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PROGNOSES FOR THE REAL ESTATE SECTOR AND CITIES 2015

[AYDIN • BALIKESİR • DENİZLİ • HATAY • KAHRAMANMARAŞ • MALATYA • MANİSA • MUĞLA • TEKİRDAĞ • TRABZON]

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INTRODUCTION

Real estate sector in Turkey has entered into a new development period. Sector that has reached to the status of developing markets in the international area, includes commercial real estate markets as well as housing.

While the amelioration and stability in the economy and conditions that emerge as a result of EU adaptation process increase institutionalization in the sector, sector has gained a new momentum with the becoming law of housing financing system. Increasing foreign capital investments raise the quality and standards of the sector. These developments in the sector have started in Istanbul and in other big cites; and later on spread to middle size cities.

In this framework, in order to predict the development process of the real estate sector and to effectively manage it, the third report of "Prognoses for Real Estate Sector and Cities 2015" is prepared. While the first two reports covers 14 cities, the third study encompasses other 10 cities having development potential: Aydın, Balıkesir, Denizli, Hatay, Kahramanmaraş, Malatya, Manisa, Muğla, Tekirdağ and Trabzon.

The aim of the study is to make projections about the qualitative and quantitative developments in the real estate sector in these 10 cities until 2015.

Accordingly, under the sub-titles housing, shopping centers, accommodation establishments and industry and logistics, real estate sector is examined and projections are made for the period until the year 2015.

We hope that the third "Prognoses for the Real Estate Sector and Cities 2015" study covering 10 cities will be beneficial for all the actors in the sector and will contribute to the institutionalization of the sector

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June 2008

METHODOLOGY OF THE STUDY

The "Prognoses for the Real Estate Sector and Cities" study is a projection study and we make projections on the development of real estate sector for the selected cities until 2015.

We use trends of the past periods, numerical indicators of past period and today and various assumptions related to the next period to make future projections.

Main assumption for the projections made in the study is that amelioration and normalization in the Turkish economy will continue, amelioration and normalization will continue in the macro balances, protection of the stability in the macro balances and financial indicators and maintenance of the stability depend on political and foreign political environment that affects the previous factors as well.

Different from the previous studies, we use national income data of the Turkish Statistical Institute declared by the new calculation method for the GNP size and gross product size of the cities.

On the other hand, just like the previous studies, we present the development projections with fixed prices for the indicators on economic volumes. So, we provide protection for the deviations resulting from price and rate of exchange fluctuations. All projections in this type are presented with fixed prices. In this framework, 5 percent economic growth in every year with fixed prices is a determinative and significant assumption.

Another important assumption of the study is the population assumptions. Different from the previous studies we use Address Based Population Registration System for population data.

With these new population data, in the light of the existing demography and population trends of Turkey, demography and population tendencies of the all cities are determined and subsequently, projections are made on the indicators like population growth rate, net migration, total population, urbanization rate, urban population, household populations and urban household number

For the projections for housing in the real estate sector, legal and physical condition of the existing housing stock in the cities, home ownership of the households, factors affecting the house trends and housing demands and potentials of benefit from the housing financing sector and population and economic developments are evaluated and projections are made on these factors.

For the shopping centers, accommodation establishments and industry and logistics areas that are in the commercial real estates, firstly we identify the existing situation and trends are determined. Subsequently, projections are made by evaluating the personal incomes, private consumption expenditures, retail expenditures and tourism sector and industry sector and development expectations in the industry-trade areas. De facto realization projections for the following years (in construction and in planning stage) are primarily used for the shopping centers. Subsequently, two different development scenarios are made by taking into consideration the sizes reached by the de facto realizations and population and economic structure of the city and development potentials are put forth by these scenarios.

EXECUTIVE SUMMARY

The Prognoses for the Real Estate Sector and Cities 2015 study presents the real estate sector and development projections in Aydın, Balıkesir, Denizli, Hatay, Kahramanmaraş, Malatya, Manisa, Muğla, Tekirdağ and Trabzon under the following sub-titles: Housing Sector and Markets, Retail Market and Shopping Centers, Tourism and Accommodation Establishments and Industrial and Logistics Areas.

AYDIN

Housing Sector and Markets

Population of Aydın has reached 947 thousand in 2007 which represents a share of 1.34 percent of the total population of Turkey. The population growth rate of 0.80 percent in Aydın in 20067 lags behind the population growth rate of Turkey (1.26 percent.). Aydın is subject to a migration inflow. 60.7 percent of Aydın's total population growth rate in 2007 comes from urban population growth and 39.3 percent from migration inflow.

In 2007, Aydın's urbanization rate is 56.7 percent, the urban population is 537 thousand, the average size of urban households is 3.45 persons and the number of urban households is 156 thousand.

Aydın's population growth rate is foreseen to decline to 0.73 percent in 2010 and to 0.65 percent in 2015, and the total population is predicted to reach 968 thousand in 2010 and 1.0 million in 2015.

Aydın's urbanization rate is projected to be 57.6 percent in 2010 and 59 percent in 2015, while the average urban household size is expected to regress to 3.39 persons in 2010 and 3.30 persons in 2015. Hence, the number of urban households in Aydın is foreseen to be 165 thousand in 2010 and 179 thousand in 2015.

It is projected that need for housing units in Aydın between 2008-1015 will be 40 thousand. 24 thousand of them will be from increase in the number of households, 8 thousand housing units from urban transformation and 8 thousand housing units from renewal.

About the factors that affect the housing demand in Aydın; 47.6 thousand households in 2000, and 51.2 thousand in 2005 are tenants; 9.715 dollars per capita income in 2007 is expected to rise to 11.055 in 2010 and 13.660 dollars in 2015.

The growth potential for luxury and branded housing units in Aydın will be limited. On the other hand, the growth potential for middle class and social housing units and detached housing units of locals and foreigners will be active. The utilization of housing credit will be important for the middle class housing units. (4.111 housing unit credits have been used in 2007).

Retail Market and Shopping Centers

Economic figures for shopping centers; in 2007, Aydın has a gross product of 9.2 billion dollars, private retail expenditures are 6.75 billion dollars, share of the retail expenditures is 50 percent and retail expenditures are 3.38 billion dollars.

By 2007, Aydın has 3 shopping centers with a gross leasable area (GLA) of 35.500 m2. The gross leasable area per 1000 persons is 37.5 m2. The annual potential retail expenditure per shopping center GLA m2 is 95.210 dollars. 4 shopping centers more will be opened until the end of 2009. By the end of 2009, the total shopping center GLA will be 114.500 m2 and the GLA per thousand persons will be 119 m2.

According to the scenarios of 150 and 200 m2 GLA per 1000 in Aydın in 2015, the total shopping centers GLA will reach to 150.450 and 200.600 m2. According to these two different scenarios, an investment potential is projected for shopping centers with GLA 35-85 thousand m2 between the years 2010-2015.

Tourism and Accommodation Establishments

It is projected that tourism activities will develop mainly as summer tourism oriented in Aydın. In this respect, in addition to the existing accommodation establishments in Aydın, it is projected that boutique-concept-deluxe accommodation establishments offering specialty tourism services, additional establishments for yacht tourism and golf tourism, entertainment-vacation accommodation establishments for cruise tourism.

Industrial and Logistics Areas

As industry has concentrated in the organized industry zones in Aydın and based on agriculture and livestock production, it is projected that industry will develop in the organized industry zones.

BALIKESİR

Housing Sector and Markets

Population of Balıkesir was 1.11 million in 2007, which represents a share of 1.58 percent of the total population of Turkey. 0.27 percent population growth rate of Balıkesir in 2007 is very below the rate of population growth rate of Turkey (1.26 percent). Balıkesir has subject to limited level of migration inflow. In the total population growth rate of Balıkesir, share of urban population growth rate is 91.3 percent and share of migration inflow is 8.7 percent.

Urbanization rate of Balıkesir in 2007 was 58.1 percent and urban population was 649 percent, the average urban household size is 3.20 persons and the total number of households was 201 thousand.

Balıkesir's total population growth rate is projected to decline to 0.20 percent in 2010 and to 0.10 percent in 2015 and the total population is predicted to be 1.126 thousand in 2010 and 1.133 thousand in 2015.

Urbanization rate of Balıkesir is projected to rise to 59.2 percent in 2010 and 61 percent in 2015, while the average urban household size is expected to decrease to 3.14 persons in 2010 and 3.05 persons in 2015. The number of urban households in Balıkesir will be 212 thousand in 2010 and 227 thousand in 2010.

Balıkesir has 288.015 housing units in urban areas by 2007, of which 35 thousand housing units do not have construction permits.

It is projected that there will be need for 46 thousand housing units in Balıkesir between the years 2008-2015. 26 thousand of this need will be from increase in the number of households, 8 thousand housing units from urban transformation and 12 thousand from the need for renewal.

Related to the factors which affect the housing demand in Balıkesir in 2007; 65.9 thousand households are tenants in 2005; the 8.855 dollars per capita income in 2007 is expected to reach 10.215 dollars in 2010, 12.975 dollars in 2015.

Need for housing will be limited depending on limited increase in the number of households and existence of regular and healthy structure. There will be demand for middle class housing units and secondary housing units.

Retail Market and Shopping Centers

Economic figures about the shopping centers are: Balıkesir's 2007 gross product is 9.9 billion dollars, private consumption expenditures are 7.26 billion dollars, share of retail expenditures is 50 percent and retail expenditures are 3.6 billion dollars.

By the year 2007, Balıkesir has 2 shopping centers with a gross leasable area of 18.585 m2. The GLA per 1000 persons is 16.6 m2. The annual potential retail expenditure per shopping center GLA m2 is 198.000 dollars.

There are no shopping centers scheduled to open until the end of 2009. Based on the scenarios of 75 and 100 m2 GLA per 1000 persons in Balıkesir in 2015, total shopping center GLA will be 84.975 m2 and 113.300 m2. According to these two different scenarios, an investment potential exists for shopping centers with a GLA of 65-95 thousand m2 between the years 2010-2015.

Tourism and Accommodation Establishments

Tourism will develop on two axes in Balıkesir; a limited development in the short-middle term summer tourism in the townships for local tourists and development of alternative tourism activities in the middle-long term; health-culture-belief-vacation-sports.

In this framework for in addition to the existing accommodation establishments, it is projected there will be need, especially, boutique-concept accommodation establishments for tourism services, specialty hotels for summer tourism and health-sports-vacation oriented specialty and accommodation establishments.

Industrial and Logistics Areas

Balıkesir has turned into a new and important alternative industry area for the industry that has squeezed in İstanbul-Körfez and Bursa. Demand for industry areas rises primarily for organized industry zones.

Balıkesir has turned into a transportation-transfer center in the Europe-Asia (Anatolia) trade. There will be large logistics investments in the logistics village that has been being established in Gökköy. Need for logistics areas are increasing.

DENİZLİ

Housing Sector and Markets

Denizli's population was 907 thousand in 2007 which represents a share of 1.28 percent of the total population of Turkey. Denizli's 0.57 percent population growth rate in 2007 is below the population growth rate of Turkey (1.26 percent). Denizli is subject to a migration inflow. In the total population of Denizli, share of the urban population growth rate is 70.2 percent, and the share of migration inflow is 29.8 percent.

In 2007, Denizli has an urbanization rate of 50.8 percent and an urban population of 461 thousand. Average urban household size is 3.50 persons and the total number of urban households is 130 thousand.

It is projected that population growth rate in Denizli will decrease to 0.50 percent in 2010 and 0.40 percent in 2015. Total population is projected to be 922 thousand in 2010 and 942 thousand in 2015.

Denizli's urbanization rate is estimated to rise 51.6 percent in 2010 and 53 percent in 2015, whereas the average urban household size is foreseen to decline to 3.44 percent persons in 2010 and 3.35 persons in 2015. The number of urban households in Denizli will be 138 thousand in 2010 and 149 thousand in 2015.

Denizli has 189.668 housing units in the urban areas by the year 2007, of which 47 thousand housing units do not have construction permits.

The housing need in Denizli is estimated to be 43 thousand in 2008-2015. 19 thousand housing units will be needed as a result of increase in the number of households, while 16 thousand as a result of urban transformation and 8 thousand housing units for renewal.

About the factors that affect the housing demand in Denizli; there are 55 thousand households are tenants in 2005. It is expected that per capita income of 10.145 dollars in 2007 will rise to 11.605 dollars in 2010 and 14.545 dollars in 2015.

Need for housing in Denizli will be limited depending on the increase in the household number. Housing need and construction that is high quality and for high income group will be limited, housing construction for middle class and social housing construction will be higher.

Retail Market and Shopping Centers

Economic figures on shopping centers are: Denizli's 2007 gross product is 9.2 billion dollars, private consumption expenditures is 6.75 billion dollars, the share of retail expenditures is 50 percent and retail expenditures are 3.38 billion dollars.

By the end of 2007, there are 3 shopping centers in Denizli with a gross leasable area of 83.250 m2, and the GLA per 1000 persons is 91.8 m2. 2 new shopping centers will be opened until the end of 2009. Total shopping center gross leasable area will be 150.482 m2, and GLA per 1000 persons will be 164.1 m2. Total shopping center gross leasable area is projected to be 188.400 m2 and 211.950 m2 for two respective scenarios which assume a GLA per 1000 persons 200 and 225 m2 in 2015 in Denizli. According to these two different scenarios, an investment potential exists for shopping centers with a GLA of additional 40-60 thousand m2 investment potential in 2010-2015.

Tourism and Accommodation Establishments

Tourism is projected to develop on 3 axes in Denizli. Culture, nature, history tourism in and around Pamukkale, thermal and health tourism in Pamukkale Karahayıt area and business oriented city tourism. In this framework, it is projected that there will be need for additional accommodation establishments that offer boutique-concept-deluxe accommodation establishments, qualified accommodation establishments for health-thermal tourism, concept city hotels for business and multipurpose city hotels.

Industrial and Logistics Areas

Industry in Denizli will continue to expand by the sectoral variation. It is projected that demand for lands for industry, trade and logistics will continue to expand. Demand for organized industry zones is increasing.

HATAY

Housing Sector and Markets

Population of Hatay was 1.39 million in 2007 and its share in the total population of Turkey was 1.96 percent. Population growth rate of Hatay in 2007 was 0.54 and it is below the population growth rate of Turkey (1.26 percent). Hatay is subject to net migration outflow.

Share of the urban population growth rate is 153 percent in the total population growth rate of Hatay and the share of migration is -53 percent. Urbanization rate in Hatay was 49.2 percent in 2007 and urban population is 682 thousand, average urban household size is 4.50 persons and the total number of households is 152 thousand.

It is projected that population growth rate of Hatay will decrease to 0.48 percent in 2010 and total population will be 1.40 million in 2010 and 1.44 million in 2015.

It is projected that urbanization rate will rise to 50.5 percent in 2010 and 52 percent in 2015; the average urban household size will decrease to 4.41 persons in 2010 and 4.30 persons in 2015. Hatay urban household number will be 161 thousand in 2010 and 174 thousand in 2015.

Hatay has 196.226 housing units in urban areas by 2007 of which 92 thousand do not have construction permits. Need for housing in Hatay between the years 2008-2015 is projected to be 50 thousand.

There will be need for 22 thousand housing units as a result of increase in the number of households, 20 thousand urban transformation, and 8 thousand housing units for renewal.

About the factors which affect the housing demand in Hatay; 43.8 thousand household are tenants in 2005. 7.145 dollar per capita income in 2007 is expected to rise 8.175 dollars in 2010 and 10.230 dollars in 2015.

Population growth projections on Hatay limit the numerical growth in the number of housing sector. While the housing need and demand originated from population growth will be limited, housing need and demand based on urban transformation and renewal will be more determinative in the housing sector and markets in Hatay.

Retail Market and Shopping Centers

Economic figures on the shopping centers are: Hatay's 2007 gross product is 9.9 billion dollars, private consumption expenditures are 7.26 billion dollars and the share of retail expenditures is 54 percent and the retail expenditures are 3.90 billion dollars.

There are no shopping centers in Hatay by the end of 2007. There are no shopping centers that will be opened until the end of 2009.

The total shopping center gross leasable area in Hatay is projected to attain 71.850 m2 and 107.775 m2 based on the two respective scenarios which assume a GLA per 1000 persons of 50 and 75 m2 in Hatay in 2015. According to these two different scenarios, an investment potential exists for shopping centers with a GLA of 70-110 thousand m2 in 2010-2015.

Tourism and Accommodation Establishments

It is projected that tourism will develop on three axes in Hatay. Belief and culture tourism, health tourism based on thermal resources and industry oriented business tourism. In this framework, in addition to the existing accommodation establishments in Hatay, it is projected that there will be need for boutique-concept city hotels, health establishments and related accommodation establishments and city hotels for business.

Industrial and Logistics Areas

It is projected that demand for industry and logistics areas will increase in the following period in Hatay. Parallel to the development in iron-steel and petro-chemicals industry, demand for large parcels of industrial lands will increase. It is estimated that by the privatization of İskenderun port and with the function of a door in the trade with Middle East, as a trade door, logistics sector in Hatay will develop and demand for logistics spaces will increase.

KAHRAMANMARAŞ
Housing Sector and Markets

Population of K.Maraş was 1 million in 2007 and the share of it in the total population of Turkey was 1.42 percent. Population growth rate of K.Maraş was 0.48 percent in 2007 which was below the population growth rate of Turkey (1.26 percent). K.Maraş is subject to net migration outflow. Share of the urban population growth in the population of K.Maraş's population growth is 147.2 percent and the share of migration outflow is -47.2 percent.

Urbanization rate in K.Maraş in 2007 was 58.3 percent, the urban population was 585 thousand and the average urban household size was 4.95 persons and the number of urban households is 118 thousand.

It is projected that population growth rate will decrease to 0.40 percent in 2010 in K.Maraş and 0.30 percent in 2015. Total population is estimated to be 1.02 million in 2010 and 1.04 million in 2015.

It is projected that urbanization rate will increase to 59.5 percent in 2010 and 62 percent in 2015. Urban household size will decrease to 4.86 percent in 2010 and 4.70 percent in 2015. Number of urban households will be 124 thousand in 2010 in and 136 thousand in 2015 in K.Maraş.

K.Maraş has 155.991 housing units in the urban areas by 2007 of which 77 thousand housing units do not have construction permits.

It is projected that there will be need for 42 thousand housing units in K.Maraş between the years 2008-2015. These needs for housing units will result from; 18 thousand as increase of the household population size, 20 thousand as urban transformation, 4 thousand for renewal.

About the factors affecting the housing demand in K.Maraş, it is projected that there are 33 thousand tenant households in 2005. The per capita income of 6.575 dollars in 2007 is projected to be 7.570 dollars in 2010 and 9.285 dollars in 2015.

Housing demand of the upper and middle-upper income group for renewal and housing change will be limited in K.Maraş. Housing demand of the middle class will be higher. Need for and construction of social housing will be much more determinative.

Retail Market and Shopping Centers

Economic figures about the shopping center; In 2007, K.Maraş has a gross product of 6.6 billion dollars, private consumption expenditures is 4.84 billion dollars, share of the retail expenditures is 54 percent and retail expenditures is 2.6 billion dollars.

By the year 2007, there is no shopping center in K.Maraş. 1 shopping center will be opened until the end of 2009. By the end of 2009, the total shopping center GLA will be 58.000 m2 and the GLA per 1000 persons will be 57.3 m2.

According to the scenarios of 80 and 100 m2 GLA per 1000 persons in K.Maraş in 2015, total shopping center GLA will reach 87.720 m2 and103.400 m2 respectively. According to these two different scenarios, an investment potential exists for shopping centers with a GLA of 25-45 thousand m2 in 2010-2015.

Tourism and Accommodation Establishments

It is projected that tourism activities in K.Maraş will limitedly develop in two different axes. Business oriented tourism related to the industrialization and commercial development of the city and culture, history, health and alternative tourism. In this framework, in addition to the existing accommodation establishments in K.Maraş, it is projected that there will be need for business oriented city hotels offering business opportunities, vacation-entertainment oriented boutique and concept city hotels.

Industrial and Logistics Areas

Industrial area demand is increasing depending on the development of industry in K.Maraş. Industrial land demand is concentrated in the south local way region as a result of the getting full of the existing OIZ and as there isn't arranged new industrial zone.

MALATYA

Housing Sector and Markets

Population of Malatya in 2007 was 722 thousand, and its share in the total population of Turkey was 1.02 percent. Population growth rate of Malatya in 2007 was 1.3 percent which exceeds a little the population growth rate of Turkey (1.26 percent). Malatya is subject to net migration outflow. Share of the urban population growth in the population of Malatya's population growth is 121.5 percent and the share of migration outflow is -21.5 percent.

Urbanization rate in Malatya in 2007 was 64.1 percent, the urban population was 463 thousand and the average urban household size was 4.70 persons and the number of urban households is 99 thousand.

It is projected that population growth rate will decrease to 1.23 percent in 2010 in Malatya and 1.13 percent in 2015. Total population is estimated to be 749 million in 2010 and 794 million in 2015.

It is projected that urbanization rate will increase to 65 percent in 2010 and 67 percent in 2015. Urban household size will decrease to 4.61 percent in 2010 and 4.50 percent in 2015. Number of urban households will be 106 thousand in 2010 and 118 thousand in 2015 in Malatya.

Malatya has 142.837 housing units in the urban areas by 2007 of which 60 thousand housing units do not have construction permits.

It is projected that there will be need for 43 thousand housing units in Malatya between the years 2008-2015.

These needs for housing units will result from; 19 thousand as increase of the household population size, 16 thousand as urban transformation, 8 thousand for renewal.

About the factors affecting the housing demand in Malatya, There are 34.5 thousand tenant households in 2005. The per capita income of 7.340 dollars in 2007 is projected to be 8.280 dollars in 2010 and 9.950 dollars in 2015.

It is projected that a regular housing market especially in the city center of Malatya will be rather limited; and new housing and living spaces will concentrate out of city center in three regions. There will be mass housing construction in these regions for low, middle-low and middle income groups.

Retail Market and Shopping Centers

Economic figures about the shopping center; In 2007, Malatya has a gross product of 5.3 billion dollars, private consumption expenditures is 3.9 billion dollars, share of the retail expenditures is 52 percent and retail expenditures is 2.3 billion dollars.

By the year 2007, there is 1 shopping center in Malatya with a gross leasable area of 11.251 m2. The total GLA per thousand persons is 15.5 m2. The annual potential retail expenditure per shopping center GLA m2 is 180.430 dollars.

According to the scenarios of 80 and 100 m2 GLA per 1000 persons in Malatya in 2015, total shopping center GLA will reach 63.250 m2 and 79.400 m2 respectively. According to these two different scenarios, an investment potential exists for shopping centers with a GLA of 18-35 thousand m2 in 2010-2015.

Tourism and Accommodation Establishments

It is projected that in the middle term, tourism activities in Malatya will develop on history-culture-alternative tourism and business oriented tourism. In this framework, in addition to the existing accommodation establishments in Malatya business-vacation-oriented boutique and concept city hotels are needed in limited number and capacity.

Industrial and Logistics Areas

Industrial area demand is increasing depending on the development of industry in Malatya. Industrial land demand is concentrated in the south local way region as a result of the getting full of the existing OIZ and as there isn't arranged new industrial zone.

MANİSA

Housing Sector and Markets

Population of Manisa was 1.32 million in 2007 and its share in the total population of Turkey was 1.87 percent. Population growth rate of Manisa in 2007 was 0.15 and it is very much below the population growth rate of Turkey (1.26 percent). Manisa is subject to net migration inflow. Share of the urban population growth rate is 93 percent in the total population growth rate of Manisa and the share of migration is 7 percent. Urbanization rate in Manisa was 71.3 percent in 2007 and urban population is 841 thousand, average urban household size is 3.55 persons and the total number of households is 237 thousand.

It is projected that population growth rate of Manisa will decrease to 0.09 percent in 2010 and 0.05 percent in 2015 and the total population will be 1.324 million in 2010 and 1.329 million in 2015. It is projected that urbanization rate will rise to 72.4 percent in 2010 and 74percent in 2015; the average urban household size will decrease to 3.48 persons in 2010 and 3.35 persons in 2015. Manisa urban household number will be 276 thousand in 2010 and 293 thousand in 2015.

Manisa has 287.948 housing units in urban areas by 2007 of which 76 thousand do not have construction permits.

Need for housing in Manisa between the years 2008-2015 is projected to be 68 thousand. There will be need for 28 thousand housing units as a result of increase in the number of households, 24 thousand urban transformation, and 16 thousand housing units for renewal.

About the factors which affect the housing demand in Manisa; 59.3 thousand household are tenants in 2005. 10.455 dollar per capita income in 2007 is expected to rise 12.085 dollars in 2010 and 15.350 dollars in 2015.

There is an important housing deficit in Manisa. There will be demand for every kind of housing group in the following period in Manisa. It is projected that with the urban transformation upper and middle-upper group will have housing demand and high quality housing market will develop in Manisa.

Retail Market and Shopping Centers

Economic figures on the shopping centers are: Manisa's 2007 gross product is 13.8 billion dollars, private consumption expenditures are 10.1 billion dollars and the share of retail expenditures is 50 percent and the retail expenditures are 5.08 billion dollars. There are no shopping centers in Manisa by the end of 2007. 2 shopping centers will be opened until the end of 2009. By the end of 2009, the total shopping center GLA will be 64.000 m2 and the GLA per 1000 persons will be 48.3 m2.

The total shopping center gross leasable area in Manisa is projected to attain 166.125 m2 and 199.350 m2 based on the two respective scenarios which assume a GLA per 1000 persons of 125 and 150 m2 in Manisa in 2015. According to these two different scenarios, an investment potential exists for shopping centers with a GLA of 100-135 thousand m2 in 2010-2015.

Tourism and Accommodation Establishments

It is projected that tourism will develop on three axes in Manisa. Domestic trade oriented tourism; Spil Mountain oriented health-sports-vacation tourism and short-term history-culture tourism. In this framework, in addition to the existing accommodation establishments in Manisa, it is projected that there will be need for business oriented boutique, concept city-business hotels, alternative sports establishments and related accommodation establishments, entertainment-vacation oriented boutique- concept city hotels.

Industrial and Logistics Areas

Manisa will maintain the primarily investable city characteristic for local industry and especially for direct foreign capital investments and for this reason, high demand for industrial areas will increasingly continues. It is projected that there will be significant demand for industrial lands in and around the OIZ. It is expected that demand will concentrate on larger scale parcels.

MUĞLA

Housing Sector and Markets

Population of Muğla has reached 766 thousand in 2007 which represents a share of 1.09 percent of the total population of Turkey. The population growth rate of 1.76 percent in Muğla in 2007 exceeds the population growth rate of Turkey (1.26 percent.). Muğla is subject to a migration inflow. 46.4 percent of Muğla's total population growth rate in 2007 comes from urban population growth and 53.6 percent from migration inflow.

In 2007, Muğla's urbanization rate is 40.6 percent, the urban population is 311 thousand, the average size of urban households is 3.25 persons and the number of urban households is 96 thousand. Muğla's population growth rate is foreseen to decline to 1.67 percent in 2010 and to 1.57 percent in 2015, and the total population is predicted to reach 805 thousand in 2010 and 870 million in 2015.

Muğla's urbanization rate is projected to be 41.5 percent in 2010 and 43 percent in 2015, while the average urban household size is expected to regress to 3.19 persons in 2010 and 3.10 persons in 2015. The number of urban households in Muğla is foreseen to be 105 thousand in 2010 and 121 thousand in 2015. Muğla has 168.889 housing units in urban areas by 2007 of which 6 thousand do not have construction permits.

It is projected that need for housing units in Muğla between 2008-1015 will be 33 thousand. 25 thousand of them will be from increase in the number of households, 4 thousand housing units from urban transformation and 4 thousand housing units from renewal.

About the factors that affect the housing demand in Muğla; 41.6 thousand households in 2005 are tenants; 13.315 dollars per capita income in 2007 is expected to rise to 14.660 in 2010 and 17.240 dollars in 2015.

It is projected that housing construction in the city center of Muğla will be limited. Housing units will be constructed predominantly for low-middle and middle class. Secondary housing demand and construction will be much higher in the townships of Muğla.

Retail Market and Shopping Centers

Economic figures for shopping centers; in 2007, Muğla has a gross product of 10.2 billion dollars, private retail expenditures are 7.5 billion dollars, share of the retail expenditures is 50 percent and retail expenditures are 3.74 billion dollars.

By 2007, Muğla has 8 shopping centers with a gross leasable area (GLA) of 64.321 m2. The gross leasable area per 1000 persons is 84.0 m2. The annual potential retail expenditure per shopping center GLA m2 is 58.150 dollars.

Existing 8 shopping centers are in the townships of Muğla. There is no shopping center will be opened by the end of 2009.

According to the scenarios of 125 and 150 m2 GLA per 1000 in Muğla in 2015, the total shopping centers GLA will reach to 108.750 and 130.500 m2. According to these two different scenarios, an investment potential is projected for shopping centers with GLA 45-65 thousand m2 between the years 2010-2015.

Tourism and Accommodation Establishments

It is projected that tourism activities in Muğla will have summer tourism oriented development. Accordingly, tourism activities will develop in the existing townships. It is projected and planned that there will be increase in the number of tourists coming to Turkey and tourist number coming for summer tourism by years. In this framework, Muğla is the first city that will meet the tourist increase coming especially for summer tourism. For this reason, there is need to increase the capacity and diversification of the accommodation establishments. In this framework, in addition to the existing accommodation establishments, there will be need for accommodation establishments creating additional capacity for summer tourism, especially boutique-concept-deluxe accommodation establishments for tourism services, additional establishments for yacht and golf tourism and entertainment-vacation oriented city tourism establishments.

Industrial and Logistics Areas

It is projected that industrial activities will continue to be limited in Muğla.

TEKİRDAĞ

Housing Sector and Markets

Population of Tekirdağ has reached 728 thousand in 2007 which represents a share of 1.03 percent of the total population of Turkey. The population growth rate of 2.12 percent in Tekirdağ in 2007 exceeds the population growth rate of Turkey (1.26 percent.). Tekirdağ is subject to an important quantity of migration inflow. 44 percent of Tekirdağ's total population growth rate in 2007 comes from urban population growth and 56 percent from migration inflow.

