

Developing Cities Summit – Bursa Final Declaration January 2010

The Developing Cities Summit organized by GYODER was held at Almira Hotel in Bursa on January 7, 2010. The objective of the Summit was to bring together sector representatives with the investment opportunities in developing cities and to ensure that these cities would receive a higher share from future investments.

At the Summit, alongside with the salient issues such as “The New Economic Era in the Aftermath of the Global Crisis,” “Urban Transformation Projects and Investment Opportunities in Bursa”, and “Developing Cities From The Investors’ Perspective” have been discussed so as to set forth the investment potentiality of Bursa. The report titled “Real Estate Industry Evaluation and Forecast for Bursa 2015” by GYODER was also presented during the Summit.

Latest developments, problems and opportunities concerning the real estate sector have been scrutinized within the framework of the above headings at the Summit. Emerging conclusions and solutions as stated in the present declaration issued to make a contribution to the financial, social and cultural development of primarily the city of Bursa and all other developing cities in Turkey, are hereby presented:

- The global crisis prevailing since the final months of 2008 has led to an increase in the risk premiums of real estate investments. In this context, for the sector’s sound development it is important that the feasibility work of future investments is based on reliable financial indications and urban plans.
- The annual demand for new housing in Turkey is approximately 600.000. Only 15% of those who need housing have adequate financial power to buy a house and pay loan installments. Thus the problem in Turkey in regard to housing is the unmet housing needs of those with low or medium income. Therefore, in addition to incentives and discounts to be provided for housing developers, other incentives are needed in order to support those with low income to become house owners.
- To facilitate project development for those with low income, real estate developers should be offered incentives such as decrease in the VAT percentage of land share and construction/materials labour, deductions in taxes and tax fees, the elimination of stamp tax in regard to sales agreements as well as the free-of-charge public provision of land and infrastructure for projects addressing low-incomers.
- In Turkey urban transformation and rejuvenation are necessary in order to raise both the city quality and that of urban life and to revive the economy. Both negotiation between the public and private sector and participation are fundamental for urban transformation and rejuvenation. In order for the projects to be realized, long-term policies should be made and supported by law.
- Action should be taken to make sure that municipalities and public institutions become more active and decisive in terms of urban transformation and rejuvenation,, and transformation should be implemented taking into consideration the existing social relations. The required legal infrastructure for this should be built without delay.
- At a time when sustainable and ecological development has become more important than ever, strategies aiming to recover the concept “Green Bursa”, a longstanding expression of identity which functions as a trademark for Bursa-, should be developed.
- While evaluating the future of the city of Bursa, both internal and external dynamics should be subject to careful consideration. The most important issue concerning Bursa is the city’s role in the Marmara Region.
- Bursa has a great potential in terms of housing, shopping centers and office sectors. The remarkable and guiding urban transformation and urban design projects of the Metropolitan Municipality of Bursa, prepared in cooperation with the private sector, constitute new opportunities for all three sectors.
- In order to realize Bursa’s tourism potential within the categories of winter tourism, thermal tourism, and cultural and historical tourism, new tourism investments are necessary; besides, high quality tourism activities should be supported and Bursa’s hotel market should be developed.
- Integrated policies concerning sea, land and particularly air transportation should be generated and developed.
- In Turkey, the complexity of the preparation and approval process of construction plans, issues of authority and limits to it present obstacles for the sector.. The institutions, authorities and limits to them that exist within the process should be re-analyzed and re-evaluated in order to form a long-term planning process, one which is open, transparent and one which lends itself to rapid analysis. Also, relevant legislations and regulations should be renewed and restructured.