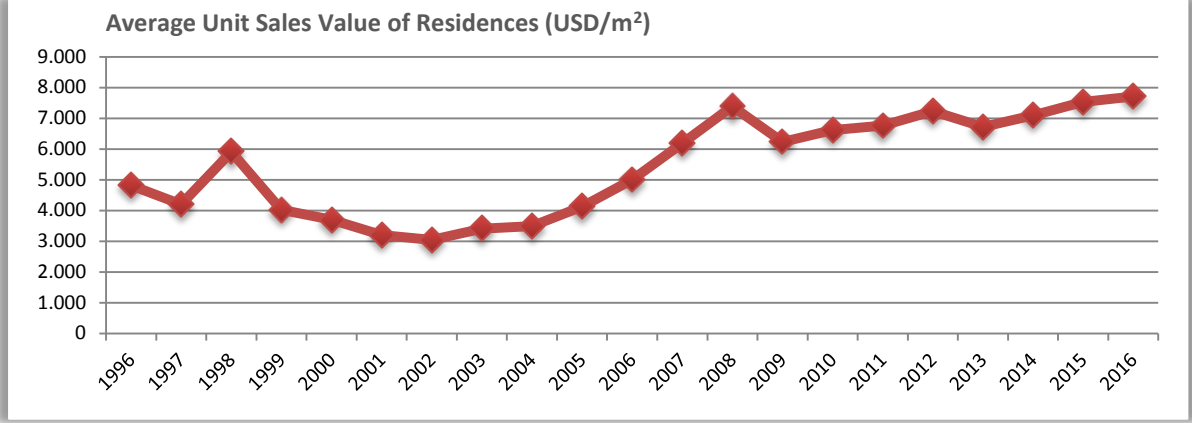
Map of Luxury Residential Projects on Büyükdere Avenue



After the historical fall in prices in 1996, the unit sale value increased in 1997, but decrease had been seen again during the period of 1998-2001. Because of the economic crisis that occurred in 2001, unit sale values showed similar behaviors in 2002. In 2003 the unit sale values started to increase in parallel with the positive developments in the economic situation of the country until 2008.

The unit sales prices steadily increased from 2003 to 2008 and decreased again in 2009 with the impacts of the global financial crisis and have again started to increase after 2013.

From 1996 until 2016, change of the average unit sales prices of luxury residential projects on Büyükdere Avenue can be seen on the graph below.



In 2008, the negative effects of the global crisis have been felt in Turkey, and this adversely affected the prices of luxury housing. The average unit sales value of the upscale houses was app. 7.300 USD/sqm at the end of 2008 and has decreased to app. 6.200 USD/sqm in 2009. The unit sales values started to increase again due to decreasing effects of global crisis and increased to 7.250 USD/sqm at the end of 2012. At the beginning of 2015, compared to the previous year, unit sale values have increased from 7.100 USD/sqm to 7.500 USD/sqm. In 2016, because of the increase in exchange rates, prices are stable.

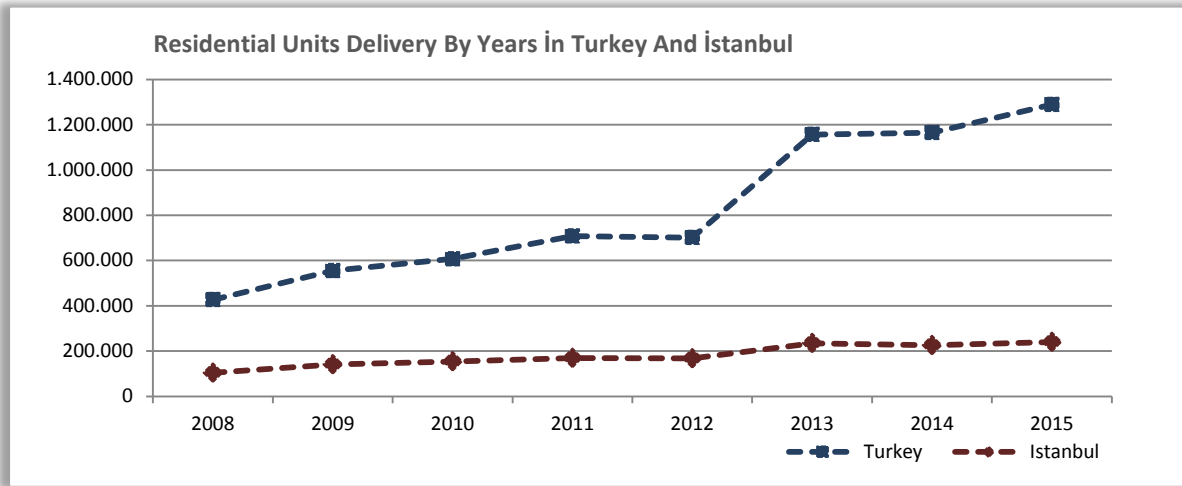
Increase in US Dollar exchange rate in recent periods has negatively affected the retail and office rental markets. As a result of this, currency hedging in rent agreements and retail rent discounts were applied.