In 2007, Tekirdağ's urbanization rate is 67.9 percent, the urban population is 494 thousand, the average size of urban households is 3.50 persons and the number of urban households is 137 thousand. Tekirdağ's population growth rate is foreseen to decline to 2.02 percent in 2010 and to 1.90 percent in 2015, and the total population is predicted to reach 773 thousand in 2010 and 852 million in 2015.

Tekirdağ's urbanization rate is projected to be 69.1 percent in 2010 and 71 percent in 2015, while the average urban household size is expected to regress to 3.41 persons in 2010 and 3.30 persons in 2015. The number of urban households in Tekirdağ is foreseen to be 157 thousand in 2010 and 183 thousand in 2015.

Tekirdağ has 202.493 housing units in urban areas by 2007 and there aren't any housing units without construction permits and Tekirdağ is the sole city with this characteristic. It is projected that need for housing units in Tekirdağ between 2008-1015 will be 62 thousand. 46 thousand of them will be from increase in the number of households, 8 thousand housing units from urban transformation and 8 thousand housing units from renewal.

About the factors that affect the housing demand in Tekirdağ; 38.6 thousand households in 2005 are tenants. 9.480 dollars per capita income in 2007 is expected to rise to 10.350 in 2010 and 12.090 dollars in 2015.

Housing sector is developing in a planned way in Tekirdağ and its townships and there is live housing market. Housing units in the housing market is comprised predominantly from middle class housing units for middle income groups and social housing units and it is projected that development will be predominantly seen in this kind of housing units in the upcoming period.

Retail Market and Shopping Centers

Economic figures for shopping centers; in 2007, Tekirdağ has a gross product of 6.9 billion dollars, private retail expenditures are 5.06 billion dollars, share of the retail expenditures is 44 percent and retail expenditures are 2.25 billion dollars. By 2007, Tekirdağ has 2 shopping centers with a gross leasable area (GLA) of 27.288 m2. The gross leasable area per 1000 persons is 37.5 m2. The annual potential retail expenditure per shopping center GLA m2 is 82.450 dollars. According to the scenarios of 175 and 200 m2 GLA per 1000 in Tekirdağ in 2015, the total shopping centers GLA will reach to 149.100 and 170.400 m2. According to these two different scenarios, an investment potential is projected for shopping centers with GLA 40-60 thousand m2 between the years 2010-2015.

Tourism and Accommodation Establishments

It is projected that tourism will develop weekend-short-term- 12 months entertainment-vacation and alternative sports and tourism activities oriented and it will be shaped by the need and preferences of the residents in İstanbul. In this framework, in addition to the existing accommodation establishments in Tekirdağ, there will be need for boutique-concept-deluxe accommodation establishments offering tourism services and business-exposition-congress oriented business hotels.

Industry and Logistics Areas

It is projected that, in the framework of development tendencies of industry and logistics in Tekirdağ, there will be high demand and need for industrial and logistics areas. In the Istanbul metropolis area, for industrial investments, there will be high demand for industrial lands in and around Çorlu, Çerkezköy, Hayrabolu and Malkara OIZ. As logistics areas, around Tekirdağ ports, connection area of Muratlı railway and roadway and cargo village near Çorlu airport will have high demand.

TRABZON

Housing Sector and Markets

Population of Trabzon has reached 741 thousand in 2007 which represents a share of 1.05 percent of the total population of Turkey. The population growth rate of 1.41 percent in Trabzon in 2007 exceeds the population growth rate of Turkey (1.26 percent.). Trabzon is subject to net migration outflow. 110.8 percent of Trabzon's total population growth rate in 2007 comes from urban population growth and -10.8 percent from migration inflow.

In 2007, Trabzon's urbanization rate is 53.4 percent, the urban population is 397 thousand, the average size of urban households is 4.55 persons and the number of urban households is 87 thousand.

Trabzon's population growth rate is foreseen to decline to 1.35 percent in 2010 and to 1.25 percent in 2015, and the total population is predicted to reach 771 thousand in 2010 and 821 million in 2015. Trabzon's urbanization rate is projected to be 54.6 percent in 2010 and 56.5 percent in 2015, while the average urban household size is expected to regress to 4.45 persons in 2010 and 4.30 persons in 2015. The number of urban households in Trabzon is foreseen to be 95 thousand in 2010 and 108 thousand in 2015.

Trabzon has 165.668 housing units in urban areas by 2007 of which 67 thousand housing units are without construction permits. It is projected that need for housing units in Trabzon between 2008-1015 will be 45 thousand. 21 thousand of them will be from increase in the number of households, 16 thousand housing units from urban transformation and 8 thousand housing units from renewal.

About the factors that affect the housing demand in Trabzon; 44.4 thousand households in 2005 are tenants and 7.965 dollars per capita income in 2007 is expected to rise to 8.820 in 2010 and 10.595 dollars in 2015. South side of the city stands out as the new housing and living space having a planned development. Multiple storeyed mass housing construction of high quality for low-middle and middle class is gaining importance.

Retail Market and Shopping Centers

Economic figures for shopping centers; in 2007, Trabzon has a gross product of 5.9 billion dollars, private retail expenditures are 4.33 billion dollars, share of the retail expenditures is 52 percent and retail expenditures are 2.26 billion dollars.

By 2007, Trabzon has 1 shopping center with a gross leasable area (GLA) of 5.500 m2. The gross leasable area per 1000 persons is 7.4 m2. The annual potential retail expenditure per shopping center GLA m2 is 410.000 dollars.

According to the scenarios of 175 and 200 m2 GLA per 1000 in Trabzon in 2015, the total shopping centers GLA will reach to 149.100 and 170.400 m2. According to these two different scenarios, an investment potential is projected for shopping centers with GLA 40-60 thousand m2 between the years 2010-2015.

Tourism and Accommodation Establishments

It is projected that tourism activities will limitedly develop in short-middle term, it will basically develop on alternative tourism and business tourism oriented. In this framework, in addition to the existing accommodation establishments in Trabzon, there will be need for boutique-concept city hotels offering specialty tourism services and business oriented business hotels.

Industrial and Logistics Areas

It is projected that industrial development will be relatively slow in Trabzon. Shipyard area in Çamburnu location will have higher demand. Trabzon port has transfer port function in the EU sea transportation corridors. Depending on this function of Trabzon port, it is projected that need for logistics areas will increase.

Chapter I.

AYDIN REAL ESTATE SECTOR AND PROGNOSES

I.1 HOUSING SECTOR AND MARKETS

Housing sector and housing markets are firstly taken into consideration in the evaluations and projections on Aydın real estate. The main goal of the projections of housing sector and housing markets is to predict housing need in Aydın until 2015 and to identify the factors affecting the housing demand and housing supply. For this reason, factors that are effective in determining housing need and demand are examined and evaluated in this first part.

I.1.1 Demography and Population Forecast

Main and primary factors affecting the housing demand and supply are demography and population changes. For this reason, demographic and population data of Aydın are presented first.

In this framework, figures of population, migration, urbanization, urban household population and urban household average size on Aydın are given and projections are made on population, urbanization, urban household population and urban household number.

In this part of the study, Address Based Population Registration System data of the year 2007 are used for demographic and population data. In addition to this, old data that are still up-to-date and projecting the tendencies are used.

According to the ABPRS 2007 data, population of Aydın is 947 thousand. Total population of Turkey is 70.6 million and share of Aydın is 1.34 percent. In Table.1, population of 2007 and data of general population census before 2000 are presented below for Aydın.

TABLE.1 POPULATION OF AYDIN AND TURKEY

YEARS	AYDIN (000)	TURKEY (000)	AYDIN SHARE %
1980 (1)	652	44.737	1.46
1985 (1)	744	50.664	1.47
1990 (1)	825	56.473	1.46
2000 (1)	951	67.804	1.40
2007	947	70.586	1.34

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

The main indicator that determines the total population of Aydın and its share in Turkey's population is population growth rate of Aydın. Population growth rate of Aydın is below the average population growth rate of Turkey.

Population growth rates of Aydın and Turkey are presented below in Table.2 comparatively. Accordingly, population growth rate of Aydın in 2007 is 0.80 percent. Population growth rate of Turkey is 1.26 percent in 2007.

TABLE.2 POPULATION GROWTH RATES OF AYDIN AND TURKEY (%)

PERIODS	AYDIN (%)	TÜRKEY (%)
1980-1985 (1)	2.61	2.49
1985-1990 (1)	2.07	2.17
1990-2000 (1)	1.42	1.83
2007	0.80	1.26

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

Two main factors are determinative in the population growth rate of cities. The first one is urban population growth and the second one is net migration. Aydın has a net migration inflow. Cities have both migration inflow and outflow. Net migration figure is different from the figures of inflow and outflow migration, and it indicates net migration intake, if it is positive.

Net migration figures and rates of Aydın are displayed in Table.3 below. Data is for between the years 1975-2000, and projects the tendencies of these years.

We are not able to make numerical projections for the period after the year 2000 because of the new population data. In between the years 1975-2000 Aydın has taken migration inflow with absolute and increasing rates in this period, it has been continuing after the year of 2000.

TABLE.3 AYDIN NET MIGRATION AND NET MIGRATION RATE

PERIODS	NET MIGRATION PERSONS	NET MIGRATION RATE %
1975-1980	9.382	1.67
1980-1985	9.365	1.47
1985-1990	19.077	2.71
1995-2000	21.533	2.55

RESOURCE: Migration Indicators of Cities, TSI

Table.4 displays the sources of population growth of Aydın as urban population growth and migration based population growth for the periods between the years 1980-2000. Accordingly, it is observed that share of the net migration population growth rose in the population growth of Aydın between the years 1980-2000. However, the urban population growth has been decreasing both absolutely and as a share.

TABLE.4 SOURCES OF AYDIN'S POPULATION GROWTH

PERIODS	TOTAL POPULATION GROWTH (000)	TOTAL NET MIGRATION (000)	SHARE OF MIGRATION BASED POPULATION GROWTH %	URBAN POPULATION GROWTH (000)	SHARE OF URBAN POPULATION GROWTH %
1980-1985	92	9.4	10.2	82.6	89.8
1985-1990	81	19.1	23.6	61.9	76.4
1995-2000	55	21.6	39.3	33.4	60.7

An important indicator that relates demography and population data with real estate and housing sector is urbanization rates of cities and urban population size (city and town centers). Urban population size living in city and town centers has to be taken into consideration in all indicators for real estate and housing sector.

Urbanization rate and urban population size of Aydın for the year 2007 with ABPRS are displayed below in Table.5. Accordingly, urbanization rate is 56.7 percent and urban population is 537 thousand in Aydın.

TABLE.5 URBANIZATION RATE AND URBAN POPULATION IN AYDIN

YEARS	TOTAL POPULATIONS (000)	URBANIZATION RATE (%)	URBAN POPULATION (000)
2007	947	56.7	537

RESOURCE: Address Based Population Registration System 2007

Urban household number depending on urban population size in Aydın is presented in Table 6 below. Determinant of urban household number is average size of urban household together with urban population size.

Urban household average size is 3.45 persons by the year 2007 and urban household number is 156 thousand in Aydın.

TABLE.6 AYDIN URBAN HOUSEHOLD NUMBER AND SIZE

YEARS	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	537	3.45	156

RESOURCE: Address Based Population Registration System 2007

After evaluating demography and population indicators and tendencies of Aydın, at this level, population projections for Aydın until 2015 for each year are made.

Main assumptions used for population projections on Aydın are, slowing down population growth rate depending on decrease of urban population growth rate, continuance of decreasing net migration inflow and significantly population growth rate staying under the average Turkey's population growth rate.

Depending on these assumptions, population growth rate of Aydın, which was 0.80 percent in 2007, is slowing down, and it will decrease to 0.73 percent in 2010 and 0.65 percent in 2015. Depending on these rates population of Aydın will increase to 968 thousand in 2010 and 1.0 million in 2015. Share of the population of Aydın in the total population of Turkey will decrease to 1.32 percent in 2010 and 1.30 percent in 2015.

TABLE.7 AYDIN AND TURKEY POPULATION GROWTH PROJECTIONS

YEARS	TURKEY POPULATION GROWTH RATE %	TURKEY POPULATION (000)	AYDIN POPULATION GROWTH RATE	AYDIN POPULATION (000)	AYDIN POPULATION SHARE %
2007	1.26	70.586	0.80	947	1.34
2008	1.24	71.461	0.77	954	1.33
2009	1.22	72.332	0.75	961	1.33
2010	1.20	73.200	0.73	968	1.32
2011	1.18	74.064	0.71	975	1.32
2012	1.16	74.923	0.69	982	1.31
2013	1.14	75.777	0.67	989	1.31
2014	1.12	76.626	0.66	996	1.30
2015	1.10	77.469	0.65	1.003	1.30

Another important indicator for real estate and housing sector, depending on population projections of Aydın is urbanization and urban household number projections. Urbanization, urban household average size and urban household number projections in Aydın are presented in Table.8.

It is estimated that urbanization rate will continue to increase limitedly in Aydın. In this manner, urbanization rate will be 57.6 percent in 2010 and 59.0 percent in 2015.

Urban household average size will continue to decrease and while it was 3.45 persons in 2007, it will be 3.39 persons in 2010 and 3.30 persons in 2015.

Depending on these indicators, while urban population was 537 thousand in 2007, it will increase to 592 thousand in 2015 and urban household number will increase from 156 thousand to 179 thousand.

TABLE.8 PROJECTIONS FOR URBAN POPULATION AND NUMBER OF HOUSEHOLDS IN AYDIN

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE %	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	947	56.7	537	3.45	156
2008	954	57.0	544	3.43	159
2009	961	57.3	551	3.41	162
2010	968	57.6	558	3.39	165
2011	975	57.9	565	3.37	168
2012	982	58.2	572	3.35	171
2013	989	58.5	579	3.33	174
2014	996	58.7	585	3.31	177
2015	1.003	59.0	592	3.30	179

I.1.2 Housing Stock in Aydın

The next projection on housing sector and markets is analysis and evaluations on housing stock. Existing housing stock is evaluated in terms of two important sides.

The first one is if there is a housing need compared to existing household number, and the second one is to identify the number of houses that has need for renovation for the physical and legal structure of the existing housing stock in the forthcoming period.

For this reason, data on housing stock in Aydın are presented and evaluated in this section.

Housing stock in Aydın is evaluated firstly in terms of quantity and legal status. Housing stock in Aydın by the year 2000 is displayed with the TSI Building Count study of the year 2000. The total number of house is 274.260 by 2000 in Aydın. House number in the urban spaces (city and town centers) is 209.603.

Legal status of the existing houses in Aydın by the year 2000 is like this: the number of housing units with construction permits in the existing houses is 201.059 and its share in the existing housing stock is 96 percent.

Number of housing with certificate of occupancy is 123.740 and its share in the existing housing sector is 59 percent. By the year 2000, it is observed that shanty settlements in Aydın are very limited and very low as a number.

TABLE.9 AYDIN HOUSING STOCK 2000

INDICATORS	AYDIN
NUMBER OF BUILDINGS	172.103
NUMBER OF HOUSING UNITS	274.260
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	209.603
HOUSING UNITS WITH CONSTRUCTION PERMITS	201.059
HOUSING UNITS WITH OCCUPANCY PERMITS	123.749
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS	8.544
CONSTRUCTION PERMITS/TOTAL HOUSING UNITS %	96.0
OCCUPANCY PERMITS/TOTAL HOUSING UNITS %	59.0

RESOURCE: Building Count 2000, TSI

Housing stock projections in Aydın by the year 2007 are presented in Table.10 below. To make housing stock projections by the year 2007, construction permits obtained between the years 2000-2006 (it is assumed that housing stock is created the year after the construction permit is obtained) and number of housing units that are unusable in 2001-2006 and the number of units without construction permits are used.

Accordingly, it is estimated that total housing stock will reach to 251.914 in city and town centers in Aydın in 2007. The 2005 year-end data of the Ministry of Finance is 245.146 housing units.

42.811 construction permits have been taken in Aydın in 2000-2006. It is estimated that 1.500 housing unit have become unusable in 2001-2007, and on the other hand, 1.000 housing unit have been built illegally in the same period. Hence, urban housing stock of Aydın is estimated to be 251.914 at the end of 2007.

TABLE.10 AYDIN 2007 HOUSING STOCK ESTIMATE (CITY AND TOWNSHIPS)

INDICATORS	AYDIN
NUMBER OF HOUSING UNITS 2000(CITY AND TOWNSHIP)	209.603
NUMBER OF CONSTRUCTION PERMITS (2000-2006)	42.811
HOUSING UNITS THAT ARE UNUSABLE (2001-2007)	1.500
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS (2001-2007)	1.000
TOTAL HOUSING STOCK 2007	251.914

Total housing stock in Aydın city and township centers is estimated to be 251.914 by 2007; total urban household number is 156 thousand. It is observed that there isn't any housing deficit in Aydın by the end of 2007 and all the housing stock is comprised of licensed housing units carrying the minimum standards.

An important matter about the housing stock in Aydın is the secondary housing units bought and owned by residents and foreigners. Some of these housings are used permanently and, others are periodically. By the end of the year of 2007, there are 5.839 real estates (mostly housing) owned by foreigners in Aydın. The number of the foreigners living permanently in Aydın is 2.576 by the end of the year of 2007.

Other significant factors for the housing need are physical condition of the housing stock and the age of the existing housing stock.

Accordingly, physical condition of the housing stock in Aydın by the year 2000 and with the TSI Building Count results is displayed in Table.11 below. By the year 2000, there are 2.095 housing that are in ruins and planning to be pulled down, and 12.576 housing unit that need drastic repairs and modifications in Aydın.

Even though we assume that some part of the total 12.7 thousand housing units that need drastic repairs and modifications and in ruins and planning to be pulled down in 2000 would have been pulled down or become unusable until 2007, approximately 11 thousand housing units will still require renewal.

TABLE.11 PHYSICAL CONDITION OF THE HOUSING STOCK IN AYDIN

INDICATORS	AYDIN
NUMBER OF HOUSING UNITS	274.260
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	209.603
THOSE THAT DON'T NEED REPAIRS	148.818
THOSE THAT NEED SIMPLE REPAIRS AND MODIFICATIONS	44.017
THOSE THAT NEED DRASTIC REPAIRS AND MODIFICATIONS	12.576
IN RUINS AND PLANNED TO BE PULLED DOWN	2.095
UNKNOWN CONDITION	2.095

RESOURCE: Building Count 2000, TSI

When the housing stock is evaluated in terms of building life, buildings that are 50 years and older that are solely and/or predominantly used for residential purposes are 23.324 in 2000. This figure is estimated to reach 38 thousand (approximately 60 thousand housing units) until 2015. The physical life of these buildings that are 50 years and older, except for the historical ones, is expiring and this will create a need for additional housing.

TABLE.12 CONSTRUCTION YEARS OF BUILDINGS IN AYDIN 2000

BUILDING COMPLETION DATE	BUILDINGS THAT ARE SOLELY USED AS RESIDENCES	BUILDINGS THAT ARE PREDOMINANTLY USED AS RESIDENCES
-1929	3.272	92
1930-1939	2.829	118
1940-1949	5.008	234
1950-1959	11.192	579
1960-1969	13.886	869
1970-1979	24.140	2.176
1980-1989	30.941	3.166
1990-2000	50.679	3.120
UNKNOWN	825	149
TOTAL	142.772	10.503

RESOURCE: Building Count 2000, TSI

1.1.3 Housing Need in Aydın

We make projections for the housing need of Aydın for every year until 2015, based on the results, findings and assumptions of the evaluations made in the previous section.

Accordingly, it is estimated that there will be need of 40 thousand housing units between the years 2008-2015.

1-It is estimated that depending on the increase of 24 thousand households in 2008-2015, there will be equal need of housing units between the years 2008-2015.

2-The housing need based on urban transformation is estimated to be 8 thousand in total. As there isn't shanty a settlement in Aydın, need is defined in terms of social housing.

3-There will be a need for 8 thousand housing units between the years 2008-2015 as a result of renewal. It is assumed that 5 housing unit per thousand housing stock will be renewed every year (the standard rate used by the State Planning Organization).

TABLE.13 PREDICTIONS FOR HOUSING NEED IN AYDIN (000)

YEARS	HOUSING NEED BASED ON THE INCREASE OF HOUSEHOLDS	URBAN REGENERATION BASED HOUSING NEED	NEWAL BASED HOUSING NEED	TOTAL HOUSING NEED
2008	3.0	1.0	1.0	5.0
2009	3.0	1.0	1.0	5.0
2010	3.0	1.0	1.0	5.0
2011	3.0	1.0	1.0	5.0
2012	3.0	1.0	1.0	5.0
2013	3.0	1.0	1.0	5.0
2014	3.0	1.0	1.0	5.0
2015	3.0	1.0	1.0	5.0
TOTAL	24.0	8.0	8.0	40.0

1.1.4 Factors that Influence the Housing Demand in Aydın

After the housing need projections made for Aydın, we will evaluate the factors that influence the housing demand. Home ownership of the households, the income pattern of the household and the demand for secondary housing are the major factors shaping general housing demand in Aydın.

Home ownership of the households is the primary factor that affects the housing demand in the upcoming period. TSI's 2000 Population Census data is used in reference to home ownership. Even though the data is not up-to-date, the figures can show important trends.

The rate of home ownership in Aydın is 72.6 percent by the year 2000, and the rate of tenants is 18.9 percent. The rate of tenants is below the average of Turkey (31.6 percent).

Nevertheless, 47.640 tenant households in Aydın in 2000 represent a housing demand potential for the following period. The Ministry of Finance 2005 data shows that there are 51.268 tenant households in Aydın. The ratio of households that are neither homeowners nor tenants in Aydın is 14.167 in 2000.

TABLE.14 HOME OWNERSHIP OF HOUSEHOLDS IN AYDIN

HOME OWNERSHIP	NUMBER OF HOUSEHOLDS	HOUSEHOLDS % SHARE
HOMEOWNER	182.358	72.6
TENANT	47.640	18.9
LODGING DWELLER	3.586	1.4
NOT HOMEOWNER/ DOES NOT PAY RENT	14.167	5.6
OTHER	3.472	1.4
UNKNOWN	107	0.1
TOTAL	251.330	100.0

RESOURCE: General Population Census 2000, TSI

Level of city's economic development and personal incomes are other important determinants of the housing demand. Aydın exceeds a little the average of Turkey in terms of economic development and per capita income indicators.

In this level new GNP data of TSI, which is declared based on the new calculation method, is used. Accordingly, GNP volume of Turkey is 659 billion dollars in 2007 and per capita income is 9.333 dollars.

The share of Aydın in the GNP is 1.40 percent. Hence, GNP of Aydın was 9.2 billion dollars in 2007 and per capita income is 9.715 dollars. Table.15 shows the predictions on the developments of the gross product of Aydın and per capita income.

Accordingly, the basic assumptions is that as Turkish economy will grow 5 percent each year until 2015 and the share of Aydın in national income of Turkey will remain the same until 2015.

Based on the assumptions mentioned above, per capita income in Aydın is estimated to rise 11.055 dollars in 2010 and 13.660 dollars in 2015. Per capita income projections in Aydın indicates that there will be a limited-sufficient income pattern for housing need will emerge.

Another factor that affects the need of housing and differentiates from the other cities (except the similar cities) is trend of the foreigners and the residents out from Aydın in the matter of owning housings in Aydın. The demand of the residents and foreigners for housing permanently or periodically is growth trend. By the end of the year of 2007, there are 5.839 real estates (mostly housing) owned by foreigners in Aydın and the number of the foreigners living permanently in Aydın is 2.576.

TABLE.15 AYDIN GROSS PRODUCT AND PER CAPITA INCOME PREDICTIONS

YEARS	GROSS PRODUCT BILLION DOLLARS	POPULATION (000)	PER CAPITA INCOME DOLLAR
2007	9.2	947	9.715
2008	9.7	954	10.170
2009	10.2	961	10.615
2010	10.7	968	11.055
2011	11.2	975	11.490
2012	11.8	982	12.015
2013	12.4	989	12.540
2014	13.0	996	13.055
2015	13.7	1.003	13.660

1.1.5 Prognoses for the Housing Sector and Markets in Aydın

After evaluating the factors that affect the housing sector in Aydın and making projections on housing demand, now we will make projections housing sector and housing markets.

1. The need for housing will remain with 42 thousand housing units until 2015 in Aydın. Depending on projections of the limited increase in the household number and the existence of the more organized and healthier settlements, housing need stays limited as well.

2. There will be an housing demand originate from the renewal and upgrading or housing change of the upper and middle-upper income groups in Aydın and it also projected that there will be (in a limited size) need for housing for these groups.

3. There is an intense housing construction in the most important towns of Aydın, Didim and Kuşadası. It is projected that the construction supplying secondary housings fro residents and foreigners will be decelerating. Due to the decelerating of the residentially zoned lands, an increase in the prices of the lands is seen; also due to the extending of the supply, the prices of the housings draw a slowing line.

4. Aydın maintains its coordinated and planned enlargement. Yedi eylül, Efeler, Kurtuluş and Cumhuriyet districts loom large for housing investments in Aydın.

5. There is no need for urban transformation projects for adjustment in slum houses because of the coordinated and planned enlargement. Nonetheless, Housing Development Administration of Turkey (TOKİ) constructs in the center of Aydın (600 housing) and towns (İncirliova 142, Söke Yenidoğan 142, Bozdoğan 192, Karacasu 128 houses) in terms of social housing.

6. 32.579 real estates in 2005, 30.389 real estates in 2006 and 28.907 real estates in 2007 have been sold in Aydın. 4.209 housing credits in 2005, 4.145 housing credits in 2006 and 4.111 housing credits in 2007 have been used in Aydın. The potential for using the housing credit and demanding for housing is acute due to the fact that Aydın's financial system is developing and enlarging.

I.2 RETAIL MARKET AND SHOPPING CENTERS

Evaluations and projections on the real estate sector of Aydın are made together with housing and commercial real estates. As commercial real estates, shopping centers, accommodation facilities and industrial and logistics areas are examined and evaluated.

Firstly, shopping centers and retail markets in the commercial real estates are examined and evaluated in Aydın. In this framework, size of the retail market and shopping centers in Aydın are presented below.

Share of the Aydın in national income in 2007 is 1.4 percent, size of gross product is 9.2 billion dollars and per capita income is 9.715 dollars

TABLE.16 AYDIN ECONOMIC SIZE

YEARS	GNP % SHARE	GROSS PRODUCT BILLION DOLLAR	PER CAPITA INCOME DOLLAR
2007	1.40	9.2	9.715

Related with retail market and shopping centers, private consumption expenditures, retail expenditures and its dispersion between food and non-food goods are presented in Table.17.

Total private consumption expenditures in Aydın were 6.75 billion dollars in 2007. The share of the retail expenditures in the private consumption expenditures is 50 percent, and its volume is 3.38 billion dollars. 2.24 billion dollars of retail expenditures was food and beverage expenditures, and 1.14 billion dollars of retail expenditures was other retail expenditures (clothing, shoes, private spending, household furniture, entertainment-vacation and electronic goods).

The private consumptions excluding from the food expenditures contain semi durable and perdurable consumer goods.

TABLE.17 AYDIN PRIVATE CONSUMPTION AND RETAIL EXPENDITURES

YEARS	GROSS PRODUCT BILLION DOLLARS	PRIVATE CONSUMPTION EXPENDITURES BILLION DOLLARS	RETAIL EXPENDITURES BILLION DOLLARS		
			FOOD BEVERAGE	OTHER	TOTAL
2007	9.2	6.75	2.24	1.14	3.38

Information on the shopping centers in Aydın is presented inTable.18 below. Accordingly, there are 3 shopping centers in Aydın in the standards of International Council for Shopping Centers (ICSC) by the end of 2007. In accordance with the ICSC standards one of them is qualified not focusing for entertainment and the other two are medium-scale shopping centers. Both of them are located in the town Kuşadası of Aydın.

Total gross leasable area (GLA) of these 3 shopping centers is 35.500 m2. GLA of per thousand persons is 37 m2.

Total retail expenditure volume in Aydın was 3.4 billion dollars in 2007. Total retail expenditures and gross leasable areas of these existing shopping centers come to be compared and potential retail expenditure per gross leasable area is calculated 95.210 dollars.

However, this growth displays only the potentiality and it is not displaying the retail expenditures for the gross leasable areas of each shopping centers. Nonetheless these rates should be evaluated as an important indicator for the enlargement potentiality and the projections of the shopping centers in Aydın.

TABLE.18 AYDIN SHOPPING CENTER INDICATORS

YEARS	NUMBER OF SHOPPING CENTERS	TOTAL SHOPPING CENTER GROSS LEASABLE AREA M2	GROSS LEASABLE AREA PER 1000 PERSONS M2	ANNUAL POTENTIAL RETAIL EXPENDITURE PER SHOPING CENTER GLA DOLLARS
2007	3	35.500	37.5	95.210

Development projections on the shopping centers in Aydın are presented below. While making projections on shopping centers, firstly, shopping centers those are in construction and/or are actively being planned are taken into account by the targeted opening years. Hence, de facto realization projections are used for the years 2008-2009.

Depending on the population, economic growth and retail expenditure projections in Aydın, development projections for the shopping centers are presented for the following years. Projections are made for the gross leasable areas of shopping centers. We use two different scenarios and reach two different leasable area size for shopping centers and two different retail expenditure volumes for these two GLA sizes. The projections for the gross leasable areas of shopping centers are presented below.

Accordingly, there is 1 shopping center that will be opened in 2008, 3 shopping centers that will be opened in 2009 that are constructed in Aydın. After the opening of these shopping centers total gross leasable area will be 65.500 m2 at the end of 2008 and 114.500 m2 at the end of 2009. GLA per thousand persons will be 119 m2 at the end of 2009.

By the year of 2010, it is projected as assumptions for m2 per thousand persons. In this sense, with these two alternative scenarios we assume 150 m2 and 200 m2 gross leasable areas per thousand persons in 2015 for Aydın. Accordingly, for the first scenario there will be 150.400 m2 GLA in 2015 in Aydın and for the second scenario there will be 200.600 m2 GLA in 2015.

TABLE.19 AYDIN SHOPPING CENTER PROJECTIONS

	POPULATION	GROSS LEASABLE AREA M2 PER 1000 PERSONS		TOTAL GROSS LEASABLE AREA M2	
YEARS	(000)	A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2007	947	37.5	37.5	35.500	35.500
2008	954	68.7	68.7	65.500	65.500
2009	961	119.1	119.1	114.500	114.500
2010	968	125.0	130.0	121.000	125.840
2011	975	130.0	140.0	126.750	136.500
2012	982	135.0	150.0	132.570	147.300
2013	989	140.0	165.0	138.460	163.185
2014	996	145.0	180.0	144.420	179.280
2015	1.003	150.0	200.0	150.450	200.600

The size of annual potential retail expenditures per gross leasable area is another important indicator used in making shopping center projections

Accordingly, with the first scenario, there are 150.450 m2 gross leasable areas in 2015 in Aydın and the potential retail expenditure volume per gross leasable area is 33.250 dollars. In the second scenario, there are 200.600 m2 gross leasable area and 24.925 dollars of potential retail expenditure per gross leasable area.

In this framework, depending on the projections reached with these two alternative scenarios, after the de facto realizations, there is 35-85 thousand m2 additional shopping center investment potential until 2015 (between the years 2010-2015) in Aydın.

TABLE.20 AYDIN SHOPPING CENTER PROJECTIONS

YEARS	RETAIL EXPENDITURES BILLION DOLLARS	TOTAL GROSS LEASABLE AREA M2		ANNUAL POTENTIAL RETAIL EXPENDITURES PER GROSS LEASABLE AREA DOLLARS	
		A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2007	3.38	35.500	35.500	95.210	95.210
2008	3.55	65.500	65.500	54.200	54.200
2009	3.70	114.500	114.500	32.315	32.315
2010	3.90	121.000	125.840	32.230	30.990
2011	4.10	126.750	136.500	32.350	30.050
2012	4.30	132.570	147.300	32.400	29.200
2013	4.55	138.460	163.185	32.860	27.880
2014	4.75	144.420	179.280	32.890	26.490
2015	5.00	150.450	200.600	33.250	24.925

I.3 TOURISM AND ACCOMODATION ESTABLISHMENTS

Tourism and accommodation establishments are the second topic evaluated within commercial real estates. In this framework, statistical data on accommodation and tourism establishments on Aydın are presented and evaluated, and then projections are presented on the development of tourism and accommodation establishments.

Aydın is the third important tourism city after Antalya and Muğla in summer tourism. Townships of Kuşadası, Didim and Söke in Aydın that are on the Aegean side of Aydın have developed tourism activities.

According to the accommodation statistics, 756 thousands persons accommodated in Aydın in 2006 in total. Foreign guests were 440 thousands persons and total number of overnight stays in 2006 was 1.72 million. Accordingly, total occupancy rate was 45.5 percent in 2006; the foreigners' share is 30.2 in the third biggest center for summer tourism.

TABLE.21 AYDIN ACCOMODATION STATISTICS

	NUMBER OF GUESTS (000)			NUMBER OF OVERNIGHT STAYS (000)			OCCUPANCY RATE %		
YEARS	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL
2002	440.224	242.210	682.434	2.032.842	578.450	2.611.292	36.51	10.39	46.90
2003	433.167	214.676	647.843	2.073.869	527.161	2.601.030	38.02	9.66	47.68
2004	467.300	195.313	662.613	2.276.637	485.469	2.762.106	39.95	8.52	48.47
2005	533.297	240.367	773.664	2.319.281	508.530	2.827.811	40.64	8.91	49.55
2006	440.232	316.516	756.748	1.718.253	868.739	2.586.992	30.24	15.29	45.53

RESOURCE: MINISTRY OF CULTURE AND TOURISM

The city of Aydın has accommodation establishments for summer tourism. There are 102 establishments with tourism operating license, 11.211 rooms and 23.372 beds capacity in 2006.

Moreover there are 21 establishments with tourism investment license, 3.261 rooms and 7.049 beds capacity in Aydın. The distribution of the accommodation establishments in Aydın by the end of the year of 2006 is presented in Table.22.

TABLE.22 AYDIN 2006 ACCOMMODATION ESTABLISHMENTS

	WITH TOURISM INVESTMENT LICENSE			WITH TOURISM OPERATING LICENSE		
ESTABLISHMENTS	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY
5 STAR HOTEL	5	1.704	3.868	5	1.676	3.478
4 STAR HOTEL	6	702	1.428	23	2.730	5.598
3 STAR OTEL	4	269	557	20	1.961	4.083
2 STAR OTEL	3	260	536	27	1.793	3.616
1 STAR OTEL				4	115	211
5 STAR HOLLIDAY VILLAGE	1	246	500	5	1.937	4.050
4 STAR HOLLIDAY VILLAGE				3	462	999
MOTEL				6	86	159
CAMPING				1	50	100
APART HOTEL	1	30	60	7	329	862
WITH PRIVATE DOCUMENTS	1	50	100	1	72	216
TOTAL	21	3.261	7.049	102	11.211	23.372

RESOURCE: MINISTRY OF CULTURE AND TOURISM

It is estimated that tourism activities in Aydın will focus on summer tourism. Thus, tourism activities will display enlargements in those three existing towns. It is also observed overcapacity in Kuşadası.

In this framework, in addition to the existing accommodation establishments, it is projected that

1. Boutique-concept-deluxe accommodation establishments offering tourism services

2. Additional accommodation establishments for yacht tourism and golf tourism.

3. Entertainment- vacation shopping centers for cruise tourism.

4. Accommodation establishments-predominantly entertainment-vacation- for city tourism

I. 4 INDUSTRIAL AND LOGISTICS AREAS

Lastly, industrial and logistics areas are evaluated within commercial real estates.

Industry in Aydın is mostly gathered in organized industry zones. Moreover, there are industrial activities around the center of city. There are 2 constructed and activated, 5 in a plan stage organized industry zones.

Industry based on agriculture has an important potentiality in Aydın. It is also awakened due to the more modern and starting to apply on a large scale lands.

It is also projected that the industry based on agriculture will enlarge; the demand for investment in the center of the city and in OIZ in Aydın in which natural gas will be used for industry.

There are also adequate price lands in Söke, Nazilli, Ortaklar and etc., although the land prices are high in the existing organized industry zones and in the center of the city.

TABLE.23 AYDIN ORGANIZED INDUSTRY ZONES

ORGANIZED INDUSTRY ZONE	AREA HECTARES/M2/ DECARES	CHARACTERISTICS
AYDIN 1. OIZ (UMURLU)	110 HECTARES, 119 INDUSTRY PARCELS	41 FIRMS IN OPERATION, 14 FIRMS IN CONSTRUCTION, 7 FIRMS IN PROJECT STAGE
AYDIN 2. OIZ (ASTIM)	1200 DECARES, 89 INDUSTRY PARCELS	83 FIRMS IN OPERATION
SÖKE OIZ	185 HECTARES, 49 PARCELS	IN INVESTMENT STAGE
ORTAKLAR OIZ	1540 DECARES, 78 PARCELS	FINALIZED BY THE END OF THE YEAR OF 2008
ÇINE OIZ		IN PLANNING STAGE
NAZILLI OIZ	50 HECTARES, 191 PARCELS	IN INVESTMENT STAGE
BUHARKENT OIZ	95 HECTARES	IN PLANNING STAGE

RESOURCE: MINISTRY OF INDUSTRY AND TRADE

Chapter II.

BALIKESİR REAL ESTATE SECTOR AND PROGNOSES

II.1 HOUSING SECTOR AND MARKETS

Housing sector and housing markets are firstly taken into consideration in the evaluations and projections on Balıkesir real estate. The main goal of the projections of housing sector and housing markets is to predict housing need in Balıkesir until 2015 and to identify the factors affecting the housing demand and housing supply. For this reason, factors that are effective in determining housing need and demand are examined and evaluated in this first part.

II.1.1 Demography and Population Forecast

Main and primary factors affecting the housing demand and supply are demography and population changes. For this reason, demographic and population data of Balıkesir are presented first.

In this part of the study, Address Based Population Registration System data of the year 2007 are used for demographic and population data. In addition to this, old data that are still up-to-date and projecting the tendencies are used.

According to the ABPRS 2007 data, population of Balıkesir is 1.11 million. Total population of Turkey is 70.6 million and share of Balıkesir is 1.58 percent. In Table.24, population of 2007 and data of general population census before 2000 are presented below for Balıkesir.

TABLE.24 POPULATION OF BALIKESİR AND TURKEY

YEARS	BALIKESİR (000)	TURKEY (000)	BALIKESİR SHARE %
1980 (1)	853	44.737	1.91
1985 (1)	911	50.664	1.80
1990 (1)	974	56.473	1.73
2000 (1)	1.076	67.804	1.59
2007	1.118	70.586	1.58

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

The main indicator that determines the total population of Balıkesir and its share in Turkey's population is population growth rate of Balıkesir. Population growth rate of Balıkesir is below the average population growth rate of Turkey.

Population growth rates of Balıkesir and Turkey are presented below in Table.25 comparatively. It is significantly observed that the population growth of Balıkesir is decelerating. Accordingly, population growth rate of Balıkesir in 2007 is 0.27 percent.

TABLE.25 POPULATION GROWTH RATES OF BALIKESİR AND TURKEY (%)

PERIODS	BALIKESİR (%)	TURKEY (%)
1980-1985 (1)	1.30	2.49
1985-1990 (1)	1.34	2.17
1990-2000 (1)	1.00	1.83
2007	0.27	1.26

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

Two main factors are determinative in the population growth rate of cities. The first one is urban population growth and the second one is net migration. Cities have both migration inflow and outflow. Net migration figure is different from the figures of inflow and outflow migration, and it indicates net migration intake, if it is positive.

Net migration figures and rates of Balıkesir are displayed in Table.26 below. In between the years 1980-2000 Balıkesir has taken limited migration inflow in this period. Although the data is for between the years 1980-2000, the limited migration inflow has been continuing after the year of 2000

TABLE.26 BALIKESİR NET MIGRATION AND NET MIGRATION RATE

PERIODS	NET MIGRATION (PERSONS)	NET MIGRATION RATE %
1975-1980	-6.020	-0.78
1980-1985	3.260	0.39
1985-1990	4.848	0.54
1995-2000	4.804	0.49

RESOURCE: Migration Indicators of Cities, TSI

Table.27 displays the sources of population growth of Balıkesir as urban population growth and migration based population growth for the periods between the years 1980-2000. Accordingly, it is observed that the main indicator for growing the population in Balıkesir is the urban population growth as a share over 90 percent.

TABLE.27 SOURCES OF BALIKESİR'S POPULATION GROWTH

PERIODS	TOTAL POPULATION GROWTH (000)	TOTAL NET MIGRATION (000)	SHARE OF MIGRATION BASED POPULATION GROWTH %	URBAN POPULATION GROWTH (000)	SHARE OF URBAN POPULATION GROWTH %
1980-1985	58	3.3	5.7	54.7	94.3
1985-1990	63	4.8	7.6	58.2	92.4
1995-2000	55	4.8	8.7	50.2	91.3

An important indicator that relates demography and population data with real estate and housing sector is urbanization rates of cities and urban population size (city and town centers). Urban population size living in city and town centers has to be taken into consideration in all indicators for real estate and housing sector.

Urbanization rate and urban population size of Balıkesir for the year 2007 with ABPRS are displayed below in Table.28. Accordingly, urbanization rate is 58.1 percent and urban population is 649 thousand in Balıkesir.

TABLE.28 URBANIZATION RATE AND URBAN POPULATION IN BALIKESİR

PERIODS	TOTAL POPULATION (000)	URBANIZATION RATE (%)	URBAN POPULATION (000)
2007	1.118	58.1	649

KAYNAK : Adrese Dayalı Nüfus Kayıt Sistemi, 2007

Urban household number depending on urban population size in Balıkesir is presented in Table.29 below. Determinant of urban household number is average size of urban household together with urban population size. Urban household average size is 3.20 persons by the year 2007 and urban household number is 201 thousand in Balıkesir.

TABLE.29 BALIKESİR URBAN HOUSEHOLD NUMBER AND SIZE

YEARS	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	649	3.20	201

RESOURCE: Address Based Population Registration System 2007

After evaluating demography and population indicators and tendencies of Balıkesir, at this level, population projections for Balıkesir until 2015 for each year are made.

Main assumptions used for population projections on Balıkesir are, slowing down population growth rate depending on decrease of urban population growth rate, limited affecting of the net migration inflow on its population growth rate and as a result the population growth rate will be approximating to stop.

Depending on these assumptions, population growth rate of Balıkesir, which was 0.27 percent in 2007, is slowing down, and it will decrease to 0.20 percent in 2010 and 0.10 percent in 2015. Depending on these rates, population of Balıkesir will increase to 1.126 thousand in 2010 and 1.133 thousand in 2015. Share of the population of Balıkesir in the total population of Turkey will decrease to 1.54 percent in 2010 and 1.46 percent in 2015.

TABLE.30 BALIKESİR AND TURKEY POPULATION GROWTH PROJECTIONS

YEARS	TURKEY POPULATION GROWTH RATE	TURKEY POPULATION (000)	BALIKESİR POPULATION GROWTH RATE %	BALIKESİR POPULATION (000)	BALIKESİR POPULATION SHARE %
2007	1.26	70.586	0.27	1.118	1.58
2008	1.24	71.461	0.25	1.121	1.57
2009	1.22	72.332	0.23	1.124	1.55
2010	1.20	73.200	0.20	1.126	1.54
2011	1.18	74.064	0.18	1.128	1.52
2012	1.16	74.923	0.16	1.130	1.51
2013	1.14	75.777	0.14	1.131	1.49
2014	1.12	76.626	0.12	1.132	1.48
2015	1.10	77.469	0.10	1.133	1.46

Another important indicator for real estate and housing sector, depending on population projections of Balıkesir is urbanization and urban household number projections. Urbanization, urban household average size and urban household number projections in Balıkesir are presented in Table.31.

It is estimated that urbanization rate will continue to increase limitedly in Balıkesir. In this manner, urbanization rate will be 59.2 percent in 2010 and 61.0 percent in 2015.

Urban household number will continue to decrease and while it was 3.20 persons in 2007, it will be 3.14 persons in 2010 and 3.05 persons in 2015.

Depending on these indicators, while urban population was 649 thousand in 2007, it will increase to 691 thousand in 2015 and urban household number will increase from 201 thousand to 227 thousand.

TABLE.31 PROJECTIONS FOR URBAN POPULATION AND NUMBER OF HOUSEHOLDS IN BALIKESİR

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE %	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	1.118	58.1	649	3.20	201
2008	1.121	58.4	655	3.18	206
2009	1.124	58.8	661	3.16	209
2010	1.126	59.2	667	3.14	212
2011	1.128	59.6	672	3.12	215
2012	1.130	60.0	678	3.10	219
2013	1.131	60.4	683	3.08	222
2014	1.132	60.7	687	3.06	225
2015	1.133	61.0	691	3.05	227

II.1.2 Housing Stock in Balıkesir

The next projection on housing sector and markets is analysis and evaluations on housing stock. Existing housing stock is evaluated in terms of two important sides. The first one is if there is a housing need compared to existing household number, and the second one is to identify the number of houses that has need for renovation for the physical and legal structure of the existing housing stock in the forthcoming period.

For this reason, data on housing stock in Balıkesir are presented and evaluated in this section.

Housing stock in Balıkesir is evaluated firstly in terms of quantity and legal status. Housing stock in Balıkesir by the year 2000 is displayed with the TSI Building Count study of the year 2000.

The total number of house is 340.750 by 2000 in Balıkesir. House number in the urban spaces (city and town centers) is 249.715.

Legal status of the existing houses in Balıkesir by the year 2000 is like this: the number of housing units with construction permits in the existing houses is 214.342 and its share in the existing housing stock is 86 percent.

Number of housing with certificate of occupancy is 148.747 and its share in the existing housing sector is 60 percent. By the year 2000, it is observed that shanty settlements in Balıkesir are very limited and very low as a number.

TABLE.32 BALIKESİR HOUSING STOCK 2000

INDICATORS	BALIKESİR
NUMBER OF BUILDINGS	176.067
NUMBER OF HOUSING UNITS	340.750
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	249.715
HOUSING UNITS WITH CONSTRUCTION PERMITS	214.342
HOUSING UNITS WITH OCCUPANCY PERMITS	148.747
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS	35.373
CONSTRUCTION PERMITS/TOTAL HOUSING UNITS %	86.0
OCCUPANCY PERMITS/TOTAL HOUSING UNITS %	60.0

RESOURCE: Building Count 2000, TSI

Housing stock projections in Balıkesir by the year 2007 are presented in Table.33 below. To make housing stock projections by the year 2007, construction permits obtained between the years 2000-2006 (it is assumed that housing stock is created the year after the construction permit is obtained) and number of housing units that are unusable in 2001-2007 and the number of units without construction permits are used.

Accordingly, it is estimated that total housing stock will reach to 288.015 in city and town centers in Balıkesir in 2007. (The 2005 year-end data of the Ministry of Finance is 274.424 housing units.) 37.300 construction permits have been taken in Balıkesir in 2000-2006. It is estimated that 2.000 housing unit have become unusable in 2001-2007, and on the other hand, 3.000 housing unit have been built illegally in the same period. Hence, urban housing stock of Balıkesir is estimated to be 288.015 at the end of 2007.

TABLE.33 BALIKESİR 2007 HOUSING STOCK ESTIMATE (CITY AND TOWNSHIPS)

INDICATORS	BALIKESİR
NUMBER OF HOUSING UNITS 2000(CITY AND TOWNSHIP)	249.715
NUMBER OF CONSTRUCTION PERMITS (2000-2006)	37.300
HOUSING UNITS THAT ARE UNUSABLE (2001-2007)	2.000
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS (2001-2007)	3.000
TOTAL HOUSING STOCK 2007	288.015

Total housing stock in Balıkesir city and township centers is estimated to be 288.015 by 2007; total urban household number is 201 thousand.

It is observed that there isn't any housing deficit in Balıkesir by the end of 2007 and all the housing stock is comprised of licensed housing units carrying the minimum standards.

An important matter about the housing stock in Balıkesir is the secondary housing units of which constructed close to the seaside. It is seen that mostly residents from in and out of Balıkesir own secondary housing for periodically or permanently.

Other significant factors for the housing need are physical condition of the housing stock and the age of the existing housing stock.

Accordingly, physical condition of the housing stock in Balıkesir by the year 2000 and with the TSI Building Count results is displayed in Table.34 below. By the year 2000, there are 2.500 housing that are in ruins and planning to be pulled down, and 14.983 housing unit that need drastic repairs and modifications in Balıkesir.

Even though we assume that some part of the total 17.5 thousand housing units that need drastic repairs and modifications and in ruins and planning to be pulled down in 2000 would have been pulled down or become unusable until 2007, approximately 15 thousand housing units will still require renewal.

TABLE.34 PHYSICAL CONDITION OF THE HOUSING STOCK IN BALIKESİR

INDICATORS	BALIKESİR
NUMBER OF HOUSING UNITS	340.750
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	249.715
THOSE THAT DON'T NEED REPAIRS	177.298
THOSE THAT NEED SIMPLE REPAIRS AND MODIFICATIONS	52.440
THOSE THAT NEED DRASTIC REPAIRS AND MODIFICATIONS	14.983
IN RUINS AND PLANNED TO BE PULLED DOWN	2.500
UNKNOWN CONDITION	2.500

RESOURCE: Building Count 2000, TSI

When the housing stock is evaluated in terms of building life, buildings that are 50 years and older that are solely and/or predominantly used for residential purposes are 25.112 in 2000. This figure is estimated to reach 39 thousand (approximately 60 thousand housing units) until 2015. The physical life of these buildings that are 50 years and older, except for the historical ones, is expiring and this will create a need for additional housing.

TABLE.35 CONSTRUCTION YEARS OF BUILDINGS IN BALIKESİR 2000

BUILDING COMPLETION DATE	BUILDINGS THAT ARE SOLELY USED AS RESIDENCES	BUILDINGS THAT ARE PREDOMINANTLY USED AS RESIDENCES
-1929	6.702	414
1930-1939	1.982	213
1940-1949	4.616	385
1950-1959	9.942	858
1960-1969	12.759	1.276
1970-1979	23.007	2.468
1980-1989	32.564	3.762
1990-2000	46.222	4.129
UNKNOWN	555	110
TOTAL	138.349	13.615

RESOURCE: Building Count 2000, TSI

II.1.3 Housing Need in Balıkesir

We make projections for the housing need of Balıkesir for every year until 2015, based on the results, findings and assumptions of the evaluations made in the previous section.

Accordingly, it is estimated that there will be need of 46 thousand housing units between the years 2008-2015 in Balıkesir.

1. It is estimated that depending on the increase of 26 thousand households in 2008-2015, there will be equal need of housing units between the years of 2008-2015.

2. The housing need based on urban transformation is estimated to be 8 thousand in total. As there isn't shanty a settlement in Balıkesir, need is defined in terms of social housing.

3. There will be a need for 12 thousand housing units between the years 2008-2015 as a result of renewal. It is assumed that 5 housing unit per thousand housing stock will be renewed every year (the standard rate used by the State Planning Organization).

TABLE.36 PREDICTIONS FOR HOUSING NEED IN BALIKESİR (000)

YEARS	HOUSING NEED BASED ON THE INCREASE OF HOUSEHOLDS	URBAN REGENERATION BASED HOUSING NEED	RENEWAL BASED HOUSING NEED	TOTAL
2008	5.0	1.0	1.5	7.5
2009	3.0	1.0	1.5	5.5
2010	3.0	1.0	1.5	5.5
2011	3.0	1.0	1.5	5.5
2012	3.0	1.0	1.5	5.5
2013	3.0	1.0	1.5	5.5
2014	3.0	1.0	1.5	5.5
2015	3.0	1.0	1.5	5.5
TOTAL	26.0	8.0	12.0	46.0

II.1.4 Factors that Influence the Housing Demand in Balıkesir

After the housing need projections made for Balıkesir, we will evaluate the factors that influence the housing demand. Home ownership of the households, the income pattern of the household and the demand for secondary housing are the major factors shaping general housing demand in Balıkesir.

Home ownership of the households is the primary factor that affects the housing demand in the upcoming period. TSI's 2000 Population Census data is used in reference to home ownership. Even though the data is not up-to-date, the figures can show important trends. The rate of home ownership in Balıkesir is 72.6 percent by the year 2000, and the rate of tenants is 19.6 percent. The rate of tenants is below the average of Turkey (31.6 percent).

Nevertheless, 61.583 tenants of Balıkesir in 2000 represent a housing demand potential for the following period. The Ministry of Finance 2005 data shows that there are 65.862 tenant households in Balıkesir. The ratio of households that are neither homeowners nor tenants in Balıkesir is 16.556 in 2000.

TABLE.37 HOME OWNERSHIP OF HOUSEHOLDS IN BALIKESİR

HOME OWNERSHIP	NUMBER OF HOUSEHOLDS	HOUSEHOLDS % SHARE
HOMEOWNER	228.077	72.6
TENANT	61.583	19.6
LODGING DWELLER	5.964	1.9
NOT HOMEOWNER/ DOES NOT PAY RENT	16.556	5.3
OTHER	1.790	0.6
UNKNOWN	52	0.1
TOTAL	314.022	100.0

RESOURCE: General Population Census 2000, TSI

Level of city's economic development and personal incomes are other important determinants of the housing demand. Balıkesir remains little below the average of Turkey in terms of economic development and per capita income indicators.

In this level new GNP data of TSI, which is declared based on the new calculation method, is used. Accordingly, GNP volume of Turkey is 659 billion dollars in 2007 and per capita income is 9.333 dollars.

The share of Balıkesir in the GNP is 1.50 percent. Hence, GNP of Balıkesir was 9.9 billion dollars in 2007 and per capita income is 8.855 dollars. Table.38 shows the predictions on the developments of the gross product of Balıkesir and per capita income.

Accordingly, the basic assumptions is that as Turkish economy will grow 5 percent each year until 2015 and the share of Balıkesir in national income of Turkey will remain the same until 2015.

Based on the assumptions mentioned above, per capita income in Balıkesir is estimated to rise 10.215 dollars in 2010 and 12.975 dollars in 2015. Per capita income projections in Balıkesir indicates that there will be a limited-sufficient income pattern for housing need will emerge.

Another factor that affects the need of housing is trend of the residents out from Balıkesir in the matter of owning housings in Balıkesir. There is also periodical or permanent housing demand especially from Istanbul, Ankara and Bursa. Moreover, this demand majors on the towns like Ayvalık, Edremit, Ören, Burhaniye, Erdek, Adalar and etc.

TABLE.38 BALIKESİR GROSS PRODUCT AND PER CAPITA INCOME PREDICTIONS

YEARS	GROSS PRODUCT BILLION DOLLARS	POPULATION (000)	PER CAPITA INCOME DOLLAR
2007	9.9	1.118	8.855
2008	10.4	1.121	9.280
2009	10.9	1.124	9.700
2010	11.5	1.126	10.215
2011	12.1	1.128	10.725
2012	12.7	1.130	11.240
2013	13.3	1.131	11.760
2014	14.0	1.132	12.370
2015	14.7	1.133	12.975

II.1.5 Prognoses for the Housing Sector and Markets in Balıkesir

After evaluating the factors that affect the housing sector in Balıkesir and making projections on housing demand, now we will make projections housing sector and housing markets.

1. The need for housing will remain with 46 thousand housing units until 2015 in Balıkesir. Depending on projections of the limited increase in the household number and the existence of the more organized and healthier settlements, housing need stays limited as well.

2. There will be an housing demand originate from the renewal and upgrading or housing change of the upper and middle-upper income groups in Balıkesir and it also projected that there will be (in a limited size) need for housing for these groups.

3. The development and enlargement areas for new housing units will collect around the highways, of which the constructions are continuing, towards the Bursa and Izmir directions in Balıkesir. Especially the Paşaalanı region, which settled the leaving way towards Bursa, displays sharply evolvement.

4. It is projected that the secondary housing intended for Balıkesir will continue to major on notably the towns like Ayvalık, Edremit, Erdek. The secondary housing demand in these towns compose middle class and retired households and will be demanded for more standard and middle class housing units.

5. An important urban transformation started to be applied in the center of the city in cooperation with Municipality, Housing Development Administration of Turkey (TOKİ), and State Railways Turkish Republic (TCDD). The intensity in the center of the town and around the railway terminal will be spotted to the scopes. 350 thousand square meters that will be displaced by the decentralization based urban transformation in order for recreation lands that will be set up by social equipments and acquired new urban functions.

6. It is not needed urban transformation projects for adjustment in slum houses because of the coordinated and planned enlargement. Nonetheless, Akıncılar and Karatepe locals were declared as urban transformation areas, there are 728 housing in

Ayşebacı, 766 in the center of the city (278 low-income groups), 480 social housing units as constructions of Housing Development Administration of Turkey (TOKİ). Moreover, Housing Development Administration of Turkey (TOKİ) continues to its project in Manyas as 516, in Bandırma as 1260, in Edremit as 412, in Gönen as 170, in Burhaniye as 164, in Kepsut 176, in Dursunbey 48 housing project.

7- 31.944 real estates in 2005, 34.940 real estates in 2006 and 28.811 real estates in 2007 have been sold in Balıkesir. 5.485 housing credits in 2005, 5.065 housing credits in 2006 and 5.136 housing credits in 2007 have been used in Balıkesir. The potentiality for using the housing credit and demanding for housing is acute due to the fact that Balıkesir's financial system is developing and enlarging.

II.2 RETAIL MARKET AND SHOPPING CENTERS

Evaluations and projections on the real estate sector of Balıkesir are made together with housing and commercial real estates. As commercial real estates, shopping centers, accommodation facilities and industrial and logistics areas are examined and evaluated.

Firstly, shopping centers and retail markets in the commercial real estates are examined and evaluated in Balıkesir. In this framework, size of the retail market and shopping centers in Balıkesir are presented below. Share of the Balıkesir in national income in 2007 is 1.5 percent, size of gross product is 9.9 billion dollars and per capita income is 8.855 dollars

TABLE.39 BALIKESİR ECONOMIC SIZE

YEAR	GNP % SHARE	GROSS PRODUCT BILLION DOLLAR	PER CAPITA INCOME DOLLAR
2007	1.50	9.9	8.855

Related with retail market and shopping centers, private consumption expenditures, retail expenditures and its dispersion between food and non-food goods is presented in Table.40. Total private consumption expenditures in Balıkesir were 7.26 billion dollars in 2007. The share of the retail expenditures in the private consumption expenditures is 50 percent, and its volume is 3.68 billion dollars. 2.55 billion dollars of retail expenditures was food and beverage expenditures, and 1.13 billion dollars of retail expenditures was other retail expenditures.

TABLE.40 BALIKESİR PRIVATE CONSUMPTION AND RETAIL EXPENDITURES

YEAR	GROSS PRODUCT BILLION DOLLARS	PRIVATE CONSUMPTION EXPENDITURES BILLION DOLLARS	RETAIL EXPENDITURES BILLION DOLLARS		
			FOOD BEVERAGE	OTHER	TOTAL
2007	9.9	7.26	2.55	1.13	3.68

Information on the shopping centers in Balıkesir is presented inTable.41 below. Accordingly, there are 2 shopping centers in Balıkesir in the standards of International Council for Shopping Centers (ICSC) by the end of 2007.

In accordance with the ICSC standards both of them are small-scale shopping centers. Total gross leasable area (GLA) of both of these shopping centers is 18.585 m2. GLA of per thousand persons is 16.6 m2.

Total retail expenditure volume in Balıkesir was 3.68 billion dollars in 2007. Accordingly, potential retail expenditure per gross leasable area was 198.000 dollars.