It is seen that unit sale prices are increasing compared to previous years especially in under construction or newly completed projects such as **Quasar, Torun Center**. It has been noticed that unit sale prices have declined for older projects such as **Mashattan, Metrocity, Astoria and Elit Residence**.

In other projects in the region, while the average prices have risen, it has been noticed that the asking sale prices are changing in a wide range. According to the information received from local real estate agents, some of the property owners are making price reductions in second hand sales whose prices are determined by the dollar currency, while others keep the prices stable. For this reason, it is seen that the asking sales prices are very variable in second hand sales.

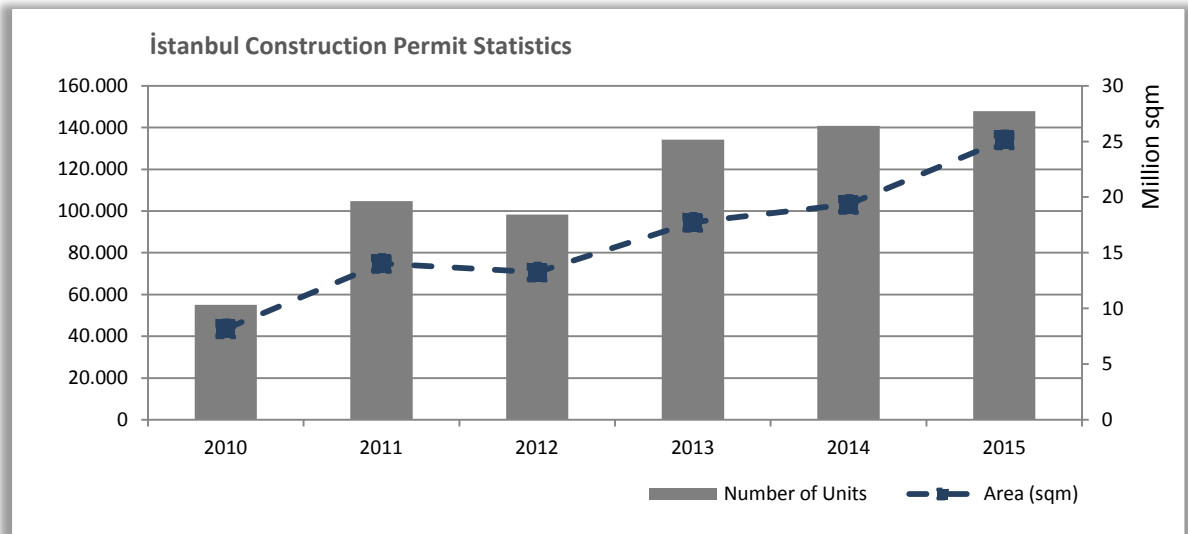
It is predicted that the sales prices which were stable in 2016, will show a decrease in the upcoming period.

The graph below, shows the total number of residential delivery by years. It can be seen that by the effect of decrease in mortgage interest rates in 2013, delivery of the residential units have a quick increase.



Source: TURKSTAT

The total residential construction area that acquired construction permits in İstanbul, showed an increase of 9% in 2014 and 14% in 2015.



Source: TURKSTAT

January, 2017