TABLO.41 BALIKESİR SHOPPING CENTER INDICATORS

YEAR	NUMBER OF SHOPPING CENTERS	TOTAL SHOPPING CENTER GROSS LEASABLE AREA M2	GROSS LEASABLE AREA PER 1000 PERSONS M2	ANNUAL POTENTIAL RETAIL EXPENDITURE PER SHOPING CENTER GLA DOLLARS
2007	2	18.585	16.6	198.000

Development projections on the shopping centers in Balıkesir are presented below. While making projections on shopping centers, firstly, shopping centers those are in construction and/or are actively being planned are taken into account by the targeted opening years. Hence, de facto realization projections are used for the years 2008-2009.

Depending on the population, economic growth and retail expenditure projections in Balıkesir, development projections for the shopping centers are presented for the following years.

In this manner, there is no shopping center as in plan or construction stage according to the ICSC standard. For this reason, gross leasable area for shopping centers will stay as 18.585 m2 in Balıkesir by the end of the year of 2007.

In this first scenario, it is projected 75 m2 for gross leasable areas per thousand persons in 2015, in the second scenario 100 m2 for Balıkesir. Accordingly, for the first scenario there will be 84.975 m2 GLA in 2015 in Balıkesir and for the second scenario there will be 113.300 m2 GLA in 2015

TABLE. 42 BALIKESİR SHOPPING CENTER PROJECTIONS

YEARS	POPULATION (000)	GROSS LEASABLE AREA M2 PER 1000 PERSONS A SCENARIO	GROSS LEASABLE AREA M2 PER 1000 PERSONS B SCENARIO	TOTAL GROSS LEASABLE AREA M2 A SCENARIO	TOTAL GROSS LEASABLE AREA M2 B SCENARIO
2007	1.118	16.6	16.6	18.585	18.585
2008	1.121	16.5	16.5	18.585	18.585
2009	1.124	16.4	16.4	18.585	18.585
2010	1.126	20.0	25.0	22.520	28.150
2011	1.128	30.0	40.0	33.840	45.120
2012	1.130	40.0	55.0	45.200	62.150
2013	1.131	50.0	70.0	56.550	79.170
2014	1.132	60.0	85.0	67.920	96.220
2015	1.133	75.0	100.0	84.975	113.300

The size of annual potential retail expenditures per gross leasable area is another important indicator used in making shopping center projections

Accordingly, with the first scenario, there are 84.975 m2 gross leasable areas in 2015 in Balıkesir and the potential retail expenditure volume per gross leasable area is 62.960 dollars. In the second scenario, there are 113.300 m2 gross leasable area and 47.220 dollars of potential retail expenditure per gross leasable area.

In this framework, depending on the projections reached with these two alternative scenarios, after the de facto realizations, there is 65-95 thousand m2 additional shopping center investment potential until 2015.

TABLE.43 BALIKESİR SHOPPING CENTER PROJECTIONS

YEARS	RETAIL EXPENDITURES BILLION DOLLARS	TOTAL GROSS LEASABLE AREA M2 A SCENARIO	TOTAL GROSS LEASABLE AREA M2 B SCENARIO	ANNUAL POTENTIAL RETAIL EXPENDITURES PER GROSS LEASABLE AREA DOLLARS A SCENARIO	ANNUAL POTENTIAL RETAIL EXPENDITURES PER GROSS LEASABLE AREA DOLLARS B SCENARIO
2007	3.7	18.585	18.585	198.000	198.000
2008	3.8	18.585	18.585	204.500	204.500
2009	4.0	18.585	18.585	215.200	215.200
2010	4.2	22.520	28.150	186.500	186.500
2011	4.4	33.840	45.120	130.000	97.500
2012	4.65	45.200	62.150	102.875	74.800
2013	4.85	56.550	79.170	85.750	61.250
2014	5.1	67.920	96.220	75.750	53.000
2015	5.35	84.975	113.300	62.960	47.220

II.3 TOURISM AND ACCOMODATION ESTABLISHMENTS

Tourism and accommodation establishments are the second topic evaluated within commercial real estates. In this framework, statistical data on accommodation and tourism establishments on Balıkesir are presented and evaluated, and then projections are presented on the development of tourism and accommodation establishments. Balıkesir is in the situation as the most developed city in summer tourism. The towns of Balıkesir, Edremit, Akçay, Burhaniye, Ören, Ayvalık, Erdek and Adalar, have an important capacity and advanced tourism activities. Mostly, domestic tourists and middle class income groups choose Balıkesir. According to the accommodation statistics in Balıkesir, 354 thousands persons accommodated in 2006 in total. Foreign guests were 52.3 thousands persons and total number of overnight stays in 2006 was 138.6 thousand. Domestic guests' 301.7 and total number of overnight stays was 656.7 thousand. In 2006, total occupancy rate was 33.79 percent in Balıkesir.

TABLE.44 BALIKESİR ACCOMODATION STATISTICS

	NUMBER OF GUESTS (000)			NUMBER OF OVERNIGHT STAYS (000)			OCCUPANCY RATE %		
YEARS	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL
2002	56.900	246.386	303.286	164.630	594.727	759.357	7.12	25.74	32.86
2003	34.979	227.708	262.687	85.068	532.159	617.227	4.09	25.58	29.67
2004	57.126	247.331	304.457	176.262	547.158	723.420	7.73	23.98	31.71
2005	91.853	308.499	400.352	212.445	662.327	874.772	8.44	26.32	34.76
2006	52.301	301.732	354.033	138.634	656.729	795.363	5.89	27.90	33.79

RESOURCE: MINISTRY OF CULTURE AND TOURISM

The city of Balıkesir has accommodation establishments for summer tourism. There are 74 establishments with tourism operating license, 4.487 rooms and 9.493 beds capacity in 2006. Moreover there are 11 establishments with tourism investment license, 769 rooms and 1.628 beds capacity in Balıkesir. The distribution of the accommodation establishments on Balıkesir by the end of the year of 2006 is presented in Table.45.

TABLO.45 BALIKESİR 2006 ACCOMMODATION ESTABLISHMENTS

	WITH TOURISM INVESTMENT LICENSE			WITH TOURISM OPERATING LICENSE		
ESTABLISHMENTS	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY
5 STAR HOTEL	2	244	500	1	275	574
4 STAR HOTEL				5	631	1.318
3 STAR OTEL	4	330	723	16	1.043	2.111
2 STAR OTEL	4	138	283	31	1.689	3.430
1 STAR OTEL				13	323	631
2.CLASS MOTEL				1	17	35
4 STAR HOLLIDAY VILLAGE				3	338	819
MOTEL	1	57	122	2	43	79
CAMPING				1	120	480
WITH PRIVATE DOCUMENTS				1	8	16
TOTAL	11	769	1.628	74	4.487	9.493

SOURCE: MINISTRY OF CULTURE AND TOURISM

It is projected that the tourism activities in Balıkesir will develop in two axes.

1. Focusing on summer tourism in short and middle term for domestic tourists as development and limited enlargement.

2. Developing of the alternative tourism activities in middle-long terms; health tourism based on geothermal resources; cultural and religious tourism in Adalar; vacation-health-sport tourism activities in Kaz Mountains, Kapıdağ Peninsula and Alaçam Region.

In this framework, in addition to the existing accommodation establishments, it is projected in Balıkesir that

1. Boutique-concept-deluxe accommodation establishments offering alternative tourism services

2. Qualified hotels (2-3-4 star) intended for summer tourism

3. Accommodation establishments predominantly for Health-sport- Vacation

II.4 INDUSTRIAL AND LOGISTICS AREAS

Lastly, industrial and logistics areas are evaluated within commercial real estates.

Industry developing based on agriculture and animal husbandry predominantly extent all over the city in Balıkesir. The industry majoring on Körfez, Gönen, Bandırma and Merkez is collected in organized industry zones.

There are 4 organized industry zones in Balıkesir. 3 of them are active; substructure operation for Gönen Leather Specialization OIZ is nearly in a finalization stage.

Balıkesir is seen the most close and important enlargement area for the industry origin in Istanbul-Ankara-Izmıt, because of the gradually declining of the industry zones in the middle term in the Marmara metropolitan area. For this reason, it is projected that the demand for industry zones will rapidly enlarge.

The demand for industrial and commercially zoned lands in the organized industry zones and in Paşaalanı regions that is on Bursa way, are still being enlarged in Balıkesir.

Balıkesir becomes an important city in the name of logistics. It is transformed into a logistic transit center as the haulage trade between the Europe and Asia is shifted out of Istanbul metropolitan area. A multiple connection way (sea-railway-highway) between Balıkesir-Bandırma and Tekirdağ is being established.

Ministry of Transport is establishing a logistic village in Balıkesir Gökköy that comes to an important center for transit transportation. Logistic village, which is near approximately five km to the existing OIZ, will have a direct railway connection between the Bandırma and Izmir ports. The total capacity of the logistic village will be 1 million ton. In addition to this, it is projected to build logistic establishments over the 200 decares lands. It is also estimated that logistic village and logistical investments around it rapidly enlarge.

TABLE.46 BALIKESİR ORGANIZED INDUSTRY ZONES

ORGANIZED INDUSTRY ZONE	AREA HECTARES/M2/ DECARES	CHARACTERISTICS
BALIKESIR OIZ	450 HECTARES 300 HECTARES INDUSTRY ZONES 189 PARCEL	48 FIRMS IN OPERATION 21 FIRMS CONSTRUCTIONS 33 FIRMS PROJECTS
BANDIRMA OIZ	150 HECTARES 74 PARCEL	10 FIRMS IN OPERATION, 4 FIRMS CONSTRUCTIONS, 37 FIRMS PROJECTS
BALIKESIR HADDECILER OIZ	135 HECTARES 79 PARCEL	2 FIRMS IN OPERATION 10 FIRMS CONSTRUCTIONS
GÖNEN DERI IHTISAS OIZ	200 HECTARES 54 PARCEL	STILL CONTINUING THE SUBSTRUCTURE OPERATIONS

RESOURCE: MINISTRY OF INDUSTRY AND TRADE

Chapter III.

DENİZLİ REAL ESTATE SECTOR AND PROGNOSES

III.1 HOUSING SECTOR AND MARKETS

Housing sector and housing markets are firstly taken into consideration in the evaluations and projections on Denizli real estate. The main goal of the projections of housing sector and housing markets is to predict housing need in Denizli until 2015 and to identify the factors affecting the housing demand and housing supply. For this reason, factors that are effective in determining housing need and demand-supply are examined and evaluated in this first part.

III.1.1 Demography and Population Forecast

Main and primary factors affecting the housing demand and supply are demography and population changes. For this reason, demographic and population data of Denizli are presented first.

In this framework, figures of population, migration, urbanization, urban household population and urban household number on Denizli are given and projections are made on population, urbanization, urban household population and urban household number.

In this part of the study, Address Based Population Registration System data of the year 2007 are used for demographic and population data. In addition to this, old data that are still up-to-date and projecting the tendencies are used.

According to the ABPRS 2007 data, population of Denizli is 907 thousand. Total population of Turkey is 70.6 million and share of Denizli is 1.28 percent. In Table.47, population of 2007 and data of general population census before 2000 are presented below for Denizli.

TABLE.47 POPULATION OF DENİZLİ AND TURKEY

YEARS	DENİZLİ (000)	TURKEY (000)	DENİZLİ SHARE %
1980 (1)	603	44.737	1.35
1985 (1)	667	50.664	1.32
1990 (1)	751	56.473	1.33
2000 (1)	850	67.804	1.25
2007	907	70.586	1.28

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

The main indicator that determines the total population of Denizli and its share in Turkey's population is population growth rate of Denizli. Population growth rate of Denizli is below the average population growth rate of Turkey. Population growth rates of Denizli and Turkey are presented below in Table.48 comparatively. Accordingly, population growth rate of Denizli in 2007 is 0.57 percent. Population growth rate of Turkey is 1.26 percent in 2007.

TABLE.48 POPULATION GROWTH RATES OF DENİZLİ AND TURKEY (%)

PERIODS	DENİZLİ (%)	TURKEY (%)
1980-1985 (1)	2.02	2.49
1985-1990 (1)	2.36	2.17
1990-2000 (1)	1.24	1.83
2007	0.57	1.26

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

Two main factors are determinative in the population growth rate of cities. The first one is urban population growth and the second one is net migration. Denizli has a net migration inflow. Cities have both migration inflow and outflow. Net migration figure is different from the figures of inflow and outflow migration, and it indicates net migration intake, if it is positive. Net migration figures and rates of Denizli are displayed in Table.49 below. Data is for between the years 1975-2000, and projects the tendencies of these years. We are not able to make numerical projections for the period after the year 2000 because of the new population data. It is observed that the migration inflow trend for Denizli has been continuing after the year of 2000.

TABLE.49 DENİZLİ NET MIGRATION AND NET MIGRATION RATE

PERIODS	NET MIGRATION (PERSONS)	NET MIGRATION RATE %
1975-1980	-3.040	-0.57
1980-1985	2.095	0.35
1985-1990	10.570	1.54
1995-2000	15.205	1.99

RESOURCE: Migration Indicators of Cities, TSI

Table.50 displays the sources of population growth of Denizli as urban population growth and migration based population growth for the periods between the years 1980-2000. Accordingly, it is observed that the urban population rate is decelerating, the quantity of it is decreasing, and the share of it in the total population is decelerating. Whereas, the quantity of the net migration is growing and it is taking an increasing share in the population growth.

TABLE.50 SOURCES OF DENİZLİ'S POPULATION GROWTH

PERIODS	TOTAL POPULATION GROWTH (000)	TOTAL NET MIGRATION (000)	ANNUAL AVERAGE GROWTH DUE TO MIGRATION %	URBAN POPULATION GROWTH (000)	ANNUAL AVERAGE GROWTH DUE TO URBAN POPULATION %
1980-1985	64	2.1	3.3	61.9	96.7
1985-1990	84	10.6	12.6	73.4	87.4
1995-2000	51	15.2	29.8	35.8	70.2

An important indicator that relates demography and population data with real estate and housing sector is urbanization rates of cities and urban population size (city and town centers).

Urbanization rate and urban population size of Denizli for the year 2007 with ABPRS are displayed below in Table.51. Accordingly, urbanization rate is 50.8 percent and urban population is 461 thousand in Denizli.

TABLE.51 URBANIZATION RATE AND URBAN POPULATION IN DENİZLİ

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE (%)	URBAN POPULATION (000)
2007	907	50.8	461

RESOURCE: Address Based Population Registration System 2007

Urban household number depending on urban population size in Denizli is presented in Table 52 below. Determinant of urban household number is average size of urban household size together with urban population size. Urban household average size is 3.50 persons by the year 2007 and urban household number is 130 thousand in Denizli.

TABLE.52 DENİZLİ URBAN HOUSEHOLD NUMBER AND SIZE

YEARS	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	461	3.50	130

RESOURCE: Address Based Population Registration System 2007

After evaluating demography and population indicators and tendencies of Denizli, at this level, population projections for Denizli until 2015 for each year are made.

Main assumptions used for population projections on Denizli are that the urban population growth rate will slow down; the net migration inflow will continue but it will decelerate as a share and thus the city population will continue to decrease. It is also projected that significantly population growth rate will stay under the average Turkey's population growth rate.

Depending on these assumptions, population growth rate of Denizli, which was 0.57 percent in 2007, is slowing down, and it will decrease to 0.50 percent in 2010 and 0.40 percent in 2015. Depending on these rates population of Denizli will increase to 922 thousand in 2010 and 942 thousand in 2015. Share of the population of Denizli in the total population of Turkey will decrease to 1.26 percent in 2010 and 1.22 percent in 2015.

TABLE.53 DENİZLİ AND TURKEY POPULATION GROWTH PROJECTIONS

YEARS	TURKEY POPULATION GROWTH RATE %	TURKEY POPULATION (000)	DENİZLİ POPULATION GROWTH RATE %	DENİZLİ POPULATION (000)	DENİZLİ POPULATION %
2007	1.26	70.586	0.57	907	1.28
2008	1.24	71.461	0.55	912	1.28
2009	1.22	72.332	0.53	917	1.27
2010	1.20	73.200	0.50	922	1.26
2011	1.18	74.064	0.48	926	1.25
2012	1.16	74.923	0.46	930	1.24
2013	1.14	75.777	0.44	934	1.23
2014	1.12	76.626	0.42	938	1.22
2015	1.10	77.469	0.40	942	1.22

The urban household number and related projections that is another important indicator for real estate and housing sector depending on population projections of Denizli is presented in Table.54.

It is estimated that urbanization rate will continue to increase in Denizli. Accordingly, urbanization rate will be 51.6 percent in 2010 and 53.0 percent in 2015 in Denizli.

Urban household size will continue to diminish. While the urban household average size was 3.50 persons in 2007, it is predicted that it will be 3.44 persons in 2010 and 3.35 persons in 2015. Based on these assumptions, while the total urban population was 461 thousand in 2007, it will reach to 499 thousand in 2015 and urban household number will increase from 130 thousand to 149 thousand in Denizli.

TABLE.54 PROJECTIONS FOR URBAN POPULATION AND NUMBER OF HOUSEHOLDS IN DENİZLİ

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE %	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	907	50.8	461	3.50	130
2008	912	51.0	465	3.48	134
2009	917	51.3	470	3.46	136
2010	922	51.6	476	3.44	138
2011	926	51.9	481	3.42	141
2012	930	52.2	485	3.40	143
2013	934	52.5	490	3.38	145
2014	938	52.7	494	3.36	147
2015	942	53.0	499	3.35	149

III.1.2 Housing Stock in Denizli

The next projection on housing sector and markets is analysis and evaluations on housing stock. Existing housing stock is evaluated in terms of two important sides. The first one is if there is a housing need compared to existing household number, and the second one is to identify the number of houses that has need for renovation for the physical and legal structure of the existing housing stock in the forthcoming period.

Housing stock in Denizli is evaluated firstly in terms of quantity and legal status. Housing stock in Denizli by the year 2000 is displayed with the TSI Building Count study of the year 2000. The total number of house is 234.168 by 2000 in Denizli. House number in the urban spaces (city and town centers) is 152.002.

Legal status of the existing houses in Denizli by the year 2000 is like this: the number of housing units with construction permits in the existing houses is 108.357 and its share in the existing housing stock is 71 percent. Number of housing with certificate of occupancy is 63.156 and its share in the existing housing sector is 42 percent. By the year 2000, it is observed that 29 percent of the existing housing units are composing of the housing units (43.6 thousand) without construction permits and below the minimum standards in Denizli.

TABLE.55 DENİZLİ HOUSING STOCK 2000

INDICATORS	DENİZLİ
NUMBER OF BUILDINGS	143.737
NUMBER OF HOUSING UNITS	234.168
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	152.002
HOUSING UNITS WITH CONSTRUCTION PERMITS	108.357
HOUSING UNITS WITH OCCUPANCY PERMITS	63.156
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS	43.645
CONSTRUCTION PERMITS/TOTAL HOUSING UNITS %	71.0
OCCUPANCY PERMITS/TOTAL HOUSING UNITS %	42.0

RESOURCE: Building Count 2000, TSI

Housing stock projections in Denizli by the year 2007 are presented in Table.56 below. To make housing stock projections by the year 2007, construction permits obtained between the years 2000-2006 (it is assumed that housing stock is created the year after the construction permit is obtained) and number of housing units that are unusable in 2001-2007 and the number of units without construction permits are used.

Accordingly, it is estimated that total housing stock will reach to 188.168 in city and town centers in Denizli in 2007. The 2005 year-end data of the Ministry of Finance is 167.670 housing units. 36.166 construction permits have been taken in Denizli in 2001-2007. It is estimated that 3.500 housing unit have become unusable in 2001-2007, and on the other hand, 5.000 housing unit have been built illegally in the same period. Hence, urban housing stock of Denizli is estimated to be 189.668 at the end of 2007.

TABLE.56 DENİZLİ 2007 HOUSING STOCK ESTIMATE (CITY AND TOWNSHIPS)

INDICATORS	DENİZLİ
NUMBER OF HOUSING UNITS 2000 (CITY AND TOWNSHIP)	152.002
NUMBER OF CONSTRUCTION PERMITS (2000-2006)	36.166
HOUSING UNITS THAT ARE UNUSABLE (2001-2007	3.500
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS (2001-2007)	5.000
TOTAL HOUSING STOCK 2007	189.668

Total housing stock in Denizli city and township centers is estimated to be 189.668 by 2007. Total urban household number is 130 thousand. It is observed that there isn't any housing deficit in Denizli by the end of 2007. Thus, it has been observed that 25 percent of the existing housing units are without construction permits and below the minimum standards.

Other significant factors for the housing need are physical condition of the housing stock and the age of the existing housing stock. Accordingly, physical conditions of the housing stock in Denizli by the year 2000 and with the TSI Building Count results are displayed in Table.57 below. By the year 2000, there are 3.040 housing that are in ruins and planning to be pulled down, and 12.160 housing unit that need drastic repairs and modifications in Denizli.

Even though we assume that some part of the total 15.2 thousand housing units that need drastic repairs and modifications and in ruins and planning to be pulled down in 2000 would have been pulled down or become unusable until 2007, approximately 12 thousand housing units will still require renewal.

TABLE.57 PHYSICAL CONDITION OF THE HOUSING STOCK IN DENİZLİ

INDICATORS	DENİZLİ
NUMBER OF HOUSING UNITS	234.168
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	152.002
THOSE THAT DON'T NEED REPAIRS	94.241
THOSE THAT NEED SIMPLE REPAIRS AND MODIFICATIONS	39.521
THOSE THAT NEED DRASTIC REPAIRS AND MODIFICATIONS	12.160
IN RUINS AND PLANNED TO BE PULLED DOWN	3.040
UNKNOWN CONDITION	3.040

RESOURCE: Building Count 2000, TSI

TABLE.58 CONSTRUCTION YEARS OF BUILDINGS IN DENİZLİ 2000

BUILDING COMPLETION DATE	BUILDINGS THAT ARE SOLELY USED AS RESIDENCES	BUILDINGS THAT ARE PREDOMINANTLY USED AS RESIDENCES
-1929	3.354	303
1930-1939	2.209	208
1940-1949	4.773	403
1950-1959	8.659	791
1960-1969	14.278	1.264
1970-1979	26.003	2.519
1980-1989	27.834	3.168
1990-2000	25.276	2.804
UNKNOWN	830	124
TOTAL	113.216	11.584

RESOURCE: Building Count 2000, TSI

When the housing stock is evaluated in terms of building life, buildings that are 50 years and older that are solely and/or predominantly used for residential purposes are 20.700 in 2000. This figure is estimated to reach 36.2 thousand (approximately 57 thousand housing units) until 2015. The physical life of these buildings that are 50 years and older, except for the historical ones, is expiring and this will create a need for additional housing.

III.1.3 Housing Need in Denizli

We make projections for the housing need of Denizli for every year until 2015, based on the results, findings and assumptions of the evaluations made in the previous section.

Accordingly, it is estimated that there will be need of 43 thousand housing units between the years 2008-2015.

1-It is estimated that depending on the increase of 19 thousand households in 2008-2015, there will be equal need of housing units in between the years of 2008-2015.

2-The housing need based on urban transformation is estimated to be 16 thousand in total. It is also supposed that 40 percent of the existing housing without construction permits and shanty settlements will be renewed with the urban transformation by 2015.

3-There will be a need for 8 thousand housing units between the years 2008-2015 as a result of renewal. It is assumed that 5 housing unit per thousand housing stock will be renewed every year (the standard rate used by the State Planning Organization).

TABLE.59 PREDICTIONS FOR HOUSING NEED IN DENİZLİ (000)

YEARS	HOUSING NEED BASED ON THE INCREASE OF HOUSEHOLDS	URBAN REGENERATION BASED ON HOUSING NEED	RENEWAL BASED HOUSING NEED	TOTAL
2008	4.0	2.0	1.0	7.0
2009	2.0	2.0	1.0	5.0
2010	2.0	2.0	1.0	5.0
2011	3.0	2.0	1.0	6.0
2012	2.0	2.0	1.0	5.0
2013	2.0	2.0	1.0	5.0
2014	2.0	2.0	1.0	5.0
2015	2.0	2.0	1.0	5.0
TOTAL	19.0	16.0	8.0	43.0

III.1.4 Factors that Influence the Housing Demand in Denizli

After the housing need projections made for Denizli, we will evaluate the factors that influence the housing demand. Home ownership of the households and the income pattern of the household are the major factors shaping general housing demand in Denizli.

Home ownership of the households is the primary factor that affects the housing demand in the upcoming period. TSI's 2000 Population Census data is used in reference to home ownership. Even though the data is not up-to-date, the figures can show important trends.

The rate of home ownership in Denizli is 69.0 percent by the year 2000, and the rate of tenants is 23.4 percent. The rate of tenants is below the average of Turkey (31.6 percent).

Nevertheless, 52.123 tenants of Denizli in 2000 represent a housing demand potential for the following period. The Ministry of Finance 2005 data shows that there are 55.040 tenant households in Denizli. The ratio of households that are neither homeowners nor tenants in Denizli is 12.707 in 2000.

TABLE.60 HOME OWNERSHIP OF HOUSEHOLDS IN DENİZLİ

HOME OWNERSHIP	NUMBER OF HOUSEHOLDS	HOUSEHOLDS % SHARE
HOMEOWNER	153.994	69.0
TENANT	52.123	23.4
LODGING DWELLER	2.728	1.2
NOT HOMEOWNER/ DOES NOT PAY RENT	12.707	5.7
OTHER	1.469	0.7
UNKNOWN	68	0.0
TOTAL	223.089	100.0

RESOURCE: General Population Census 2000, TSI

Level of city's economic development and personal incomes are other important determinants of the housing demand. Denizli exceeds a little the average of Turkey in terms of economic development and per capita income indicators.

In this level new GNP data of TSI, which is declared based on the new calculation method, is used. Accordingly, GNP volume of Turkey is 659 billion dollars in 2007 and per capita income is 9.333 dollars.

The share of Denizli in the GNP is 1.40 percent. Hence, GNP of Denizli was 9.2 billion dollars in 2007 and per capita income is 10.145 dollars.

Table.61 shows the predictions on the developments of the gross product of Denizli and per capita income.

Accordingly, the basic assumptions is that as Turkish economy will grow 5 percent each year until 2015 and the share of Denizli in national income of Turkey will remain the same until 2015.

Based on these assumptions, per capita income in Denizli is estimated to rise 11.605 dollars in 2010 and 14.545 dollars in 2015. Per capita income projections in Denizli indicates that there will be a limited-sufficient income pattern for housing need will emerge.

TABLE.61 DENİZLİ GROSS PRODUCT AND PER CAPITA INCOME PREDICTIONS

YEARS	GROSS PRODUCT BILLION DOLLARS	POPULATION (000)	PER CAPITA INCOME DOLLAR
2007	9.2	907	10.145
2008	9.7	912	10.635
2009	10.2	917	11.125
2010	10.7	922	11.605
2011	11.2	926	12.095
2012	11.8	930	12.690
2013	12.4	934	13.275
2014	13.0	938	13.860
2015	13.7	942	14.545

III.1.5 Prognoses for the Housing Sector and Markets in Denizli

After evaluating the factors that affect the housing sector in Denizli and making projections on housing demand, now we will make projections housing sector and housing markets.

1. The need for housing will remain with 43 thousand housing units until 2015 in Denizli. Depending on projections of the limited increase in the household number and the existence of the more organized and healthier settlements, housing need stays limited as well. Halk, Lise, İstiklal, Kıbrıs Şehitleri and Çamlık regions are projected as enlargement areas.

2. There will be an housing demand originate from the renewal and upgrading or housing change of the upper and middle-upper income groups in Denizli and it also projected that there will be (in a limited size) need for housing for these groups.

3. Çamlık, Yenişehir and Servergazi regions are developing as new accommodation, living space, and housing units in Denizli. The shopping center investment in Çamlık and

Yenişehir triggered the development in those regions. Çakmak location, Üçler location, Pınarkent, around of the OIZ, around of Old Sümerbank Lace Factory, Eski Çay Road and Eski Hisar village displays development in those regions.

4. It is also observed that Municipality and Housing Development Administration of Turkey (TOKİ) started to construct important housing units by the urban transformation and social housing project. Social housings are being constructed in Karşıyaka, Aktepe, and Umuttepe as slum transformation areas. Municipality constructs 2.644 housing for the persons who are low income in the Üçler region. Municipality plans to construct 11.200 housings in three years under the İlbadı urban transformation project.

5. The number of the Housing Development Administration of Turkey (TOKİ) in Denizli is 3.070 by the end of the year of 2007. TOKİ also is constructing housing units in Merkez, Kale, Çal, Irlıganlı, Honoz, and Kurudere regions.

6. 22.454 real estates in 2005, 23.316 real estates in 2006 and 19.682 real estates in 2007 have been sold in Denizli. 2.103 housing credits in 2005, 2.530 housing credits in 2006 and 2.574 housing credits in 2007 have been used in Denizli. It is also observed that using of the housing credits in Denizli is limited according to the other same cities.

III.2 RETAIL MARKET AND SHOPPING CENTERS

Evaluations and projections on the real estate sector of Denizli are made together with housing and commercial real estates. As commercial real estates, shopping centers, accommodation facilities and industrial and logistics areas are examined and evaluated.

Firstly, shopping centers and retail markets in the commercial real estates are examined and evaluated in Denizli. In this framework, size of the retail market and shopping centers in Denizli are presented below.

Share of the Denizli in national income in 2007 is 1.4 percent, size of gross product is 9.2 billion dollars and per capita income is 10.145 dollars

TABLE.62 DENİZLİ ECONOMIC SIZE

YEARS	GNP % SHARE	GROSS PRODUCT BILLION DOLLAR	PER CAPITA INCOME DOLLAR
2007	1.40	9.2	10.145

Related with retail market and shopping centers, private consumption expenditures, retail expenditures and its dispersion between food and non-food goods is presented in Table.63.

Total private consumption expenditures in Denizli were 6.75 billion dollars in 2007. The share of the retail expenditures in the private consumption expenditures is 50 percent, and its volume is 3.38 billion dollars. 2.24 billion dollars of retail expenditures was food and beverage expenditures, and 1.14 billion dollars of retail expenditures was other retail expenditures.

TABLE.63 DENİZLİ PRIVATE CONSUMPTION AND RETAIL EXPENDITURES

YEARS	GROSS PRODUCT BILLION DOLLARS	PRIVATE CONSUMPTION EXPENDITURES BILLION DOLLARS	RETAIL EXPENDITURES BILLION DOLLARS		
			FOOD BEVERAGE	OTHER	TOTAL
2007	9.2	6.75	2.24	1.14	3.38

Information on the shopping centers in Denizli is presented inTable.64 below. Accordingly, there are 3 shopping centers in Denizli in the standards of International Council for Shopping Centers (ICSC) by the end of 2007. In accordance with the ICSC standards one of them is small scale, one is middle and the one is big scale.

Total gross leasable area (GLA) of these 3 shopping centers is 83.250 m2. GLA of per thousand persons is 91.8 m2.

Total retail expenditure volume in Denizli was 3.4 billion dollars in 2007. The potential retail expenditure per gross leasable area is calculated 40.600 dollars.

However, this growth creates only the potentiality and these rates should be evaluated as an important indicator for the enlargement potentiality and the projections of the shopping centers in Denizli.

TABLE.64 DENİZLİ SHOPPING CENTER INDICATORS

YEARS	NUMBER OF SHOPPING CENTERS	TOTAL SHOPPING CENTER GROSS LEASABLE AREA M2	GROSS LEASABLE AREA PER 1000 PERSONS M2	ANNUAL POTENTIAL RETAIL EXPENDITURE PER SHOPING CENTER GLA DOLLARS
2007	3	83.250	91.8	40.600

Development projections on the shopping centers in Denizli are presented below. While making projections on shopping centers, firstly, shopping centers those are in construction and/or are actively being planned are taken into account by the targeted opening years. Hence, de facto realization projections are used for the years 2008-2009. Depending on the population, economic growth and retail expenditure projections in Denizli, development projections for the shopping centers are presented for the following years.

There is 1 shopping center that will be opened in 2008, 1 shopping center that will be opened in Denizli. After the opening of these shopping centers total gross leasable area will be 115.250 m2 at the end of 2008 and 150.482 m2 at the end of 2009. GLA per thousand persons will be 126.4 m2 at the end of 2008, and will be 164.1 m2 in 2009.

Projections are made with two different scenarios. In this first scenario, it is projected 200 m2 for gross leasable areas per thousand persons in 2015, in the second scenario 225 m2 for Denizli.

Depending on these assumptions, for the first scenario there will be 188.400 m2 GLA in 2015 in Denizli and for the second scenario there will be 211.950 m2 GLA in 2015.

TABLE.65 DENİZLİ SHOPPING CENTER PROJECTIONS

YEARS	POPULATION (000)	GROSS LEASABLE AREA M2 PER 1000 PERSONS		TOTAL GROSS LEASABLE AREA M2	
		A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2007	907	91.8	91.8	83.250	83.250
2008	912	126.4	126.4	115.250	115.250
2009	917	164.1	164.1	150.482	150.482
2010	922	175.0	175.0	161.350	161.350
2011	926	180.0	190.0	166.680	175.940
2012	930	185.0	200.0	172.050	186.000
2013	934	190.0	210.0	177.460	196.140
2014	938	195.0	220.0	182.910	206.360
2015	942	200.0	225.0	188.400	211.950

The size of annual potential retail expenditures per gross leasable area is another important indicator used in making shopping center projections.

Accordingly, with the first scenario, there are 188.400 m2 gross leasable area in 2015 in Denizli and the potential retail expenditure volume per gross leasable area is 26.550 dollars. In the second scenario, there are 211.950 m2 gross leasable area and 23.590 dollars of potential retail expenditure per gross leasable area.

In this framework, depending on the projections reached with these two alternative scenarios, after the de facto realizations, there is 40-60-thousand m2 additional shopping center investment potential until 2015 (in between the years of 2010-2015) in Denizli.

TABLE.66 DENİZLİ SHOPPING CENTER PROJECTIONS

YEARS	RETAIL EXPENDITURES BILLION DOLLARS	TOTAL GROSS LEASABLE AREA M2		ANNUAL POTENTIAL RETAIL EXPENDITURES PER GROSS LEASABLE AREA DOLLARS	
		A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2007	3.4	83.250	83.250	40.600	40.600
2008	3.6	115.250	115.250	31.250	31.250
2009	3.8	150.482	150.482	23.550	23.550
2010	3.9	161.350	161.350	24.150	24.150
2011	4.1	166.680	175.940	24.600	23.300
2012	4.3	172.050	186.000	24.990	23.120
2013	4.5	177.460	196.140	25.360	22.940
2014	4.8	182.910	206.360	26.240	23.260
2015	5.0	188.400	211.950	26.550	23.590

III.3 TOURISM AND ACCOMODATION ESTABLISHMENTS

Tourism and accommodation establishments are the second topic evaluated within commercial real estates. In this framework, statistical data on accommodation and tourism establishments on Denizli are presented and evaluated, and then projections are presented on the development of tourism and accommodation establishments.

Denizli is the fourth important tourism city in the Aegean region with İzmir, Muğla, and Aydın. Although Denizli is the only city that has no seaside, it has a big tourism potentiality and this is not used enough yet.

According to the accommodation statistics in Denizli, 378 thousands foreign persons and 262 thousand domestic persons, totally 640 thousand people accommodated in

2006. Total number of overnight stays in 2006 was 773 thousand. It is seen that the average of the overnight is 1.2 night and is very short and the average of accommodation is 1 night. However, total occupancy rate was 43.38 percent in 2006. Denizli is the tourism city for both foreign and domestic tourists.

TABLE.67 DENİZLİ ACCOMODATION STATISTICS

	NUMBER OF GUESTS (000)			NUMBER OF OVERNIGHT STAYS (000)			OCCUPANCY RATE %		
YEARS	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL
2002	474.229	179.790	654.019	523.831	266.076	787.907	31.87	16.19	48.05
2003	440.446	210.514	650.960	475.293	328.818	804.111	27.60	19.09	46.69
2004	433.580	204.936	638.516	462.062	303.759	765.821	25.26	16.61	41.87
2005	559.497	219.508	779.005	585.353	294.014	879.367	33.21	16.68	49.90
2006	377.942	262.297	640.239	400.032	372.912	772.944	22.45	20.93	43.38

RESOURCE: MINISTRY OF CULTURE AND TOURISM

The city of Denizli has limited accommodation establishments as comparing the tourism potentiality. There are 22 establishments with tourism operating license, 2.411 rooms and 4.951 beds capacity in 2006. Moreover there are 2 establishments with tourism investment license, 222 rooms and 450 beds capacity in Denizli.

TABLE.68 DENİZLİ 2006 ACCOMMODATION ESTABLISHMENTS

	WITH TOURISM INVESTMENT LICENSE			WITH TOURISM OPERATING LICENSE		
ESTABLISHMENTS	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY
5 STAR HOTEL	1	184	374	2	483	1.008
4 STAR HOTEL				4	980	1.994
3 STAR OTEL				10	715	1.478
2 STAR OTEL				6	233	471
MOTEL	1	38	76			
TOTAL	2	222	450	22	2.411	4.951

RESOURCE: MINISTRY OF CULTURE AND TOURISM

It is projected that the tourism activities in Denizli will develop in three axes. These axes are the followings:

1. Culture, Nature, and history tourism in and around the Pamukkale; Pamukkale, which is in the heritage list of the world of UNESCO and is in the zone plan for protection, comes in a development process with its historical and cultural entities.

2. Thermal and health tourism in Pamukkale Karahayıt region; it emerges a new development axes with the thermal health project that has been in applied

3. City tourism focusing on work.

In this framework, in addition to the existing accommodation establishments, it is projected in Denizli that

1. Boutique-concept-deluxe accommodation establishments offering alternative tourism services

2. Accommodation establishments qualified for Health-thermal

3. Concept city hotels (3-4 star) focusing on work.

4. City hotels (4-5 stars) for multiple purposes (fair-conference-meeting)

III.4. INDUSTRIAL AND LOGISTICS AREAS

Denizli has an important industry city quality. Industry in Denizli that has grown with textile has been enlarging with the industry sectors like marble, metal, cement and electrical-electronic equipment. Organic agriculture and hothouse, geothermal energy, technical textile, the food industry based on husbandry, tourism and logistics sectors have an important investment and growing potentiality. The clear and cheap energy have been provided by using the natural gas.

The city of Denizli maintains it industrialization with enlargement together with sector-specific varieties. For this reason, it is projected that the demand for industrial, commercial and logistical land will continue by enlarging.

There are 2 in operation and 5 in project stage organized industry zones. Denizli OIZ is completely full. Çardak OIZ has just been in operation and has been significantly demanded. There of them which are in project stage will be Marble, Leather, and Husbandry Specialized. All of these three specialized regions have been demanded vigorously.

The development of the service sector and enlargement of the industry will increase the demand for commercial and logistical land. The pilot privatization in Denizli central railway station as a logistical project will create an important enlargement affect.

TABLE.69 DENİZLİ ORGANIZED INDUSTRY ZONES

ORGANIZED INDUSTRY ZONE	AREA HECTARES/M2/ DECARES	CHARACTERISTICS
DENIZLI OIZ	3.943.060 m2 159 PARCELS	165 FIRMS IN OPERATION % 100 FULLNESS
DENIZLI ÇARDAK ÖZDEMIR SABANCI OIZ	3.225.000 m2 98 PARCELS	IT HAS JUST BEEN OPENED 2 FIRMS IN OPERATION
ÇAL DENIZLER OIZ	300 HECTARES	PROJECT STAGE
DENIZLI TAVAS OIZ	230 HECTARES	PROJECT STAGE
DENIZLI MERMER IHTISAS OIZ	170 HECTARES	PROJECT STAGE
DENIZLI ACIPAYAM YUMRUTAŞ HAYVANCILIK IHTISAS OIZ	490 HECTARES 112 PARCELS	PROJECT STAGE
DENIZLI LEATHER OIZ	205 HECTARES	PROJECT STAGE
PAMUKKALE UNIVERSITY TECHN. DEVELOPMENT CENTER		

RESOURCE: MINISTRY OF INDUSTRY AND TRADE

Chapter IV.

HATAY REAL ESTATE SECTOR AND PROGNOSES

IV.1 HOUSING SECTOR AND MARKETS

Evaluations and projections on Hatay real estate sector are made together with housing and commercial real estates and housing sector and housing markets are firstly taken into consideration. The main goal of the projections of housing sector and housing markets is to predict housing need in Hatay until 2015 and to identify the factors affecting the housing demand and housing supply. For this reason, factors that are effective in determining housing need and demand are examined and evaluated in this part of the study.

IV.1.1 Demography and Population Forecast

Main and primary factors affecting the housing demand and supply are demography and population changes. For this reason, demographic and population data of Hatay are presented first.

In the framework of this examination, figures of population, migration, urbanization, urban household population and urban household number in Hatay are given and projections are made on population, urbanization rate and urban household number.

In this part of the study, Address Based Population Registration System data of the year 2007 are used for demographic and population data. In addition to this, old data that are still up-to-date and projecting the tendencies are used.

According to the ABPRS 2007 data, total population of Hatay is 1.386 thousand. Total population of Turkey is 70.6 million and share of Hatay is 1.96 percent. In Table.70, population of 2007 and population sizes declared with the data of general population census before 2000 are presented below for Hatay.

TABLE.70 POPULATION OF HATAY AND TURKEY

YEARS	HATAY (000)	TURKEY (000)	HATAY SHARE %
1980 (1)	856	44.737	1.91
1985 (1)	1.002	50.664	1.98
1990 (1)	1.110	56.473	1.97
2000 (1)	1.254	67.804	1.85
2007	1.386	70.586	1.96

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

The main indicator that determines the total population of Hatay and its share in Turkey's population is population growth rate of Hatay. Population growth rate of Hatay is below the average population growth rate of Turkey. Population growth rates of Hatay and Turkey are presented below in Table.71 comparatively. Accordingly, population growth rate of Hatay significantly decreased in 2007 and it was 0.54 percent. Population growth rate of Turkey is 1.26 percent in 2007.

TABLE.71 POPULATION GROWTH RATES OF HATAY AND TURKEY (%)

PERIODS	HATAY (%)	TURKEY (%)
1980-1985 (1)	3.15	2.49
1985-1990 (1)	2.04	2.17
1990-2000 (1)	1.22	1.83
2007	0.54	1.26

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

Two main factors are determinative in the population growth rate of cities. The first one is urban population growth and the second one is net migration. Hatay has been subject to net migration outflow.

Cities have both migration inflow and outflow. Net migration figure is different from the figures of intake and outflow migration, and it indicates net migration outflow, if it is negative.

Net migration figures and rates of Hatay are presented in Table.72. Data is for between the years 1975-2000, and projects the tendencies of these years.

While Hatay had a net migration inflow since 1985, it started to had net migration outflow in the following years and migration outflow have increased significantly between 1995-2000. Even though there aren't numerical figures for the period after 2000, it is observed that Hatay continues to have net migration outflow in the following years.

TABLE.72 HATAY NET MIGRATION AND NET MIGRATION RATE

PERIODS	NET MIGRATION (PERSONS)	NET MIGRATION RATE %
1975-1980	14.046	2.00
1980-1985	4.869	0.57
1985-1990	-4.002	-0.41
1995-2000	-38.241	-3.39

RESOURCE: Migration Indicators of Cities, TSI

Table.73 displays urban population growth and migration based population growth as the sources of population growth in Hatay for the periods between the years 1980-2000. Accordingly, while urban population growth increases the population growth in Hatay between the years 1980-2000, migration outflow decreases the population growth. In spite of the rapid population growth depending on urban population growth, population growth rate has been slowing down by the high migration outflow.

TABLE.73 SOURCES OF HATAY'S POPULATION GROWTH

PERIODS	TOTAL POPULATION GROWTH (000)	TOTAL NET MIGRATION (000)	SHARE OF MIGRATION BASED POPULATION GROWTRH %	URBAN POPULATION GROWTH (000)	SHARE OF URBAN POPULATION GROWTH%
1980-1985	146	4.9	3.4	141.1	96.6
1985-1990	108	-4.0	-3.7	112.0	103.7
1995-2000	72	-38.2	-53.0	110.2	153.0

An important indicator that relates demography and population data with real estate and housing sector is urbanization rates of cities and urban population size (city and town centers).

Urbanization rate and urban population size of Hatay for the year 2007 with ABPRS are displayed below in Table.74. Accordingly, urbanization rate is 49.2 percent and urban population is 682 thousand in Hatay.

TABLE.74 URBANIZATION RATE AND URBAN POPULATION IN HATAY

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE (%)	URBAN POPULATION (000)
2007	1.386	49.2	682

RESOURCE: Address Based Population Registration System 2007

Urban household number depending on urban population size in Hatay is presented in Table.75 below. Determinant of urban household number is average size of urban household size together with urban population size. Urban household average size is 4.50 persons by the year 2007 and urban household number is 152 thousand in Hatay.

TABLE.75 HATAY URBAN HOUSEHOLD NUMBER AND SIZE

YEARS	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	682	4.50	152

RESOURCE: Address Based Population Registration System 2007

After evaluating demography and population indicators and tendencies of Hatay, at this level, population projections for Hatay until 2015 for each year are made.

Main assumptions used for population projections on Hatay are, continuance of slowing down of urban population growth rate, continuance of net migration outflow and consequently, continuance of slowing down of population growth rates.

Depending on these assumptions, population growth rate of Hatay, which was 0.54 percent in 2007, is slowing down, and it will decrease to 0.48 percent in 2010 and 0.38 percent in 2015. Depending on these rates, population of Hatay will increase to 1.4 million in 2010 and 1.44 million in 2015. Share of the population of Hatay in the total population of Turkey will decrease to 1.92 percent in 2010 and 1.87 percent in 2015.

TABLE.76 HATAY AND TURKEY POPULATION GROWTH PROJECTIONS

YEARS	TURKEY POPULATION GROWTH RATE %	TURKEY POPULATION (000)	HATAY POPULATION GROWTH RATE %	HATAY POPULATION (000)	HATAY POPULATION SHARE %
2007	1.26	70.586	0.54	1.386	1.96
2008	1.24	71.461	0.52	1.393	1.95
2009	1.22	72.332	0.50	1.400	1.94
2010	1.20	73.200	0.48	1.407	1.92
2011	1.18	74.064	0.46	1.414	1.91
2012	1.16	74.923	0.44	1.420	1.90
2013	1.14	75.777	0.42	1.426	1.89
2014	1.12	76.626	0.40	1.432	1.88
2015	1.10	77.469	0.38	1.437	1.87

Another important indicator for real estate and housing sector, depending on population projections of Hatay is urban household number. Urban household number projections in Hatay are presented in Table.77 below.

It is estimated that urbanization rate will continue to increase limitedly in Hatay, and urbanization rate will be 50.5 percent in 2010 and 52.0 percent in 2015.

Urban household average size will continue to decrease. While it was 4.50 persons in 2007, it will be 4.41 persons in 2010 and 4.30 persons in 2015.

Depending on these indicators, while urban population was 682 thousand in 2007, it will increase to 147 thousand in 2015 and urban household number will increase from 152 thousand to 174 thousand.

TABLE.77 PROJECTIONS FOR URBAN POPULATION AND NUMBER OF HOUSEHOLDS IN HATAY

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE %	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	1.386	49.2	682	4.50	152
2008	1.393	49.5	690	4.47	154
2009	1.400	50.2	703	4.44	158
2010	1.407	50.5	711	4.41	161
2011	1.414	50.8	718	4.38	164
2012	1.420	51.1	726	4.36	167
2013	1.426	51.4	733	4.34	169
2014	1.432	51.7	740	4.32	171
2015	1.437	52.0	747	4.30	174

IV.1.2 Housing Stock in Hatay

The next projection on housing sector and markets is analysis and evaluations on housing stock. Existing housing stock is evaluated in terms of two important sides. The first one is if there is a housing need or surplus compared to existing household number, and the second one is to identify the number of houses that has need for renovation for the physical and legal structure of the existing housing stock in the forthcoming period.

For this reason, data on housing stock in Hatay are presented and evaluated in this section.

Housing stock in Hatay is evaluated firstly in terms of quantity and legal status. Housing stock in Hatay by the year 2000 is displayed with the TSI Building Count study of the year 2000. The total number of house is 273.294 by 2000 in Hatay. House number in the urban spaces (city and town centers) is 171.799.

Legal status of the existing houses in Hatay by the year 2000 is like this: the number of housing units with construction permits in the existing houses is 85.783 and its share in the existing housing stock is 50 percent. It is observed that shanty settlements are very intense by the year 2000 in Hatay and half of the housing stock in the city is comprised of housing units without construction permits and sub-standard houses.

TABLE.78 HATAY HOUSING STOCK 2000

INDICATORS	HATAY
NUMBER OF BUILDINGS	176.048
NUMBER OF HOUSING UNITS	273.294
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	171.799
HOUSING UNITS WITH CONSTRUCTION PERMITS	85.783
HOUSING UNITS WITH OCCUPANCY PERMITS	43.269
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS	86.016
CONSTRUCTION PERMITS/TOTAL HOUSING UNITS %	50.0
OCCUPANCY PERMITS/TOTAL HOUSING UNITS %	25.0

RESOURCE: Building Count 2000, TSI

Housing stock projections in Hatay by the year 2007 are presented in Table.78 below. To make housing stock projections by the year 2007, construction permits obtained between the years 2000-2006 (it is assumed that housing stock is created the year after the construction permit is obtained) and number of housing units that are unusable in 2001-2006 and the number of units without construction permits are used.

Accordingly, it is estimated that total housing stock reached to 196.226 in city and town centers in Hatay in 2007. The 2005 year-end data of the Ministry of Finance is 188.150 housing units. 20.927 construction permits have been taken in Hatay in 2000-2006. It is estimated that 3.500 housing unit have become unusable in 2001-2007, and on the other hand, 7.000 housing unit have been built illegally in the same period. Hence, urban housing stock of Hatay is estimated to be 196.226 at the end of 2007.

TABLE.79 HATAY2007 HOUSING STOCK ESTIMATE (CITY AND TOWNSHIPS)

INDICATORS	HATAY
NUMBER OF HOUSING UNITS 2000 (CITY AND TOWNSHIP)	171.799
NUMBER OF CONSTRUCTION PERMITS (2000-2006)	20.927
HOUSING UNITS THAT ARE UNUSABLE (2001-2007)	3.500
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS (2001-2007)	7.000
TOTAL HOUSING STOCK 2007	196.226

While the total housing stock in Hatay city and township centers is estimated to be 196.226 by 2007, total urban household number is 152 thousand. Even though it is observed that there isn't any housing deficit in Hatay, 50 percent of the existing stock in Hatay is built without construction permits and is sub-standard. For this reason, it is observed that there is a significant deficit for high quality-standard housing units and related housing problem in Hatay.

Other significant factors for the housing need are physical condition of the housing stock and the age of the existing housing stock.

Accordingly, physical condition of the housing stock in Hatay by the year 2000 with the TSI Building Count results is displayed in Table.80 below. By the year 2000, there are 3.440 housing units that are in ruins and planning to be pulled down, and 18.898 housing units that need drastic repairs and modifications in Hatay.

As we assume that some part of the total 22.3 thousand housing units that need drastic repairs and modifications and in ruins and planning to be pulled down in 2000 would have been pulled down or become unusable until 2007, approximately 20 thousand housing units will still require renewal.

TABLE.80 PHYSICAL CONDITION OF THE HOUSING STOCK IN HATAY

INDICATORS	HATAY
NUMBER OF HOUSING UNITS	273.294
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	171.799
THOSE THAT DON'T NEED REPAIRS	84.182
THOSE THAT NEED SIMPLE REPAIRS AND MODIFICATIONS	63.566
THOSE THAT NEED DRASTIC REPAIRS AND MODIFICATIONS	18.898
IN RUINS AND PLANNED TO BE PULLED DOWN	3.440
UNKNOWN CONDITION	1.713

RESOURCE: Building Count 2000, TSI

When the housing stock is evaluated in terms of building life, buildings that are 50 years and older that are solely and/or predominantly used for residential purposes are 12.356 in 2000. This figure is estimated to reach 26 thousand (approximately 42 thousand housing units) until 2015. The physical life of these buildings that are 50 years and older, except for the historical ones, is expiring and this will create a need for additional housing.

TABLE.81 CONSTRUCTION YEARS OF BUILDINGS IN HATAY 2000

BUILDING COMPLETION DATE	BUILDINGS THAT ARE SOLELY USED AS RESIDENCES	BUILDINGS THAT ARE PREDOMINANTLY USED AS RESIDENCES
-1929	1.963	141
1930-1939	1.052	118
1940-1949	2.349	194
1950-1959	6.109	430
1960-1969	12.668	1.252
1970-1979	31.339	3.150
1980-1989	44.887	4.933
1990-2000	35.377	3.914
UNKNOWN	712	148
TOTAL	136.456	14.280

RESOURCE: Building Count 2000, TSI

IV.1.3 Housing Need in Hatay

We make projections for the housing need of Hatay for every year until 2015, based on the assumptions, findings and results of the evaluations made in the previous section. Accordingly, it is predicted that there will be need for 50 thousand housing units in Hatay between 2008-2015.

1. It is estimated that depending on the increase of 22 thousand households in 2008-2015, there will be equal need of housing units.

2. The housing need based on urban transformation is estimated to be 20 thousand in total. It is projected that the urban transformation works will renew 25 percent of the shanty and sub-standard housing units in the existing housing stock until 2015.

3. There will be a need for 8 thousand housing units between the years 2008-2015 as a result of renewal. It is assumed that 5 housing unit per thousand housing stock will be renewed every year (the standard rate used by the State Planning Organization).

TABLE.82 PREDICTIONS FOR HOUSING NEED IN HATAY (000)

YEARS	HOUSING NEED BASED ON THE INCREASE OF HOUSEHOLDS	URBAN REGENERATION BASED ON HOUSING NEED	RENEWAL BASED HOUSING NEED	TOTAL
2008	2.0	2.5	1.0	5.5
2009	4.0	2.5	1.0	7.5
2010	3.0	2.5	1.0	6.5
2011	3.0	2.5	1.0	6.5
2012	3.0	2.5	1.0	6.5
2013	2.0	2.5	1.0	5.5
2014	2.0	2.5	1.0	5.5
2015	3.0	2.5	1.0	6.5
TOTAL	22.0	20.0	8.0	50.0

IV.1.4 Factors that Influence the Housing Demand in Hatay

After the housing need projections made for Hatay, we will evaluate the factors that influence the housing demand. Home ownership of the households, the income pattern of the household, and the owning houses by the foreigners are the major factors shaping general housing demand in Hatay.

Home ownership of the households is the primary factor that affects the housing demand in the upcoming period. TSI's 2000 Population Census data is used in reference to home ownership. Even though the data is not up-to-date, the figures can show important trends.

The rate of home ownership in Hatay is 74.9 percent by the year 2000, and the rate of tenants is 16.4 percent. The rate of tenants is below the average of Turkey (31.6 percent) and Hatay is one of the cities where the rates of the tenants are low.

Although the rate is limited in Hatay, 42.602 tenants of Hatay in 2000 represent a housing demand potential for the following period. The Ministry of Finance 2005 data shows that there are 43.838 tenant households in Hatay. The ratio of households that are neither homeowners nor tenants in Hatay is 14.925 in 2000.

TABLE.83 HOME OWNERSHIP OF HOUSEHOLDS IN HATAY

HOME OWNERSHIP	NUMBER OF HOUSEHOLDS	HOUSEHOLDS % SHARE
HOMEOWNER	194.634	74.9
TENANT	42.602	16.4
LODGING DWELLER	5.250	2.1
NOT HOMEOWNER/ DOES NOT PAY RENT	14.925	5.7
OTHER	2.268	0.9
UNKNOWN	78	0.0
TOTAL	260.027	100.0

RESOURCE: General Population Census 2000, TSI

Level of city's economic development and personal incomes are other important determinants of the housing demand.

Hatay lags behind the average of Turkey in terms of economic development and per capita income indicators.

In this level new GNP data of TSI, which is declared based on the new calculation method, is used. Accordingly, GNP volume of Turkey is 659 billion dollars in 2007 and per capita income is 9.333 dollars.

The share of Hatay in the GNP is 1.50 percent. Hence, GNP of Hatay 9.9 billion dollars in 2007 and per capita income is 7.145 dollars. Table.84 shows the predictions on the developments of the gross product of Hatay and per capita income.

Accordingly, the basic assumptions is that as Turkish economy will grow 5 percent each year until 2015 and Hatay will sustain its share in the Turkish national income.

Based on the assumptions mentioned above, per capita income in Hatay is estimated to rise 8.175 dollars in 2010 and 10.230 dollars in 2015. Per capita income projections in Hatay indicates that there will be a limited income pattern for housing need will emerge.

The other factor that affects the demand for housing is the owning of the houses by foreigners. 3.258 people, mostly Syria, Lebanon, Jordan citizenship still inhabit in Hatay. Again, the foreigners who have these three countries' citizenships have 3.852 real estates.

TABLE.84 HATAY GROSS PRODUCT AND PER CAPITA INCOME PREDICTIONS

YEARS	GROSS PRODUCT BILLION DOLLARS	POPULATION (000)	PER CAPITA INCOME DOLLAR
2007	9.9	1.386	7.145
2008	10.4	1.393	7.465
2009	10.9	1.400	7.785
2010	11.5	1.407	8.175
2011	12.1	1.414	8.560
2012	12.7	1.420	8.945
2013	13.3	1.426	9.325
2014	14.0	1.432	9.775
2015	14.7	1.437	10.230

IV.1.5 Prognoses for the Housing Sector and Markets in Hatay

After evaluating the factors that affect the housing sector in Hatay and making projections on housing demand, now we will make projections housing sector and housing markets.

1. The need for housing will remain with 50 thousand housing units until 2015 in Hatay. Depending on the limited increase in the household number, housing need stays limited as well.

2. It is projected that the development of housing units and the market will stay limited in Hatay. Depending on this, the participation of the private sector on construction of the housing units will be limited.

3. Hatay has an historical living-housing area due to the old and historical buildings in the center of Hatay. The possibility for transformation stays very limited in the center area where the shanty and irregular settlements are telescoping each other. The possibility for transformation is very limited due to the protection plans.

4. The regular new living-settlement- housing area in Hatay develops in the south eastern part of the city. The construction of the housing units in these areas by mostly limited building societies is being observed.

5. İskenderun, Yumurtalık, and Erzin Regions are sticking out not only as industry zones but also as qualified housing development areas.

6. The need for housing in Hatay is mostly for social housing units, due to the shanty and irregular settlements, and the supply will develop in this way. In this matter, there are 392 social housing units of Municipality, 364 of Housing Development Administration of Turkey (TOKİ) in Dörtyol, 296 in Kırıkhan, 532 in Günyazı, 274 in Reyhanlı and 114 in Saraycık, totally 1.580 housing units.

7. 22.648 real estates in 2005, 23.283real estates in 2006 and 22.290 real estates in 2007 have been sold in Hatay. 2.224 housing credits in 2005, 2.301 housing credits in 2006 and 2.391 housing credits in 2007 have been used in Hatay. It is also observed that using of the housing credits in Hatay is limited according to the other same cities.

IV.2 RETAIL MARKET AND SHOPPING CENTERS

Evaluations and projections on the real estate sector of Hatay are made together with housing and commercial real estates. As commercial real estates, shopping centers, accommodation facilities and industrial and logistics areas are examined and evaluated.

Firstly, shopping centers and retail markets in the commercial real estates are examined and evaluated in Hatay. In this framework, size of the retail market and shopping centers in Hatay are presented below.

Share of the Hatay in national income in 2007 is 1.50 percent, size of gross product is 9.9 billion dollars and per capita income is 7.145 dollars

TABLE.85 HATAY ECONOMIC SIZE

YEARS	GNP % SHARE	GROSS PRODUCT BILLION DOLLAR	PER CAPITA INCOME DOLLAR
2007	1.50	9.9	7.145

Related with retail market and shopping centers, private consumption expenditures, retail expenditures and its dispersion between food and non-food goods is presented in Table.86.

Total private consumption expenditures in Hatay were 7.26 billion dollars in 2007. The share of the retail expenditures in the private consumption expenditures is 54 percent, and its volume is 3.9 billion dollars. 2.67 billion dollars of retail expenditures was food and beverage expenditures, and 1.23 billion dollars of retail expenditures was other retail expenditures.

TABLE.86 HATAY PRIVATE CONSUMPTION AND RETAIL EXPENDITURES

			RETAIL EXPENDITURES BILLION DOLLARS		
YEARS	GROSS PRODUCT BILLION DOLLARS	PRIVATE CONSUMPTION EXPENDITURES BILLION DOLLARS	FOOD BEVERAGE	OTHER	TOTAL
2007	9.9	7.26	2.67	1.23	3.90

Data on shopping centers in Hatay are given now. Accordingly, there isn't any shopping center in the ICSC (International Council for Shopping Centers) standards by the end of 2007 in Hatay.

For this reason, only the projections for shopping centers in Hatay are presented. While making projections on shopping centers, firstly, shopping centers those are in construction and/or are actively being planned are taken into account by the targeted opening years. There is not also any shopping center of which the opening date is determined or which is in construction or plan stage. The only shopping center that probably will be able to be opened in 2010 at the earliest convenience is in project stage. There will not be any shopping center in 2008 and 2009 in Hatay.

Depending on the population, economic growth and retail expenditure projections in Hatay, development projections for the shopping centers are presented for the year of 2007 and the years after 2010. Projections are made for the gross leasable areas of shopping centers. We use two different scenarios and reach two different leasable area size for shopping centers and two different retail expenditure volumes for these two GLA sizes.

With these two alternative scenarios we assume 50 m2 and 75 m2 gross leasable areas per thousand persons in 2015 for Hatay. Accordingly, for the first scenario there will be 71.850 m2 GLA in 2015 in Hatay and for the second scenario there will be 107.775 m2 GLA in 2015.

TABLE.87 HATAY SHOPPING CENTER PROJECTIONS

YEARS	POPULATION (000)	GROSS LEASABLE AREA M2 PER 1000 PERSONS		TOTAL GROSS LEASABLE AREA M2	
		A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2010	1.407	10	10	14.070	14.070
2011	1.414	20	20	28.280	28.280
2012	1.420	30	35	42.600	49.700
2013	1.426	40	50	57.040	71.300
2014	1.432	45	65	64.440	93.080
2015	1.437	50	75	71.850	107.775

The size of annual potential retail expenditures per gross leasable area is another important indicator used in making shopping center projections.

Accordingly, with the first scenario, there are 71.850 m2 gross leasable area in 2015 in Hatay and the potential retail expenditure volume per gross leasable area is 80.750 dollars. In the second scenario, there are 107.775 m2 gross leasable area and 53.800 dollars of potential retail expenditure per gross leasable area.

In this framework, depending on the projections reached with these two alternative scenarios, after the de facto realizations, there is 70-110 thousand m2 additional shopping center investment potential until 2015.

TABLE.88 HATAY SHOPPING CENTER PROJECTIONS

YEARS	RETAIL EXPENDITURES BILLION DOLLARS	TOTAL GROSS LEASABLE AREA M2		ANNUAL POTENTIAL RETAIL EXPENDITURES PER GROSS LEASABLE AREA DOLLARS	
		A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2010	4.5	14.070	14.070	319.800	319.800
2011	4.8	28.280	28.280	169.750	169.750
2012	5.0	42.600	49.700	117.350	100.500
2013	5.2	57.040	71.300	91.160	72.950
2014	5.5	64.440	93.080	85.400	59.100
2015	5.8	71.850	107.775	80.750	53.800

IV.3 TOURISM AND ACCOMODATION ESTABLISHMENTS

Tourism and accommodation establishments are the second topic evaluated within commercial real estates. In this framework, statistical data on accommodation and tourism establishments are presented and evaluated, and then projections are presented on the development of tourism and accommodation establishments and also accommodation establishments for real estate sector.

The city of Hatay with its historical and cultural structure has very crucial entities and potentiality for religious and culture tourism. However, the tourism activities and the number of accommodation establishment stay limited when we compare the existing entities and potentiality.

According to the accommodation statistics in Hatay, 122.910 persons accommodated in total in 2006. The number of the foreigners was 15.430 and the domestics ones were 107.840. The number of the foreigners is very low. Total number of overnight stays in 2006 was 204.179. Although the total occupancy rate was 32.50 percent, foreigners' rate was 5.52 percent.

TABLE.89 HATAY ACCOMODATION STATISTICS

	NUMBER OF GUESTS (000)			NUMBER OF OVERNIGHT STAYS (000)			OCCUPANCY RATE %		
YEARS	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL
2002	29.860	71.026	100.886	40.809	100.954	141.763	7.83	19.37	27.20
2003	18.591	80.242	98.833	27.730	121.990	149.720	5.01	22.02	27.03
2004	17.150	94.912	112.062	27.384	142.498	169.882	4.43	23.04	27.47
2005	16.213	100.777	116.990	34.130	154.412	188.542	5.47	24.76	30.23
2006	15.430	107.480	122.910	34.667	169.512	204.179	5.52	26.98	32.50

RESOURCE: MINISTRY OF CULTURE AND TOURISM

Number and capacity of the accommodation establishments is limited in Hatay. There are 22 establishments with tourism operating license, 926 rooms and 1.919 beds capacity in 2006; 4 establishments with tourism investment license, 496 rooms and 1.094 beds capacity in Hatay.

TABLE.90 HATAY 2006 ACCOMMODATION ESTABLISHMENTS

	WITH TOURISM INVESTMENT LICENSE			WITH TOURISM OPERATING LICENSE		
ESTABLISHMENTS	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY
5 STAR HOTEL	1	282	596			
4 STAR HOTEL	1	103	216	2	167	336
3 STAR OTEL	2	111	282	6	343	718
2 STAR OTEL				8	240	490
1 STAR OTEL				3	89	186
MOTEL				1	19	46
WITH PRIVATE DOCUMENTS				2	68	143
TOTAL	4	496	1.094	22	926	1.919

RESOURCE: MINISTRY OF CULTURE AND TOURISM

It is projected that the tourism activities in Hatay will develop in three axes. These axes are the followings:

1. The meeting point for religions and the religious and culture tourism depending on the dialogues in between the religions.

2. Health tourism depending on the thermal resources.

3. Business tourism focusing on industry in İskenderun and Yumurtalık where iron-steel and petrochemical industry that transformed the international qualification.

In this framework, in addition to the existing accommodation establishments, it is projected in Hatay that

1. Boutique-concept-deluxe city hotels (3-4 stars) predominantly for entertainment-vacation

2. Establishments and accommodation for heath tourism

3. Qualified city hotels (4-5 stars) focusing on business

IV.4 INDUSTRIAL AND LOGISTICS AREAS

Lastly, industrial and logistics areas are evaluated within commercial real estates. It is projected that the demand for industrial and logistical areas will increase in Hatay for the following period. The industry in Hatay is developing in two axes. First and the important development ax is the development of the main steel industry and iron-steel industry focusing on İskenderun.

This industry creates an industrial area demand and İskenderun I. OIZ is completely full. Hatay Payaş OIZ predominantly iron and steel based sector is working in fullness. For this reason, as İskenderun II OIZ has been building, there is an intense land demand, mostly big scale parcel. The demand for industrial and commercially zoned land is enlarging in both OIZ around in Dörtyol-İskenderun region in which the sector specified heaped up.

The second development ax in Hatay is the industry based on the agriculture and husbandry and depended to it the industrial demand. The Antakya OIZ which was built in the Antakya Topboğaz way is importantly built and demanded OIZ for the industry based on agriculture and husbandry. Antakya OIZ also presents important advantages due to the closeness to the airport, İskenderun harbor, and Cilvegözü border gate.

Hatay also has a development potentiality in logistics. The need for logistics of the industry centered İskenderun and Antakya rapidly enlarge. Hatay will be the second transmission and carrying logistic center with Mersin in the South by the privatization of the İskenderun harbor, opening the international airport, the connection of the south highway with Antakya and Cilvegözü border gate. For this reason, the demand for logistical are will increase.

TABLE.91 HATAY ORGANIZED INDUSTRY ZONES

ORGANIZED INDUSTRY ZONE	AREA HECTARES/M2/ DECARES	CHARACTERISTICS
ISKENDERUN I. OIZ	114 HECTARES	33 FIRMS IN OPERATION
ISKENDERUN II. OIZ	1.143.000 M2	IN INVESTMENT STAGE
HATAY PAYAS OIZ	100 HECTARES	25 FIRMS IN OPERATION
HATAY 75.YIL OIZ		FINDING LAND AND AREA SURVEY
ANTAKYA OIZ	1530 DECARES 90 PARCELS	5 FIRMS IN OPERATION

RESOURCE: MINISTRY OF INDUSTRY AND TRADE

Chapter V.

KAHRAMANMARAŞ REAL ESTATE SECTOR AND PROGNOSES

V.1 HOUSING SECTOR AND MARKETS

Evaluations and projections on Kahramanmaraş real estate sector are made together with housing and commercial real estates, and housing sector and housing markets are firstly taken into consideration. The main goal of the projections of housing sector and housing markets is to predict housing need in K.Maraş until 2015 and to identify the factors affecting the housing demand and housing supply. For this reason, factors that are effective in determining housing need and demand are examined and evaluated in this part of the study.

V.1 Demography and Population Forecast

Main and primary factors affecting the housing demand and supply are demography and population changes. For this reason, demographic and population data of K.Maraş are presented first.

In this framework, figures of population, migration, urbanization, urban household population and urban household number in K.Maraş are given and projections are made on population, urbanization, urban household population and urban household number.

In this part of the study, Address Based Population Registration System data of the year 2007 are used for demographic and population data. In addition to this, old data that are still up-to-date and projecting the tendencies are used.

According to the ABPRS 2007 data, population of K.Maraş is 1.004 thousand. Total population of Turkey is 70.6 million and share of K.Maraş is 1.42 percent. In Table.92, population of 2007 and data of general population census before 2000 are presented below for K.Maraş.

TABLE.92 POPULATION OF K.MARAŞ AND TURKEY

YEARS	K.MARAŞ (000)	TURKEY (000)	K.MARAŞ SHARE %
1980 (1)	738	44.737	1.65
1985 (1)	841	50.664	1.66
1990 (1)	894	56.473	1.58
2000 (1)	1.002	67.804	1.48
2007	1.004	70.586	1.42

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

The main indicator that determines the total population of K.Maraş and its share in Turkey's population is population growth rate of K.Maraş. Population growth rate of K.Maraş is below the average population growth rate of Turkey.

Population growth rates of K.Maraş and Turkey are presented below in Table.93 comparatively. Accordingly, population growth rate of K.Maraş in 2007 was 0.48 percent. Population growth rate of Turkey is 1.26 percent in 2007

TABLE.93 POPULATION GROWTH RATES OF K.MARAŞ AND TURKEY (%)

PERIODS	K.MARAŞ (%)	TURKEY (%)
1980-1985 (1)	2.60	2.49
1985-1990 (1)	1.22	2.17
1990-2000 (1)	1.14	1.83
2007	0.48	1.26

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

Two main factors are determinative in the population growth rate of cities. The first one is urban population growth and the second one is net migration. K.Maraş has been subject to net migration outflow. Cities have both migration inflow and outflow. Net migration figure is different from the figures of intake and outflow migration, and it indicates net migration outflow, if it is negative.

Net migration figures and rates of K.Maraş are presented in Table.94. Data is for between the years 1975-2000, and projects the tendencies of these years. K.Maraş has been subject to absolutely increasing migration outflow between the years 1975-2000, in the last period the migration outflow has decreased. Although there isn't numerical data for the period after 2000, it is observed that net migration outflow tendency of K.Maraş has been decreasingly continued.

TABLE.94 K.MARAŞ NET MIGRATION AND NET MIGRATION RATE

PERIODS	NET MIGRATION (PERSONS)	NET MIGRATION RATE %
1975-1980	-8.206	-1.30
1980-1985	-10.500	-1.42
1985-1990	-33.949	-4.16
1995-2000	-25.530	-2.83

RESOURCE: Migration Indicators of Cities, TSI

Table.95 displays urban population growth and migration based population growth in K.Maraş for the periods between the years 1980-2000. Accordingly, although it is observed that between the years 1980-2000, urban population growth has decreased in K.Maraş, urban population growth is still the main source of population growth. While the outflow migration has decreased in the last period, it still has a negative effect on the population growth of the city.

TABLE.95 SOURCES OF K.MARAŞ'S POPULATION GROWTH

PERIODS	TOTAL POPULATION GROWTH (000)	TOTAL NET MIGRATION (000)	SHARE OF MIGRATION BASED POPULATION GROWTH %	URBAN POPULATION GROWTH (000)	SHARE OF URBAN POPULATION GROWTH %
1980-1985	103	-10.5	-10.1	113.5	110.1
1985-1990	53	-34.0	-64.2	87.0	164.2
1995-2000	54	-25.5	-47.2	79.5	147.2

An important indicator that relates demography and population data with real estate and housing sector is urbanization rates of cities and urban population size (city and town centers). Urban population size living in city and town centers has to be taken into consideration in all indicators for real estate and housing sector. Urbanization rate and urban population size of K.Maraş for the year 2007 with ABPRS are displayed below in Table.96. Accordingly, urbanization rate is 58.3 percent and urban population is 585 thousand in K.Maraş.

TABLE.96 URBANIZATION RATE AND URBAN POPULATION IN K.MARAŞ

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE (%)	URBAN POPULATION (000)
2007	1.004	58.3	585

RESOURCE: Address Based Population Registration System 2007

Urban household number depending on urban population size in K.Maraş is presented in Table.97 below. Determinant of urban household number is average size of urban household size together with urban population size. Urban household average size is 4.95 persons by the year 2007 and urban household number is 118 thousand in K.Maraş.

TABLE.97 K.MARAŞ URBAN HOUSEHOLD NUMBER AND SIZE

YEARS	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	585	4.95	118

RESOURCE: Address Based Population Registration System 2007

After evaluating demography and population indicators and tendencies of K.Maraş, at this level, population projections for K.Maraş until 2015 for each year are made.

Main assumptions used for population projections on K.Maraş are, slowing down of population growth rate depending on decrease of urban population growth rate, continuance of decreasing net migration outflow and slowing down of population growth rate significantly. Depending on these assumptions, population growth rate of K.Maraş, which was 0.48 percent in 2007, is slowing down, and it will decrease to 0.40 percent in 2010 and 0.30 percent in 2015. Depending on these rates population of K.Maraş will increase to 1.017 thousand in 2010 and 1.034 thousand in 2015. Share of the population of K.Maraş in the total population of Turkey will decrease to 1.39 percent in 2010 and 1.34 percent in 2015.

TABLE.98 K.MARAŞ AND TURKEY POPULATION GROWTH PROJECTIONS

YEARS	TURKEY POPULATION GROWTH RATE %	TURKEY POPULATION (000)	K.MARAŞ POPULATION GROWTH RATE %	K.MARAŞ POPULATION (000)	K.MARAŞ POPULATION SHARE %
2007	1.26	70.586	0.48	1.004	1.42
2008	1.24	71.461	0.45	1.009	1.41
2009	1.22	72.332	0.43	1.013	1.40
2010	1.20	73.200	0.40	1.017	1.39
2011	1.18	74.064	0.38	1.021	1.38
2012	1.16	74.923	0.36	1.025	1.37
2013	1.14	75.777	0.34	1.028	1.36
2014	1.12	76.626	0.32	1.031	1.35
2015	1.10	77.469	0.30	1.034	1.34

Another important indicator for real estate and housing sector, depending on population projections of K.Maraş is urbanization and urban household number projections. Urbanization, urban household size and urban household number projections in K.Maraş are presented in Table.99.

It is estimated that urbanization rate will continue to increase limitedly in K.Maraş, and urbanization rate will be 59.5 percent in 2010 and 62.0 percent in 2015.

Urban household population will continue to decrease and while it was 4.95 persons in 2007, it will be 4.86 persons in 2010 and 4.70 persons in 2015.

Depending on these indicators, while urban population was 585 thousand in 2007, it will increase to 641 thousand in 2015 and urban household number will increase from 118 thousand to 136 thousand.

TABLE.99 PROJECTIONS FOR URBAN POPULATION AND NUMBER OF HOUSEHOLDS IN K.MARAŞ

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE %	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	1.004	58.3	585	4.95	118
2008	1.009	58.7	592	4.92	120
2009	1.013	59.1	599	4.89	122
2010	1.017	59.5	605	4.86	124
2011	1.021	60.0	613	4.83	127
2012	1.025	60.5	620	4.80	129
2013	1.028	61.0	627	4.77	131
2014	1.031	61.5	634	4.74	134
2015	1.034	62.0	641	4.70	136

V.1.2 Housing Stock in Kahramanmaraş

The next projection on housing sector and markets is analysis and evaluations on housing stock. Existing housing stock is evaluated in terms of two important sides. The first one is if there is a housing need compared to existing household number, and the second one is to identify the number of houses that has need for renovation for the physical and legal structure of the existing housing stock in the forthcoming period.

For this reason, data on housing stock in K.Maraş are presented and evaluated in this section.

Housing stock in K.Maraş is evaluated firstly in terms of quantity and legal status. Housing stock in K.Maraş by the year 2000 is displayed with the TSI Building Count study of the year 2000. The total number of house is 166.693 by 2000 in K.Maraş. House number in the urban spaces (city and town centers) is 127.264.

Legal status of the existing houses in K.Maraş by the year 2000 is like this: the number of housing units with construction permits in the existing houses is 56.470 and its share in the existing housing stock is 44 percent. The number of housing units that do not have construction permits and which are under the minimum standards are 70.794. It is observed that shanty settlements are very high by the year 2000 in K.Maraş.

TABLE.100 K.MARAŞ HOUSING STOCK 2000

INDICATORS	K.MARAŞ
NUMBER OF BUILDINGS	111.772
NUMBER OF HOUSING UNITS	166.693
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	127.264
HOUSING UNITS WITH CONSTRUCTION PERMITS	56.470
HOUSING UNITS WITH OCCUPANCY PERMITS	24.051
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS	70.794
CONSTRUCTION PERMITS/TOTAL HOUSING UNITS %	44.0
OCCUPANCY PERMITS/TOTAL HOUSING UNITS %	19.0

RESOURCE: Building Count 2000, TSI

Housing stock projections in K.Maraş by the year 2007 are presented in Table.101 below. To make housing stock projections by the year 2007, construction permits obtained between the years 2000-2006 (it is assumed that housing stock is created the year after the construction permit is obtained) and number of housing units that are unusable in 2001-2006 and the number of units without construction permits are used.

Accordingly, it is estimated that total housing stock reached to 155.991 in city and town centers in K.Maraş in 2007. The 2005 year-end data of the Ministry of Finance is 150.146 housing units.25.227 construction permits have been taken in K.Maraş in 2000-2006. It is estimated that 3.500 housing unit have become unusable in 2001-2007, and on the other hand, 7.000 housing unit have been built illegally in the same period. Hence, urban housing stock of K.Maraş is estimated to be 155.991 at the end of 2007.

TABLE.101 K.MARAŞ 2007 HOUSING STOCK ESTIMATE (CITY AND TOWNSHIPS)

INDICATORS	K.MARAŞ
NUMBER OF HOUSING UNITS 2000 (CITY AND TOWNSHIP)	127.264
NUMBER OF CONSTRUCTION PERMITS (2000-2006)	25.227
HOUSING UNITS THAT ARE UNUSABLE (2001-2007)	3.500
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS (2001-2007)	7.000
TOTAL HOUSING STOCK 2007	155.991

Total housing stock in K.Maraş city and township centers is estimated to be 155.991 by 2007. Total urban household number is 118 thousand. When these two figures are compared, it is observed that there isn't any housing deficit in K.Maraş. Nevertheless, more than 50 percent of the existing stock in K.Maraş is built without construction permits and is sub-standard. For this reason, it is observed that there is a significant deficit for high quality and standard housing units.

Other significant factors for the housing need are physical condition of the housing stock and the age of the existing housing stock.

Accordingly, physical condition of the housing stock in K.Maraş by the year 2000 with the TSI Building Count results is displayed in Table.102 below. By the year 2000, there are 2.550 housing units that are in ruins and planning to be pulled down, and 7.636 housing unit that need drastic repairs and modifications in K.Maraş.

Even though we assume that some part of the total 10.2 thousand housing units that need drastic repairs and modifications and in ruins and planning to be pulled down in 2000 would have been pulled down or become unusable until 2007, approximately 8 thousand housing units will still require renewal.

TABLE.102 PHYSICAL CONDITION OF THE HOUSING STOCK IN K.MARAŞ 2000

INDICATORS	K.MARAŞ
NUMBER OF HOUSING UNITS	166.693
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	127.264
THOSE THAT DON'T NEED REPAIRS	71.268
THOSE THAT NEED SIMPLE REPAIRS AND MODIFICATIONS	44.542
THOSE THAT NEED DRASTIC REPAIRS AND MODIFICATIONS	7.636
IN RUINS AND PLANNED TO BE PULLED DOWN	2.550
UNKNOWN CONDITION	1.275

RESOURCE: TSI, Building Count 2000

When the housing stock is evaluated in terms of building life, buildings that are 50 years and older that are solely and/or predominantly used for residential purposes are 7.569 in 2000. This figure is estimated to reach 15 thousand (approximately 24 thousand housing units) until 2015. The physical life of these buildings that are 50 years and older, except for the historical ones, is expiring and this will create a need for additional housing.

TABLE.103 CONSTRUCTION YEARS OF BUILDINGS IN K.MARAŞ 2000

BUILDING COMPLETION DATE	BUILDINGS THAT ARE SOLELY USED AS RESIDENCES	BUILDINGS THAT ARE PREDOMINANTLY USED AS RESIDENCES
-1929	1.118	72
1930-1939	633	107
1940-1949	1.396	317
1950-1959	2.941	985
1960-1969	5.992	1.675
1970-1979	16.021	2.878
1980-1989	24.735	4.049
1990-2000	29.167	3.866
UNKNOWN	622	133
TOTAL	82.625	14.082

RESOURCE: TSI, Building Count 2000

V.1.3 Housing Need in Kahramanmaraş

We make projections for the housing need of K.Maraş for every year until 2015, based on the results and findings of the evaluations made in the previous section. Accordingly, it is estimated that there will be need of 42 thousand housing units between the years 2008-2015.

1. It is estimated that depending on the increase of 18 thousand households in 2008-2015, there will be equal need of housing units.

2. The housing need based on urban transformation is estimated to be 20 thousand in total. As there are a high number of housing units without construction permits, housing need is mostly defined as social housing and it is determinative in the housing need of K.Maraş.

3. There will be a need for 4 thousand housing units between the years 2008-2015 as a result of renewal. It is assumed that 5 housing unit per thousand housing stock will be renewed every year (the standard rate used by the State Planning Organization).

TABLE.104 PREDICTIONS FOR HOUSING NEED IN K. MARAŞ (000)

YEARS	HOUSING NEED BASED ON THE INCREASE OF HOUSEHOLDS	URBAN REGENERATION BASED HOUSING NEED	RENEWAL BASED HOUSING NEED	TOTAL
2008	2.0	2.5	0.5	5.0
2009	2.0	2.5	0.5	5.0
2010	2.0	2.5	0.5	5.0
2011	3.0	2.5	0.5	6.0
2012	2.0	2.5	0.5	5.0
2013	2.0	2.5	0.5	5.0
2014	3.0	2.5	0.5	6.0
2015	2.0	2.5	0.5	5.0
TOTAL	18.0	20.0	4.0	42.0

V.1.4 Factors that Influence the Housing Demand in Kahramanmaraş

After the housing need projections made for K.Maraş, we will evaluate the factors that influence the housing demand. Home ownership of the households and the income pattern of the household are the major factors shaping general housing demand in K.Maraş.

Home ownership of the households is the primary factor that affects the housing demand in the upcoming period. TSI's 2000 Population Census data is used in reference to home ownership. Even though the data is not up-to-date, the figures can show important trends.

The rate of home ownership in K.Maraş is 75.3 percent by the year 2000, and the rate of tenants is 17.5 percent. The rate of tenants is below the average of Turkey (31.6 percent). Nevertheless, 32.584 tenant households in K.Maraş in 2000 represent a housing demand potential for the following period. The Ministry of Finance 2005 data shows that there are 33.488 tenant households in K.Maraş. The ratio of households that are neither homeowners nor tenants in K.Maraş is 6.864 in 2000.

TABLE.105 HOME OWNERSHIP OF HOUSEHOLDS IN K.MARAŞ

HOME OWNERSHIP	NUMBER OF HOUSEHOLDS	HOUSEHOLDS % SHARE
HOMEOWNER	139.882	75.3
TENANT	32.584	17.5
LODGING DWELLER	4.665	2.5
NOT HOMEOWNER/ DOES NOT PAY RENT	6.864	3.7
OTHER	1.731	0.9
UNKNOWN	66	0.0
TOTAL	185.792	100.0

RESOURCE: General Population Census 2000, TSI

Level of city's economic development and personal incomes are other important determinants of the housing demand. K.Maraş lags behind the average of Turkey in terms of economic development and per capita income indicators.

In this level new GNP data of TSI, which is declared based on the new calculation method, is used. Accordingly, GNP volume of Turkey is 659 billion dollars in 2007 and per capita income is 9.333 dollars.

The share of K.Maraş in the GNP is 1.00 percent. Hence, GNP of K.Maraş is 6.6 billion dollars in 2007 and per capita income is 6.575 dollars.

Table.106 shows the predictions on the developments of the gross product of K.Maraş and per capita income.

Accordingly, the basic assumptions are that as Turkish economy will grow 5 percent each year until 2015 and K.Maraş will sustain its 1 percent share in the Turkish national income.

Based on the assumptions mentioned above, per capita income in K.Maraş is estimated to rise 7.570 dollars in 2010 and 9.785 dollars in 2015. Per capita income projections in K.Maraş indicates that there will be a limited income pattern for housing need will emerge.

TABLE.106 K.MARAŞ GROSS PRODUCT AND PER CAPITA INCOME PREDICTIONS

YEARS	GROSS PRODUCT BILLION DOLLAR	POPULATION (000)	PER CAPITA INCOME DOLLAR
2007	6.6	1.004	6.575
2008	6.9	1.009	6.840
2009	7.3	1.013	7.205
2010	7.7	1.017	7.570
2011	7.9	1.021	7.740
2012	8.3	1.025	8.100
2013	8.7	1.028	8.465
2014	9.1	1.031	8.825
2015	9.6	1.034	9.285

V.1.5 Prognoses for the Housing Sector and Markets in Kahramanmaraş

After evaluating the factors that affect the housing sector in K.Maraş and making projections on housing demand, now we will make projections housing sector and housing markets.

1. The need for housing will remain as 42 thousand housing units until 2015 in K.Maraş. Depending on the limited increase in the household number, housing need stays limited as well. The housing need will predominantly be social housing in K.Maraş.

2. There will be a limited housing demand originate from the renewal and upgrading or housing change of the upper and middle-upper income groups in K.Maraş.

3. There are two regions developing as new settlement areas in K.Maraş. Firstly, settlement areas are developing towards the western side of the city, which is in the scope of urban planning and where infrastructure has been completed. The second area is the eastern side of the city together with Doğukent mass housing that Municipality has established.

4. As there isn't adequate state and municipality land, as citizens are landowners and as a result of protected areas, housing structure in the city centers remain limited and mostly build-and-sell system and cooperatives build limited number of houses. For this reason, it is projected that house building will remain limited in the city center.

5. It is projected that in the southern region of the city on Adana-Gaziantep-Kayseri way where industry is developing, detached housing complexes will increase.

6. A significant number of social housing need will emerge in K.Maraş and local administration and Housing Development Administration of Turkey (TOKİ) will meet this need. As a matter of fact, municipality has created 5.000 housing unit with Doğukent project, and with three different projects on the western side of the city. TOKi has 976 social housing constructions in total: 200 in the city center, 272 in Afşin and 504 in Elbistan.

7. 13.658 real estates in 2005, 15.095 real estates in 2006 and 16.068 real estates in 2007 have been sold in K.Maraş. 1.005 housing credits in 2005, 1.726 housing credits in 2006 and 1.366 housing credits in 2007 have been used in K.Maraş.

V.2 RETAIL MARKET AND SHOPPING CENTERS

Evaluations and projections on the real estate sector of Kahramanmaraş are made together with housing and commercial real estates. As commercial real estates, shopping centers, accommodation facilities and industrial and logistics areas are examined and evaluated.

Firstly, shopping centers and retail markets in the commercial real estates are examined and evaluated in K.Maraş. In this framework, size of the retail market and shopping centers in K.Maraş are presented below.

Share of K.Maraş in national income in 2007 is 1.00 percent, size of gross product is 6.6 billion dollars and per capita income is 6.575 dollars.

TABLE.107 K.MARAŞ ECONOMIC SIZE

YEARS	GNP % SHARE	GROSS PRODUCT BILLION DOLLAR	PER CAPITA INCOME DOLLAR
2007	1.00	6.6	6.575

Related with retail market and shopping centers, private consumption expenditures, retail expenditures and its dispersion between food and non-food goods are presented in Table.108.

Total private consumption expenditures in K.Maraş were 4.84 billion dollars in 2007. The share of the retail expenditures in the private consumption expenditures is 54 percent, and its volume is 2.60 billion dollars. 1.78 billion dollars of retail expenditures was food and beverage expenditures, and 0.82 billion dollars of retail expenditures was other retail expenditures.

TABLE.108 K.MARAŞ PRIVATE CONSUMPTION AND RETAIL EXPENDITURES

YEARS	GROSS PRODUCT BILLION DOLLARS	PRIVATE CONSUMPTION EXPENDITURES BILLION DOLLARS	RETAIL EXPENDITURES BILLION DOLLARS		
			FOOD BEVERAGE	OTHER	TOTAL
2007	6.6	4.84	1.78	0.82	2.60

Data on shopping centers in K.Maraş are given now. Accordingly, there isn't any shopping center in the ICSC (International Council for Shopping Centers) standards by the end of 2007 in K.Maraş.

Projections on shopping centers in Kahramanmaraş are given below. While making projections on shopping centers, firstly, shopping centers those are in construction and/or are actively being planned are taken into account by the targeted opening years.

Hence, de facto realization projections are used for the years 2008-2009. Accordingly, there is 1 shopping center in Kahramanmaraş that is in construction and project level and scheduled to be opened at the end of 2009. Gross leasable area of this shopping center will be 58.000 m2. There will not be any shopping center in Kahramanmaraş in 2008. In 2009 there will be 1 shopping center of 58.000 m2 and with this shopping center, the GLA per 1000 persons will be 57.3 m2 at the end o 2009.

Depending on the population, economic growth and retail expenditure projections in K.Maraş, development projections for the shopping centers are presented for the following years. Projections are made for the gross leasable areas of shopping centers. We use two different scenarios and reach two different leasable area size for shopping centers and two different retail expenditure volumes for these two GLA sizes.

With these two alternative scenarios we assume 80 m2 and 100 m2 gross leasable area per thousand persons in 2015 for K.Maraş.

Accordingly, for the first scenario there will be 82.720 m2 GLA in 2015 in K.Maraş and for the second scenario there will be 103.400 m2 GLA in 2015.

TABLE.109 K.MARAŞ SHOPPING CENTER PROJECTIONS

	POPULATION	GROSS LEASABLE AREA M2 PER 1000 PERSONS		TOTAL GROSS LEASABLE AREA M2	
YEARS	(000)	A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2009	1.013	57.3	57.3	58.000	58.000
2010	1.017	57.0	57.0	58.000	58.000
2011	1.021	60.0	60.0	61.260	61.260
2012	1.025	65.0	70.0	66.625	71.750
2013	1.028	70.0	80.0	71.960	82.240
2014	1.031	75.0	90.0	77.325	92.790
2015	1.034	80.0	100.0	82.720	103.400

The size of annual potential retail expenditures per gross leasable area is another important indicator used in making shopping center projections.

Accordingly, with the first scenario, there are 82.720 m2 gross lesable area in 20105 in K.Maraş and the annual potential retail expenditure volume per gross leasable area is 45.950 dollars. In the second scenario, there are 103.400 m2 gross leasable area and 36.750 dollars of annual potential retail expenditure per gross leasable area.

In this framework, depending on the projections reached with these two alternative scenarios, after the de facto realizations, there is 25 - 45 thousand m2 additional shopping center investment potential until 2015 (between 2010-2015).

TABLE.110 K.MARAŞ SHOPPING CENTER PROJECTIONS

YEARS	RETAIL EXPENDITURES BILLION DOLLARS	TOTAL GROSS LEASABLE AREA M2		ANNUAL POTENTIAL RETAIL EXPENDITURES PER GROSS LEASABLE AREA DOLLARS	
		A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2009	2.9	58.000	58.000	50.000	50.000
2010	3.1	58.000	58.000	53.450	53.450
2011	3.2	61.260	61.260	52.250	52.250
2012	3.3	66.625	71.750	49.530	46.000
2013	3.4	71.960	82.240	47.250	41.350
2014	3.6	77.325	92.790	46.550	38.800
2015	3.8	82.720	103.400	45.950	36.750

V.3 TOURISM AND ACCOMODATION ESTABLISHMENTS

Tourism and accommodation establishments are the second topic evaluated within commercial real estates. In this framework, statistical data on accommodation and tourism establishments are presented and evaluated, and then projections are presented on the development of tourism and accommodation establishments.

There is a limited tourism activity in K.Maraş compared to the historical assets of the city and its business city identity. According to the accommodation statistics in K.Maraş, 33.420 persons accommodated in 2006 in total. Foreign guests were only 1.134 persons and accommodation numbers are very limited. Total number of overnight stays in 2006 was 51.240. Accordingly, total occupancy rate was 25.2 percent in 2006.

TABLE.111 K.MARAŞ ACCOMODATION STATISTICS

	NUMBER OF GUESTS (000)			NUMBER OF OVERNIGHT STAYS (000)			OCCUPANCY RATE %		
YEARS	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL
2002	1.020	18.142	19.162	3.046	26.030	29.076	1.78	15.17	16.95
2003	1.007	25.103	26.110	2.957	37.461	40.418	1.24	25.73	26.97
2004	1.263	27.090	28.353	3.937	40.902	44.839	1.93	20.06	21.99
2005	1.841	26.067	27.908	4.316	39.626	43.942	2.12	19.49	21.61
2006	1.134	32.286	33.420	3.493	47.747	51.240	1.72	23.49	25.20

RESOURCE: MINISTRY OF CULTURE AND TOURISM

Number and capacity of the accommodation establishments is very limited in Kahramanmaraş. There are 4 establishments with tourism operating license, 263 rooms and 557 beds capacity in 2006; 2 establishments with tourism investment license, 74 rooms and 144 beds capacity in K.Maraş.

TABLE.112 K.MARAŞ ACCOMMODATION ESTABLISHMENTS 2006

ESTABLISHMENTS	WITH TOURISM INVESTMENT LICENSE			WITH TOURISM OPERATING LICENSE		
	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY
4 STAR HOTEL				1	120	264
3 STAR HOTEL	2	74	144			
2 STAR HOTEL				3	143	293
TOTAL	2	74	144	4	263	557

RESOURCE: MINISTRY OF CULTURE AND TOURISM

It is projected that there will be limited development of tourism activities in two main axes in K.Maraş. Development axes

1. Business focused tourism depending on industrial and commercial development of the city

2. Culture-history-health and alternative tourism depending on the cultural, natural and historical assets of the city

In this framework, there will be additional accommodation establishments in

1. Business-oriented hotels (4 stars)

2. Boutique hotels to meet entertainment and vacation oriented concept hotels (3 stars)

V. 4 INDUSTRIAL AND LOGISTICS AREAS

Lastly, industrial and logistics areas are evaluated within commercial real estates.

Industry is continuing to develop in K.Maraş. Lace-textile, energy, cement, metal commodity industry, food industry and gold jewelry industry are the developing industry sectors.

There is a high demand for the industrial zones in parallel to the development of industry in K.Maraş. Industry first developed in the city center and Türkoğlu and Pazarcık towns and around the main roads and these zones are fully occupied. Industrial lands in the city center and around these areas are limited and expensive.

Organized Industry Zone is on the Kayseri road, it is 300 hectares and all of the 53 parcels are fully occupied.

Demand of industrial zone with the development of industry increasingly continues. As the I. OIZ is fully occupied and as a new OIZ has not been established, industrial area is expanding on the south local road (Adana, Gaziantep) rapidly and industrial lands on this area gain value.

TABLE.113 K.MARAŞ ORGANIZED INDUSTRY ZONES

ORGANIZED INDUSTRY ZONE	AREA HECTARES/M2/ DECARES	CHARACTERISTICS
KAHRAMANMARAŞ OIZ	300 HECTARES 175 DECARES INDUSTRY 53 PARCELS	55 COMPANIES IN OPERATION HAS %100 OCCUPANCY

RESOURCE: MINISTRY OF INDUSTRY AND TRADE

Chapter VI.

MALATYA REAL ESTATE SECTOR AND PROGNOSES

VI.1 HOUSING SECTOR AND MARKETS

Evaluations and projections on Malatya real estate sector are made together with housing and commercial real estates and housing sector and housing markets are firstly taken into consideration. The main goal of the projections of housing sector and housing markets is to predict housing need in Malatya until 2015 and to identify the factors affecting the housing demand and housing supply. For this reason, factors that are effective in determining housing need and demand are examined and evaluated in this part of the study.

VI.1.1 Demography and Population Forecast

Main and primary factors affecting the housing demand and supply are demography and population changes. For this reason, demographic and population data of Malatya are presented first.

In this framework, figures of population, migration, urbanization, urban household population and urban household number in Malatya are given and projections are made on population, urbanization, urban household population and urban household number.

In this part of the study, Address Based Population Registration System data of the year 2007 are used for demographic and population data. In addition to this, old data that are still up-to-date and projecting the tendencies are used.

According to the ABPRS 2007 data, total population of Malatya is 722 thousand. Total population of Turkey is 70.6 million and share of Malatya is 1.02 percent. In Table.114, population of 2007 and data of general population census before 2000 are presented below for Malatya.

TABLE.114 POPULATION OF MALATYA AND TURKEY

YEARS	MALATYA (000)	TÜRKEY (000)	MALATYA SHARE %
1980 (1)	607	44.737	1.36
1985 (1)	666	50.664	1.31
1990 (1)	704	56.473	1.25
2000 (1)	854	67.804	1.26
2007	722	70.586	1.02

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

The main indicator that determines the total population of Malatya and its share in Turkey's population is population growth rate of Malatya. Population growth rate of Malatya is a little above the average population growth rate of Turkey.

Population growth rates of Malatya and Turkey are presented below in Table.115 comparatively. Accordingly, population growth rate of Malatya in 2007 was 1.30 percent. Population growth rate of Turkey is 1.26 percent in 2007.

TABLE.115 POPULATION GROWTH RATES OF MALATYA AND TURKEY (%)

PERIODS	MALATYA (%)	TÜRKEY (%)
1980-1985 (1)	1.85	2.49
1985-1990 (1)	1.06	2.17
1990-2000 (1)	1.92	1.83
2007	1.30	1.26

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

Two main factors are determinative in the population growth rate of cities. The first one is urban population growth and the second one is net migration. Malatya has been subject to net migration outflow. Cities have both migration inflow and outflow. Net migration figure is different from the figures of intake and outflow migration, and it indicates net migration outflow, if it is negative.

Net migration figures and rates of Malatya are presented in Table.116. Data is for between the years 1975-2000, and projects the tendencies of these years. Malatya has been subject to continuous migration outflow between these years. Migration outflow has been fluctuating between the periods and in 1995-2000 period it is observed that migration outflow has been decreased in terms of quantity and proportions. Although there isn't numerical data for the period after 2000, it is observed that net migration outflow tendency of Malatya has been continued.

TABLE.116 MALATYA NET MIGRATION AND NET MIGRATION RATE

PERIODS	NET MIGRATION (PERSONS)	NET MIGRATION RATE %
1975-1980	-23.183	-4.32
1980-1985	-12.944	-2.20
1985-1990	-35.207	-5.42
1995-2000	-16.823	-2.15

RESOURCE: Migration Indicators of Cities, TSI

Table.117 displays urban population growth and migration based population growth in Malatya for the periods between the years 1980-2000. Accordingly, while the urban population growth is determinative in the total population growth of Malatya between the years 1980-2000, net migration outflow negatively affects the total population growth of the city.

TABLE.117 POPULATION GROWTH RATES OF MALATYA AND TURKEY (%)

PERIODS	TOTAL POPULATION GROWTH (000)	TOTAL NET MIGRATION (000)	SHARE OF MIGRATION BASED POPULATION GROWTH %	URBAN POPULATION GROWTH (000)	SHARE OF URBAN POPULATION GROWTH %
1980-1985	59	-12.9	-21.8	71.9	121.8
1985-1990	38	-35.2	-92.6	73.2	192.6
1995-2000	78	-16.8	-21.5	94.8	121.5

An important indicator that relates demography and population data with real estate and housing sector is urbanization rates of cities and urban population size (city and town centers). Urban population size living in city and town centers has to be taken into consideration in all indicators for real estate and housing sector.

Urbanization rate and urban population size of Malatya for the year 2007 with ABPRS are displayed below in Table.118. Accordingly, urbanization rate is 64.1 percent and urban population is 463 thousand in Malatya.

TABLE.118 URBANIZATION RATE AND URBAN POPULATION IN MALATYA

PERIODS	TOTAL POPULATION (000)	URBANIZATION RATE (%)	URBAN POPULATION (000)
2007	722	64.1	463

RESOURCE: Address Based Population Registration System 2007

Urban household number depending on urban population size in Malatya is presented in Table.119 below. Determinant of urban household number is average size of urban household size together with urban population size. Urban household average size is 4.70 persons by the year 2007 and urban household number is 90 thousand in Malatya.

TABLE.119 MALATYA URBAN HOUSEHOLD NUMBER AND SIZE

YEARS	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	463	4.70	99

RESOURCE: Address Based Population Registration System 2007

After evaluating demography and population indicators and tendencies of Malatya, at this level, population projections for Malatya until 2015 for each year are made.

Main assumptions used for population projections on Malatya are, slowing down of population growth rate depending on decrease of urban population growth rate, continuance of decreasing net migration outflow and slowing down of population growth rate.

Accordingly, population growth rate of Malatya, which was 1.30 percent in 2007, is slowing down, and it will decrease to 1.23 percent in 2010 and 1.13 percent in 2015. Depending on these rates population of Malatya will increase to 749 thousand in 2010 and 794 thousand in 2015. Share of the population of Malatya in the total population of Turkey will remain 1.02 percent until 2015.

TABLE.120 MALATYA AND TURKEY POPULATION GROWTH PROJECTIONS

YEARS	TURKEY POPULATION GROWTH RATE %	TURKEY POPULATION (000)	MALATYA POPULATION GROWTH RATE %	MALATYA POPULATION (000)	MALATYA POPULATION SHARE %
2007	1.26	70.586	1.30	722	1.02
2008	1.24	71.461	1.27	731	1.02
2009	1.22	72.332	1.25	740	1.02
2010	1.20	73.200	1.23	749	1.02
2011	1.18	74.064	1.21	758	1.02
2012	1.16	74.923	1.19	767	1.02
2013	1.14	75.777	1.17	776	1.02
2014	1.12	76.626	1.15	785	1.02
2015	1.10	77.469	1.13	794	1.02

Another important indicator for real estate and housing sector, depending on population projections of Malatya is urban household number and projections depending on this. Urbanization, urban household size and urban household number projections in Malatya are presented in Table.121.

It is estimated that urbanization rate will continue to increase limitedly in Malatya, and urbanization rate will be 65.0 percent in 2010 and 67.0 percent in 2015. Urban household average size will continue to decrease. While urban household average size was 4.70 persons in 2007, it will be 4.61 persons in 2010 and 4.50 persons in 2015.

Depending on these indicators, while urban population was 463 thousand in 2007, it will increase to 532 thousand in 2015 and urban household number will increase from 99 thousand to 118 thousand.

TABLE.121 PROJECTIONS FOR URBAN POPULATION AND NUMBER OF HOUSEHOLDS IN MALATYA

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE %	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	722	64.1	463	4.70	99
2008	731	64.4	471	4.67	101
2009	740	64.7	479	4.64	103
2010	749	65.0	487	4.61	106
2011	758	65.4	496	4.58	108
2012	767	65.8	505	4.56	111
2013	776	66.1	513	4.54	113
2014	785	66.5	522	4.52	115
2015	794	67.0	532	4.50	118

VI.1.2 Housing Stock in Malatya

The next projection on housing sector and markets is analysis and evaluations on housing stock. Existing housing stock is evaluated in terms of two important sides. The first one is if there is a housing need or surplus compared to existing household number, and the second one is to identify the number of houses that has need for renovation for the physical and legal structure of the existing housing stock in the forthcoming period.

For this reason, data on housing stock in Malatya are presented and evaluated in this section.

Housing stock in Malatya is evaluated firstly in terms of quantity and legal status. Housing stock in Malatya by the year 2000 is displayed with the TSI Building Count study of the year 2000. The total number of house is 154.466 by 2000 in Malatya. House number in the urban spaces (city and town centers) is 120.069.

Legal status of the existing houses in Malatya by the year 2000 is like this: the number of housing units with construction permits in the existing houses is 65.287 and its share in the existing housing stock is 54 percent. The number of housing units with certificate of occupancy is 39.280 and its share in the existing housing stock is 33 percent. It is observed that shanty settlements are very high by the year 2000 in Malatya.

TABLE.122 MALATYA HOUSING STOCK 2000

INDICATORS	MALATYA
NUMBER OF BUILDINGS	84.029
NUMBER OF HOUSING UNITS	154.466
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	120.069
HOUSING UNITS WITH CONSTRUCTION PERMITS	65.287
HOUSING UNITS WITH OCCUPANCY PERMITS	39.280
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS	54.782
CONSTRUCTION PERMITS/TOTAL HOUSING UNITS %	54.0
OCCUPANCY PERMITS/TOTAL HOUSING UNITS %	33.0

RESOURCE: Building Count 2000, TSI

Housing stock projections in Malatya by the year 2007 are presented in Table.123 below. To make housing stock projections by the year 2007, construction permits obtained between the years 2000-2006 (it is assumed that housing stock is created the year after the construction permit is obtained) and number of housing units that are unusable in 2001-2006 and the number of units without construction permits are used.

Accordingly, it is estimated that total housing stock reached to 142.837 in city and town centers in Malatya in 2007. (The 2005 year-end data of the Ministry of Finance is 140.207 housing units). 19.268 construction permits have been taken in Malatya in 2000-2006. It is estimated that 3.500 housing unit have become unusable in 2001-2007, and on the other hand, 7.000 housing unit have been built illegally in the same period. Hence, urban housing stock of Malatya is estimated to be 142.837 at the end of 2007.

TABLE.123 MALATYA 2007 HOUSING STOCK ESTIMATE (CITY AND TOWNSHIPS)

INDICATORS	MALATYA
NUMBER OF HOUSING UNITS 2000 (CITY AND TOWNSHIP)	120.069
NUMBER OF CONSTRUCTION PERMITS (2000-2006)	19.268
HOUSING UNITS THAT ARE UNUSABLE (2001-2007)	3.500
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS (2001-2007)	7.000
TOTAL HOUSING STOCK 2007	142.837

Total housing stock in Malatya city and township centers is estimated to be 142.837 by 2007. Total urban household number is 99 thousand. It is observed that there isn't any housing deficit in Malatya by the year 2007. Nevertheless, more than 48 percent of the existing stock in Malatya is built without construction permits and is sub-standard. For this reason, it is observed that there is a significant deficit for legal and high quality housing units in Malatya.

Other significant factors for the housing need are physical condition of the housing stock and the age of the existing housing stock.

Accordingly, physical condition of the housing stock in Malatya by the year 2000 with the TSI Building Count results is displayed in Table.124 below. By the year 2000, there are 2.400 housing units that are in ruins and planning to be pulled down, and 12.007 housing unit that need drastic repairs and modifications in Malatya.

Even though we assume that some part of the total 14.4 thousand housing units that need drastic repairs and modifications and in ruins and planning to be pulled down in 2000 would have been pulled down or become unusable until 2007, approximately 12 thousand housing units will still require renewal.

TABLE.124 PHYSICAL CONDITION OF THE HOUSING STOCK IN MALATYA

INDICATORS	MALATYA
NUMBER OF HOUSING UNITS	154.466
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	120.069
THOSE THAT DON'T NEED REPAIRS	57.633
THOSE THAT NEED SIMPLE REPAIRS AND MODIFICATIONS	45.626
THOSE THAT NEED DRASTIC REPAIRS AND MODIFICATIONS	12.007
IN RUINS AND PLANNED TO BE PULLED DOWN	2.400
UNKNOWN CONDITION	2.400

RESOURCE: Building Count 2000, TSI

When the housing stock is evaluated in terms of building life, buildings that are 50 years and older that are solely and/or predominantly used for residential purposes are 11.105 in 2000. This figure is estimated to reach 22.3 thousand (approximately 35 thousand housing units) until 2015. The physical life of these buildings that are 50 years and older, except for the historical ones, is expiring and this will create a need for additional housing.

TABLE.125 CONSTRUCTION YEARS OF BUILDINGS IN MALATYA 2000

BUILDING COMPLETION DATE	BUILDINGS THAT ARE SOLELY USED AS RESIDENCES	BUILDINGS THAT ARE PREDOMINANTLY USED AS RESIDENCES
-1929	1.079	381
1930-1939	1.025	261
1940-1949	2.196	485
1950-1959	4.744	934
1960-1969	9.584	1.637
1970-1979	15.186	2.225
1980-1989	15.942	2.236
1990-2000	15.016	2.289
UNKNOWN	509	88
TOTAL	65.281	10.536

RESOURCE: Building Count 2000, TSI

VI.1.3 Housing Need in Malatya

We make projections for the housing need of Malatya for every year until 2015, based on the assumptions, findings and results of the evaluations made in the previous section.

Accordingly, it is projected that there will be need for 43 thousand housing units between 2008-2015 in Malatya.

1. It is estimated that depending on the increase of 19 thousand households in 2008-2015, there will be equal need of housing units.

2. The housing need based on urban transformation is estimated to be 16 thousand in total. As there are a high number of shanty settlements in Malatya, it is estimated that 30 percent of the housing stock that is shanty and sub-standard will be renewed in the urban transformation process until 2015.

3. There will be a need for 8 thousand housing units between the years 2008-2015 as a result of renewal. It is assumed that 5 housing unit per thousand housing stock will be renewed every year (the standard rate used by the State Planning Organization).

TABLE.126 PREDICTIONS FOR HOUSING NEED IN MALATYA (000)

YEARS	HOUSING NEED BASED ON THE INCREASE OF HOUSEHOLDS	URBAN REGENERATION BASED ON HOUSING NEED	RENEWAL BASED HOUSING NEED	TOTAL
2008	2.0	2.0	1.0	5.0
2009	2.0	2.0	1.0	5.0
2010	3.0	2.0	1.0	6.0
2011	2.0	2.0	1.0	5.0
2012	3.0	2.0	1.0	6.0
2013	2.0	2.0	1.0	5.0
2014	2.0	2.0	1.0	5.0
2015	3.0	2.0	1.0	6.0
TOTAL	19.0	16.0	8.0	43.0

VI.1.4 Factors that Influence the Housing Demand in Malatya

After the housing need projections made for Malatya, we will evaluate the factors that influence the housing demand. Home ownership of the households and the income pattern of the household are the major factors shaping general housing demand in Malatya.

Home ownership of the households is the primary factor that affects the housing demand in the upcoming period. TSI's 2000 Population Census data is used in reference to home ownership. Even though the data is not up-to-date, the figures can show important trends.

The rate of home ownership in Malatya is 73.4 percent by the year 2000, and the rate of tenants is 20.6 percent. The rate of tenants is below the average of Turkey (31.6 percent). Nevertheless, 33.684 tenant households in Malatya in 2000 represent a housing demand potential for the following period. The Ministry of Finance 2005 data shows that there are 35.514 tenant households in Malatya. The ratio of households that are neither homeowners nor tenants in Malatya is 4.576 in 2000.

TABLE.127 HOME OWNERSHIP OF HOUSEHOLDS IN MALATYA

HOME OWNERSHIP	NUMBER OF HOUSEHOLDS	HOUSEHOLDS % SHARE
HOMEOWNER	120.188	73.4
TENANT	33.684	20.6
LODGING DWELLER	4.491	2.7
NOT HOMEOWNER/ DOES NOT PAY RENT	4.576	2.8
OTHER	716	0.4
UNKNOWN	63	0.0
TOTAL	163.718	100.0

RESOURCE: General Population Census 2000, TSI

Level of city's economic development and personal incomes are other important determinants of the housing demand. Malatya lags behind the average of Turkey in terms of economic development and per capita income indicators.

In this level new GNP data of TSI, which is declared based on the new calculation method, is used. Accordingly, GNP volume of Turkey is 659 billion dollars in 2007 and per capita income is 9.333 dollars.

The share of Malatya in the GNP is 0.80 percent. Hence, GNP of Malatya is 5.3 billion dollars in 2007 and per capita income is 7.340 dollars. Table.128 shows the predictions on the developments of the gross product of Malatya and per capita income.

Accordingly, the basic assumptions are that as Turkish economy will grow 5 percent each year until 2015 and Malatya will sustain its 1 percent share in the Turkish national income.

Based on the assumptions, per capita income in Malatya is estimated to rise 8.280 dollars in 2010 and 9.950 dollars in 2015. Per capita income projections in Malatya indicates that there will be a limited income pattern for housing need will emerge.

TABLE.128 MALATYA GROSS PRODUCT AND PER CAPITA INCOME PREDICTIONS

YEARS	GROSS PRODUCT BILLION DOLLARS	POPULATION (000)	PER CAPITA INCOME DOLLAR
2007	5.3	722	7.340
2008	5.6	731	7.660
2009	5.9	740	7.975
2010	6.2	749	8.280
2011	6.5	758	8.575
2012	6.8	767	8.865
2013	7.1	776	9.150
2014	7.5	785	9.555
2015	7.9	794	9.950

VI.1.5 Prognoses for the Housing Sector and Markets in Malatya

After evaluating the factors that affect the housing sector in Malatya and making projections on housing demand, now we will make projections housing sector and housing markets.

1. Housing need will remain as 43 thousand housing units in Malatya until 2015. Housing need will be mostly for social housing units.

2. It is projected that there will be a limited regular housing market in Malatya especially in the city center. As city center has a much squeezed, too central shanty housing settlements, development area of the city center has been filled with shanty settlements as well. As there isn't any remaining area for the new and high quality housing construction, development of the housing market has become limited.

3. It is projected that new housing and living areas will be concentrated out of city center in three areas in Malatya. These areas are the west of the city; location on the west of the Beyler River, north of the city; Yeşiltepe location located on the north of the railway that divides the city and south of the city; location of new local road and its connection points.

4. It is projected that housing construction in the above mentioned locations would be predominantly for low, middle-low and middle-income groups in Malatya.

5. TOKİ and local administration will continue to construct housing units for low and middle-low income groups in the scope of amelioration of shanty housing and urban transformation in Malatya.

Together with the social mass housing units of the Municipality in Yeşiltepe location, there are in total 2.836 housing units project of TOKİ comprised of Beydağı location with two staged 1.532s housing units, 852 housing units in Beydağı-Yapraklı, 196 housing units in Darende and 256 housing units in other locations.

6. 11.914 real estates in 2005, 13.814 real estates in 2006 and 13.681 real estates in 2007 have been sold in Malatya. 632 housing credits in 2005, 2.405 housing credits in 2006 and 2.397 housing credits in 2007 have been used in Malatya.

VI.2 RETAIL MARKET AND SHOPPING CENTERS

Evaluations and projections on the real estate sector of Malatya are made together with housing and commercial real estates. As commercial real estates, shopping centers, accommodation facilities and industrial and logistics areas are examined and evaluated.

Firstly, shopping centers and retail markets in the commercial real estates are examined and evaluated in Malatya. In this framework, size of the retail market and shopping centers in Malatya are presented below.

Share of Malatya in national income in 2007 is 0.80 percent, size of gross product is 5.3 billion dollars and per capita income is 7.340 dollars.

TABLE.129 MALATYA ECONOMIC SIZE

YEARS	GNP % SHARE	GROSS PRODUCT BILLION DOLLAR	PER CAPITA INCOME DOLLAR
2007	0.80	5.3	7.340

Related with retail market and shopping centers, private consumption expenditures, retail expenditures and its dispersion between food and non-food goods are presented in Table.130.

Total private consumption expenditures in Malatya were 3.89 billion dollars in 2007. The share of the retail expenditures in the private consumption expenditures is 52 percent, and its volume is 2.03 billion dollars. 1.29 billion dollars of retail expenditures was food and beverage expenditures, and 0.74 billion dollars of retail expenditures was other retail expenditures.

TABLE.130 MALATYA PRIVATE CONSUMPTION AND RETAIL EXPENDITURES

YEARS	GROSS PRODUCT BILLION DOLLARS	PRIVATE CONSUMPTION EXPENDITURES BILLION DOLLARS	RETAIL EXPENDITURES BILLION DOLLARS		
			FOOD BEVERAGE	OTHER	TOTAL
2007	5.3	3.89	1.29	0.74	2.03

Indicators on the shopping centers in Malatya are presented in Table.131 below. Accordingly, there is 1 shopping center in Malatya in the standards of International Council for Shopping Centers (ICSC) by the end of 2007.

In accordance with the ICSC standards, total gross leasable area (GLA) of this small-scale shopping center is 11.251 m2. Accordingly, GLA of per thousand persons is 15.5 m2 in Malatya. Total retail expenditure volume in Malatya was 2.03 billion dollars in 2007 and potential retail expenditure per gross leasable area was 180.430 dollars.

TABLE.131 MALATYA SHOPPING CENTER INDICATORS

YEARS	NUMBER OF SHOPPING CENTERS	TOTAL SHOPPING CENTER GROSS LEASABLE AREA M2	GROSS LEASABLE AREA PER 1000 PERSONS M2	ANNUAL POTENTIAL RETAIL EXPENDITURE PER SHOPING CENTER GLA DOLLARS
2007	1	11.251	15.5	180.430

Development projections on the shopping centers in Malatya are presented below. While making projections on shopping centers, firstly, shopping centers those are in construction and/or are actively being planned are taken into account by the targeted opening years. Hence, de facto realization projections are used for the years 2008-2009.

Accordingly, there is 1 shopping center that is to be opened in 2008-2009 in Malatya and its gross leasable area is 34.434 m2. After the opening of this shopping center total gross leasable area will be 45.685 m2 at the end of 2009 in Malatya and GLA per thousand persons will be 61.7 m2.

Depending on the population, economic growth and retail expenditure projections in Malatya, development projections for the shopping centers are presented for the following years. Projections are made for the gross leasable areas of shopping centers. With two different scenarios, two different shopping center gross leasable area sizes are found and we reach two different potential retail expenditure volumes.

With these two alternative scenarios we assume 80 m2 and 100 m2 gross leasable area per thousand persons in 2015 for Malatya. Accordingly, for the first scenario there will be 63.250 m2 GLA in 2015 in Malatya and for the second scenario there will be 79.400 m2 GLA in 2015.

TABLE.132 MALATYA SHOPPING CENTER PROJECTIONS

YEARS	POPULATION (000)	GROSS LEASABLE AREA M2 PER 1000 PERSONS		TOTAL GROSS LEASABLE AREA M2	
		A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2007	722	15.5	15.5	11.251	11.251
2008	731	15.4	15.4	11.251	11.251
2009	740	61.7	61.7	45.685	45.685
2010	749	61.0	65.0	45.685	48.685
2011	758	60.0	70.0	45.685	53.060
2012	767	65.0	80.0	49.855	61.360
2013	776	70.0	90.	54.320	69.840
2014	785	75.0	95.0	58.875	74.575
2015	794	80.0	100.0	63.520	79.400

The size of annual potential retail expenditures per gross leasable area is another important indicator used in making shopping center projections.

Accordingly, with the first scenario, there are 63.520 m2 gross leasable area in 2015 in Malatya and the annual potential retail expenditure volume per gross leasable area is 47.450 dollars. In the second scenario, there are 79.400 m2 gross leasable area and 37.785 dollars of annual potential retail expenditure per gross leasable area.

In this framework, depending on the projections reached with these two alternative scenarios, after the de facto realizations, there is 18-35 thousand m2 additional shopping center investment potential until 2015 (between 2010-2015).

TABLE.133 MALATYA SHOPPING CENTER PROJECTIONS

YEARS	RETAIL EXPENDITURES BILLION DOLLARS	TOTAL GROSS LEASABLE AREA M2		ANNUAL POTENTIAL RETAIL EXPENDITURES PER GROSS LEASABLE AREA DOLLARS	
		A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2007	2.03	11.251	11.251	180.430	180.430
2008	2.13	11.251	11.251	189.310	189.310
2009	2.23	45.685	45.685	48.810	48.810
2010	2.33	45.685	48.685	51.000	47.860
2011	2.49	45.685	53.060	54.500	46.930
2012	2.60	49.855	61.360	52.151	42.375
2013	2.70	54.320	69.840	49.705	38.660
2014	2.86	58.875	74.575	48.580	38.350
2015	3.00	63.520	79.400	47.450	37.785

VI.3 TOURISM AND ACCOMODATION ESTABLISHMENTS

Accommodation establishments are the second topic evaluated within commercial real estates. In this framework, statistical data on accommodation and tourism establishments in Malatya are presented and evaluated, and then projections are presented on the development of tourism and accommodation establishments.

Malatya has a limited capacity of the tourism accommodation establishments and limited tourism activities.

According to the accommodation statistics in Malatya, 73.9 thousand persons accommodated in 2006 in total. Accommodated foreign guests were 1.5 thousand persons and domestic guests are 72.4 thousand. Average length of stay in 2006 was 1.5 nights. Accordingly, total occupancy rate was 32.95 percent in 2006.

TABLE.134 MALATYA ACCOMODATION STATISTICS

	NUMBER OF GUESTS (000)			NUMBER OF OVERNIGHT STAYS (000)			OCCUPANCY RATE %		
YEARS	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL
2002	5.311	51.232	56.543	7.226	81.232	88.458	2.70	30.32	33.02
2003	1.768	42.597	44.365	3.510	72.731	76.241	1.24	25.73	26.97
2004	2.352	61.111	63.463	4.312	96.823	101.035	1.42	31.99	33.41
2005	3.438	77.793	81.231	5.864	110.713	116.577	1.65	31.16	32.81
2006	1.548	72.396	73.944	2.741	107.672	110.413	0.82	32.13	32.95

RESOURCE: MINISTRY OF CULTURE AND TOURISM

There are 9 establishments with tourism operating license, 465 rooms and 918 beds capacity in 2006; 1 accommodation establishment with tourism investment license, 42 rooms and 84 beds capacity in Malatya.

TABLE.135 MALATYA ACCOMMODATION ESTABLISHMENTS 2006

	WITH TOURISM INVESTMENT LICENSE			WITH TOURISM OPERATING LICENSE		
ESTABLISHMENTS	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY
4 STAR HOTEL				4	149	294
3 STAR HOTEL				3	154	323
2 STAR HOTEL	1	42	84	4	162	301
TOTAL	1	42	84	9	465	918

RESOURCE: MINISTRY OF CULTURE AND TOURISM

It is projected that tourism activities in Malatya will develop in middle term focused on history-culture-alternative tourism and business oriented tourism areas.

In this framework, in addition to the existing accommodation establishments in Malatya, there will be need for limited number and capacity of

1. Business-vacation oriented boutique and concept city hotels (2-3-4 stars)

VI. 4 INDUSTRIAL AND LOGISTICS AREAS

Lastly, industrial and logistics areas are evaluated within commercial real estates.

Industry maintains its process of development and expansion in Malatya. Natural gas is used in Malatya that is in the scope of incentive no.5084. Industry is concentrated predominantly in and around the organized industry zones in Malatya where rapid industrialization is experienced. Industry that is concentrated on the west of the city located in the I and II OIZ that are 12 km far from Ankara road and 3 km to the airport. Industry continues to concentrate in the west part of the city. For this reason, it is projected that demand for industrial zones in and out of the OIZ in these locations will be high.

Erhaç Airport open to domestic flights and road and railway connections make Malatya attractive for industry (also for carriage-transportation-distribution). There will be demand for new OIZ and industry and logistics zones located on the west of the city on the way of Ankara and Erhaç Airport.

TABLE.136 MALATYA ORGANIZED INDUSTRY ZONES

ORGANIZED INDUSTRY ZONE	AREA HECTARES/M2/ DECARES	CHARACTERISTICS
MALATYA I. OIZ	300 HECTARES+13 THOUSAND DECARES ENLARGEMENT AREA	129 FIRMS IN OPERATION %100 OCCUPANCY
MALATYA II. OIZ	500 HECTARES 160 PARCELS	49 FIRMS IN OPERATION, 46 CONSTRUCTION STAGE, 49 PROJECT STAGE
MALATYA DARENDE OIZ	56 HECTARES	INVESTMENT STAGE
AKÇADAĞ MERMER OIZ	250 HECTARES	PLAN STAGE AREA SURVEY

RESOURCE: MINISTRY OF INDUSTRY AND TRADE

Chapter VII.

MANİSA REAL ESTATE SECTOR AND PROGNOSES

VII.1 HOUSING SECTOR AND MARKETS

Evaluations and projections on Manisa real estate sector are made together with housing and commercial real estates and housing sector and housing markets are firstly taken into consideration. The main goal of the projections of housing sector and housing markets is to predict housing need in Manisa until 2015 and to identify the factors affecting the housing demand and housing supply. For this reason, factors that are effective in determining housing need and demand are examined and evaluated.

VII.1.1 Demography and Population Forecast

Main and primary factors affecting the housing demand and supply are demography and population changes. For this reason, demographic and population data of Manisa are presented first.

In this framework, figures of population, migration, urbanization, urban household population and urban household number are given and projections are made on population, urbanization, urban household population and urban household number.

In this part of the study, Address Based Population Registration System data of the year 2007 are used for demographic and population data. In addition to this, old data that are still up-to-date and projecting the tendencies are used.

According to the ABPRS 2007 data, population of Manisa is 1.320 thousand. Total population of Turkey is 70.6 million and share of Manisa is 1.87 percent.

TABLE.137 POPULATION OF MANİSA AND TURKEY

YEARS	MANİSA (000)	TURKEY (000)	MANİSA SHARE %
1980 (1)	942	44.737	2.11
1985 (1)	1.048	50.664	2.07
1990 (1)	1.154	56.473	2.04
2000 (1)	1.260	67.804	1.86
2007	1.320	70.586	1.87

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

The main indicator that determines the total population of Manisa and its share in Turkey's population is population growth rate of Manisa. Population growth rate of Manisa has slow down too much and it is very much below the average population growth rate of Turkey.

Population growth rates of Manisa and Turkey are presented below in Table.138 comparatively. Accordingly, population growth rate of Manisa in 2007 was 0.15 percent. Population growth rate of Turkey is 1.26 percent in 2007

TABLO.138 POPULATION GROWTH RATES OF MANİSA AND TURKEY (%)

PERIODS	MANİSA (%)	TURKEY (%)
1980-1985 (1)	2.17	2.49
1985-1990 (1)	1.93	2.17
1990-2000 (1)	0.88	1.83
2007	0.15	1.26

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

Two main factors are determinative in the population growth rate of cities. The first one is urban population growth and the second one is net migration. Manisa has a net migration inflow. Cities have both migration inflow and outflow. Net migration figure is different from the figures of inflow and outflow migration, and it indicates net migration intake, if it is positive.

Net migration figures and rates of Manisa are displayed in Table.139 below. Data is for between the years 1975-2000, and projects the tendencies of these years. In this period Manisa has taken net migration inflow. Inflow migration was at its peak between the years 1985-2000 and later it slowed down. There isn't numerical data for the period after 2000; however, it is observed that net migration inflow to Manisa has been limitedly continues.

TABLE.139 MANİSA NET MIGRATION AND NET MIGRATION RATE

PERIODS	NET MIGRATION PERSONS	NET MIGRATION RATE %
1975-1980	8.980	1.11
1980-1985	6.499	0.71
1985-1990	20.946	2.06
1995-2000	3.687	0.32

RESOURCE: Migration Indicators of Cities, TSI

Table.140 displays the sources of population growth of Manisa as urban population growth and migration based population growth for the periods between the years 1980-2000. Accordingly, population growth of Manisa was predominantly from the urban population growth and limitedly from the net migration inflow between the years1980-2000.

TABLE.140 SOURCES OF MANİSA'S POPULATION GROWTH

PERIODS	TOTAL POPULATION GROWTH (000)	TOTAL NET MIGRATION (000)	SHARE OF MIGRATION BASED POPULATION GROWTH %	URBAN POPULATION GROWTH (000)	SHARE OF URBAN POPULATION GROWTH %
1980-1985	106	6.5	6.1	99.5	93.9
1985-1990	106	21.0	19.8	85.0	80.2
1995-2000	53	3.7	7.0	49.3	93.0

An important indicator that relates demography and population data with real estate and housing sector is urbanization rates of cities and urban population size (city and town centers). Urban population size living in city and town centers has to be taken into consideration in all indicators for real estate and housing sector. Urbanization rate and urban population size of Manisa for the year 2007 with ABPRS are displayed below in Table.141. Accordingly, urbanization rate is 71.3 percent and urban population is 841 thousand in Manisa in 2007.

TABLE.141 URBANIZATION RATE AND URBAN POPULATION IN MANİSA

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE (%)	URBAN POPULATION (000)
2007	1.320	71.3	841

RESOURCE: Address Based Population Registration System 2007

Urban household number depending on urban population size in Manisa is presented in Table.142 below. Determinant of urban household number is average size of urban household size together with urban population size. Urban household average size is 3.55 persons by the year 2007 and urban household number is 237 thousand in Manisa.

TABLE.142 MANİSA URBAN HOUSEHOLD NUMBER AND SIZE

YEARS	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	841	3.55	237

RESOURCE: Address Based Population Registration System 2007

After evaluating demography and population indicators and tendencies of Manisa, at this level, population projections for Manisa until 2015 for each year are made

Main assumptions used for population projections on Manisa are significant slow down of the population growth rate depending on the slow down of the increase in the urban population growth and limited inflow of net migration.

Accordingly, while the population growth rate was 0.15 percent in 2007, it will slow down and recessed to 0.09 percent in 2010 and 0.05 in 2015. By these too limited population growth rates, population of Manisa will increase to 1.324 thousand in 2010 and 1.329 thousand in 2015. While the share of the Manisa in the total population of Turkey was 1.87 percent, it will decrease to 1.81 percent in 2010 and 1.72 percent in 2015.

TABLE.143 MANİSA AND TURKEY POPULATION GROWTH PROJECTIONS

YEARS	TURKEY POPULATION GROWTH RATE %	TURKEY POPULATION (000)	MANİSA POPULATION GROWTH RATE %	MANİSA POPULATION (000)	MANİSA POPULATION SHARE %
2007	1.26	70.586	0.15	1.320	1.87
2008	1.24	71.461	0.13	1.322	1.85
2009	1.22	72.332	0.11	1.323	1.83
2010	1.20	73.200	0.09	1.324	1.81
2011	1.18	74.064	0.08	1.325	1.79
2012	1.16	74.923	0.07	1.326	1.77
2013	1.14	75.777	0.06	1.327	1.75
2014	1.12	76.626	0.05	1.328	1.73
2015	1.10	77.469	0.05	1.329	1.72

Another important indicator for real estate and housing sector, depending on population projections of Manisa is urban household number and related projections. Urbanization, urban household population and urban household number projections in Manisa are presented in Table.144 below.

It is estimated that urbanization rate will continue to increase limitedly in Manisa. Accordingly, it is estimated that urbanization rate will be 72.4 percent in 2010 and 74 percent in 2015 in Manisa. Urban household average size will continue to decrease. While the average urban household average size was 3.55 persons in 2007, it is predicted that it will be 3.48 persons in 2010 and 3.35 persons in 2015.

Based on these assumptions, while the total urban population was 941 thousand in 2007, it will reach to 983 thousand in 2015 and urban household number will increase from 265 thousand to 293 thousand in Manisa.

TABLE.144 PROJECTIONS FOR URBAN POPULATION AND NUMBER OF HOUSEHOLDS IN MANİSA

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE %	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	1.320	71.3	941	3.55	265
2008	1.322	71.7	948	3.53	269
2009	1.323	72.0	953	3.50	272
2010	1.324	72.4	959	3.48	276
2011	1.325	72.8	965	3.45	280
2012	1.326	73.1	969	3.42	283
2013	1.327	73.4	974	3.39	287
2014	1.328	73.7	979	3.37	291
2015	1.329	74.0	983	3.35	293

VII.1.2 Housing Stock in Manisa

The next projection on housing sector and markets is analysis and evaluations on housing stock. Existing housing stock is evaluated in terms of two important sides. The first one is if there is a housing need compared to existing household number, and the second one is to identify the number of houses that has need for renovation for the physical and legal structure of the existing housing stock in the forthcoming period.

For this reason, data on housing stock in Manisa are presented and evaluated in this section.

Housing stock in Manisa is evaluated firstly in terms of quantity and legal status. Housing stock in Manisa by the year 2000 is displayed with the TSI Building Count study of the year 2000. The total number of house is 304.817 by 2000 in Manisa. House number in the urban spaces (city and town centers) is 243.442.

Legal status of the existing houses in Manisa by the year 2000 is like this: the number of housing units with construction permits in the existing houses is 172.422 and its share in the existing housing stock is 71 percent. The number of housing units that do not have construction permits are 71.020. It is observed that shanty settlements are relatively low; however quantity of it is high in Manisa.

TABLE.145 MANİSA HOUSING STOCK 2000

INDICATORS	MANİSA
NUMBER OF BUILDINGS	191.806
NUMBER OF HOUSING UNITS	304.817
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	243.442
HOUSING UNITS WITH CONSTRUCTION PERMITS	172.422
HOUSING UNITS WITH OCCUPANCY PERMITS	108.699
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS	71.020
CONSTRUCTION PERMITS/TOTAL HOUSING UNITS %	71.0
OCCUPANCY PERMITS/TOTAL HOUSING UNITS %	45.0

RESOURCE: Building Stock 2000, TSI

Housing stock projections in Manisa by the year 2007 are presented in Table.146 below. To make housing stock projections by the year 2007, construction permits obtained between the years 2000-2006 (it is assumed that housing stock is created the year after the construction permit is obtained) and number of housing units that are unusable in 2001-2006 and the number of units without construction permits are used.

Accordingly, it is estimated that total housing stock reached to 287.948 in city and town centers in Manisa in 2007. The 2005 year-end data of the Ministry of Finance is 276.100 housing units. 42.506 construction permits have been taken in Manisa in 2000-2006. It is estimated that 5.000 housing unit have become unusable in 2001-2007, and on the other hand, 7.000 housing unit have been built illegally in the same period. Hence, urban housing stock of Manisa is estimated to be 287.948 at the end of 2007.

TABLE.146 MANİSA 2007 HOUSING STOCK ESTIMATE (CITY AND TOWNSHIPS)

INDICATORS	MANİSA
NUMBER OF HOUSING UNITS 2000 (CITY AND TOWNSHIP)	243.442
NUMBER OF CONSTRUCTION PERMITS (2000-2006)	42.506
HOUSING UNITS THAT ARE UNUSABLE (2001-2007)	5.000
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS (2001-2007)	7.000
TOTAL HOUSING STOCK 2007	287.948

Total housing stock in Manisa city and township centers was 287.948 by the end of 2007, and total household number was 265 thousand. Number of housing stock and household number were very close to each other and with these figures it reflects a housing deficit in Manisa. Furthermore, approximately 75 thousand housing units in the existing housing stock are built illegally and out of the minimum standards. For this reason, there is a de facto and additional significant housing deficit that is built in high quality and legally.

Other significant factors for the housing need are physical condition of the housing stock and the age of the existing housing stock.

Accordingly, physical condition of the housing stock in Manisa by the year 2000 with the TSI Building Count results is displayed in Table.147 below. By the year 2000, there are 4.870 housing that are in ruins and planning to be pulled down, and 19.475 housing units that need drastic repairs and modifications in Manisa.

As we assume that some part of the total 24.3 thousand housing units that need drastic repairs and modifications and in ruins and planning to be pulled down in 2000, would have been pulled down or become unusable until 2007, approximately 20 thousand housing units will still require renewal.

TABLE.147 PHYSICAL CONDITION OF THE HOUSING STOCK IN MANİSA 2000

INDICATORS	MANİSA
NUMBER OF HOUSING UNITS	304.817
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	243.442
THOSE THAT DON'T NEED REPAIRS	138.762
THOSE THAT NEED SIMPLE REPAIRS AND MODIFICATIONS	75.467
THOSE THAT NEED DRASTIC REPAIRS AND MODIFICATIONS	19.475
IN RUINS AND PLANNED TO BE PULLED DOWN	4.870
UNKNOWN CONDITION	4.870

RESOURCE: TSI, Building Count 2000

When the housing stock is evaluated in terms of building life, buildings that are 50 years and older that are predominantly used for residential purposes are 33.778 in 2000. This figure is estimated to reach 58 thousand (approximately 91 thousand housing units) until 2015. The physical life of these buildings that are 50 years and older, except for the historical ones, is expiring and this will create a need for additional housing.

TABLE.148 CONSTRUCTION YEARS OF BUILDINGS IN MANİSA 2000

BUILDING COMPLETION DATE	BUILDINGS THAT ARE SOLELY USED AS RESIDENCES	BUILDINGS THAT ARE PREDOMINANTLY USED AS RESIDENCES
-1929	4.605	360
1930-1939	4.409	408
1940-1949	7.617	829
1950-1959	13.887	1.663
1960-1969	21.769	2.301
1970-1979	31.635	3.736
1980-1989	33.064	5.685
1990-2000	26.282	5.612
UNKNOWN	1.051	254
TOTAL	144.319	20.848

RESOURCE: TSI, Building Count 2000

VII.1.3 Housing Need in Manisa

We make projections for the housing need of Manisa for every year until 2015, based on the results, findings and assumptions based on the examinations and evaluations made in the previous section. Accordingly, it is estimated that there will be 68 thousand housing need in Manisa between 2008-2015.

1. It is estimated that depending on the increase of 28 thousand households in 2008-2015, there will be equal need of housing units.

2. The housing need based on urban transformation is estimated to be 24 thousand in total. As there is approximately 70 thousand housing stock in Manisa, and as it is assumed that 30 percent of this stock will be renewed in the framework of urban transformation, it is projected that there will be 24 thousand housing need based on urban transformation.

3. There will be a need for 16 thousand housing units between the years 2008-2015 as a result of renewal.

TABLE.149 PREDICTIONS FOR THE HOUSING NEED IN MANİSA (000)

YEARS	HOUSING NEED BASED ON THE INCREASE OF HOUSEHOLDS	URBAN REGENERATION BASED ON HOUSING NEED	RENEWAL BASED HOUSING NEED	TOTAL
2008	4.0	3.0	2.0	9.0
2009	3.0	3.0	2.0	8.0
2010	4.0	3.0	2.0	9.0
2011	4.0	3.0	2.0	9.0
2012	3.0	3.0	2.0	8.0
2013	4.0	3.0	2.0	9.0
2014	4.0	3.0	2.0	9.0
2015	2.0	3.0	2.0	7.0
TOTAL	28.0	24.0	16.0	68.0

VII.1.4 Factors that Influence the Housing Demand in Manisa

After the housing need projections made for Manisa, we will evaluate the factors that influence the housing demand. Home ownership of the households and the income pattern of the household are the two important factors shaping housing demand in Manisa.

Home ownership of the households is the primary factor that affects the housing demand in the upcoming period. TSI's 2000 Population Census data is used in reference to home ownership. Even though the data is not up-to-date, the figures can show important trends.

The rate of home ownership in Manisa is 74.7 percent by the year 2000, and the rate of tenants is 17.4 percent. The rate of tenants is below the average of Turkey (31.6 percent).

56.293 tenant households in Manisa in 2000 represent a housing demand potential for the following period. The Ministry of Finance 2005 data shows that there are 59.312 tenant households in Manisa. The ratio of households that are neither homeowners nor tenants in Manisa is 18.827 in 2000.

TABLE.150 HOME OWNERSHIP OF HOUSEHOLDS IN MANİSA

HOME OWNERSHIP	NUMBER OF HOUSEHOLDS	HOUSEHOLDS % SHARE
HOMEOWNER	241.749	74.7
TENANT	56.293	17.4
LODGING DWELLER	4.793	1.5
NOT HOMEOWNER/ DOES NOT PAY RENT	18.827	5.8
OTHER	1.795	0.5
UNKNOWN	34	0.1
TOTAL	323.491	100.0

RESOURCE: General Population Census 2000, TSI

Level of city's economic development and personal incomes are other important determinants of the housing demand. Manisa exceeds (a little) the average of Turkey in terms of economic development and per capita income indicators.

In this level new GNP data of TSI, which is declared based on the new calculation method, is used. Accordingly, GNP volume of Turkey is 659 billion dollars in 2007 and per capita income is 9.333 dollars.

The share of Manisa in the GNP is 2.10 percent. Hence, GNP of Manisa was 13.8 billion dollars in 2007 and per capita income was 10.455 dollars. Table.151 shows the predictions on the developments of the gross product of Manisa and per capita income.

Accordingly, the basic assumptions are that as Turkish economy will grow 5 percent each year until 2015 and the share of Manisa in national income of Turkey will remain the same until 2015.

Based on these assumptions, per capita income in Manisa is estimated to rise 12.085 dollars in 2010 and 15.350 dollars in 2015. Per capita income projections in Manisa indicates that there will be an adequate income pattern for housing need will emerge.

TABLE.151 MANİSA GROSS PRODUCT AND PER CAPITA INCOME PREDICTIONS

YEARS	GROSS PRODUCT BILLION DOLLAR	POPULATION (000)	PER CAPITA INCOME DOLLAR
2007	13.8	1.320	10.455
2008	14.5	1.322	10.970
2009	15.2	1.323	11.490
2010	16.0	1.324	12.085
2011	16.8	1.325	12.680
2012	17.6	1.326	13.275
2013	18.5	1.327	13.940
2014	19.4	1.328	14.610
2015	20.4	1.329	15.350

VII.1.5 Prognoses for the Housing Sector and Markets in Manisa

After evaluating the factors that affect the housing sector in Manisa and making projections on housing demand, now we will make projections housing sector and housing markets.

1. Need of housing unit will be 68 thousand in Manisa until 2015 and it is predicted that there will be need for every kind of housing group in Manisa. As there is an important housing deficit in Manisa, this will trigger the housing construction to meet this deficient.

2. It is projected that with the urban transformation, there will be a housing demand of upper and middle-upper income group resulting from renewal and house change and there will be more stable housing market in the following period.

3. As living and housing areas Manisa will develop towards the west and south west of the city as a narrow line. Natural barriers through south and north direction limit the development.

4. As there is a limited stock of plot in Manisa city center, new housing areas and mass housing spaces are created by amelioration of the areas where shanty and irregular settlements located before. These areas are Kazım Karabekir, Akpınar, Yenimahalle and Fatih, Turgut Özal, Nurlupınar, Adnan Menderes, Ahmet Bedevi, Bayındırlık, Gediz, Kocatepe, Havza Sultan, Barbaros, Cumhuriyet, Ellinci Yıl and Fevzi Çakmak locations.

5. New development areas in Manisa concentrated in three regions in Manisa. First one is the Yeni Manisa region where area for 10.500 housing unit is set apart and the area is declared as the planned development areas by the municipality. Mass housing for predominantly middle-income groups will be constructed in the region. the second development area is Uncubozköy area where cooperative housing units and social housing units will be constructed in these region for the low and low-middle income groups. The third development area is Karaçay housing expansion area on the west side of OIZ.

6. In order to meet the need for social housing, construction of TOKİ and Municipalities continue as well. Municipality has 960 housing units project in Güzelyurt and 500 housing units project in Adnan Menderes Mahallesi (Quarter). TOKi has 2.522 housing unit construction in total diffused like: 436 housing units in Akhisar, 384 housing units in Turgutlu, 416 housing units in Horozköy and 48 housing units in Köprübaşı.

7. 29.190 real estates in 2005, 27.999 real estates in 2006 and 28.714 real estates were sold in total in Manisa. 2.414 housing credits in 2005, 3.337 housing credits in 2006 and 3.497 housing credits in 2007 were used in Manisa.

VII.2. RETAIL MARKET AND SHOPPING CENTERS

Evaluations and projections on the real estate sector of Manisa are made together with housing and commercial real estates. As commercial real estates, shopping centers, accommodation facilities and industrial and logistics areas are examined and evaluated.

Firstly, shopping centers and retail markets in the commercial real estates are examined in Manisa and projections are made. In this framework, size of the retail market and shopping centers in Manisa are presented below.

Share of the Manisa in national income in 2007 was 2.10 percent; size of gross product was 13.8 billion dollars and per capita income was10.455 dollars.

TABLE.152 MANİSA ECONOMIC SIZE

YEARS	GNP % SHARE	GROSS PRODUCT BILLION DOLLAR	PER CAPITA INCOME DOLLAR
2007	2.10	13.8	10.455

Related with retail market and shopping centers, private consumption expenditures, retail expenditures and its dispersion between food and non-food goods are presented in Table.153.

Total private consumption expenditures in Manisa were 10.13 billion dollars in 2007. The share of the retail expenditures in the private consumption expenditures is 50 percent, and its volume is 5.08 billion dollars. 3.48 billion dollars of retail expenditures was food and beverage expenditures, and 1.60 billion dollars of retail expenditures was other retail expenditures.

TABLE.153 MANİSA PRIVATE CONSUMPTION AND RETAIL EXPENDITURES

YEARS	GROSS PRODUCT BILLION DOLLARS	PRIVATE CONSUMPTION EXPENDITURES BILLION DOLLARS	RETAIL EXPENDITURES BILLION DOLLARS		
			FOOD BEVERAGE	OTHER	TOTAL
2007	13.8	10.3	3.48	1.60	5.08

Data on shopping centers in Manisa are given now. Accordingly, there isn't any shopping center in the ICSC (International Council for Shopping Centers) standards by the end of 2007 in Manisa.

Projections on shopping centers in Manisa are given below. While making projections on shopping centers, firstly, shopping centers those are in construction and/or are actively being planned are taken into account by the targeted opening years. Hence, de facto realization projections are used for the years 2008-2009.

Depending on the population, economic growth and retail expenditure projections in Manisa, development projections for the shopping centers are presented for the following years. Projections are made for the gross leasable areas of shopping centers. We use two different scenarios and reach two different leasable area size for shopping centers and two different retail expenditure volumes for these two GLA sizes.

Accordingly, there are 2 shopping centers in Manisa that is in construction and project level and scheduled to be opened at the end of 2009. Gross leasable area of these shopping centers will be 64.000 m2. Hence, at the end of 2009 there will be 64.000 m2 gross leasable area in total and GLA per thousand persons will be 48.3 m2.

We make projections according to the assumptions on gross leasable area per thousand persons after 2010. Accordingly, it is assumed that for the first scenario gross leasable area per thousand persons is 125 m2, for the second scenario it is 150 m2. Depending on these assumptions, gross leasable area will be 166.125 m2 in 2015 in Manisa for the first scenario and 199.350 m2 for the second scenario.

TABLE.154 MANİSA SHOPPING CENTER PROJECTIONS

	POPULATION	GROSS LEASABLE AREA M2 PER 1000 PERSONS		TOTAL GROSS LEASABLE AREA M2	
YEARS	(000)	A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2009	1.323	48.3	48.3	64.000	64.000
2010	1.324	48.2	48.2	64.000	64.000
2011	1.325	65.0	70.0	86.125	92.750
2012	1.326	80.0	90.0	106.080	119.340
2013	1.327	95.0	110.0	126.065	145.970
2014	1.328	110.0	130.0	146.080	172.640
2015	1.329	125.0	150.0	166.125	199.350

The size of annual potential retail expenditures per gross leasable area is another important indicator used in making shopping center projections.

Accordingly, with the first scenario, there are 166.125 m2 gross leasable area in 2015 in Manisa and the annual potential retail expenditure volume per gross leasable area is 22.275 dollars. In the second scenario, there are 199.350 m2 gross leasable area and 18.560 dollars of annual potential retail expenditure per gross leasable area.

In this framework, depending on the projections reached with these two alternative scenarios, after the de facto realizations, it is projected that there is 100-135 thousand m2 additional shopping center investment potential until 2015 (between the years 2010-2015).

TABLE.155 MANİSA SHOPPING CENTER PROJECTIONS

YEARS	RETAIL EXPENDITURES BILLION DOLLARS	TOTAL GROSS LEASABLE AREA M2		ANNUAL POTENTIAL RETAIL EXPENDITURES PER GROSS LEASABLE AREA DOLLARS	
		A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2009	5.6	64.000	64.000	43.750	43.750
2010	5.9	64.000	64.000	46.093	46.093
2011	6.2	86.125	92.750	35.995	33.425
2012	6.5	106.080	119.340	30.638	27.225
2013	6.8	126.065	145.970	26.970	23.393
2014	7.1	146.080	172.640	24.300	20.550
2015	7.4	166.125	199.350	22.275	18.560

VII.3 TOURISM AND ACCOMODATION ESTABLISHMENTS

Accommodation establishments are the second topic evaluated within commercial real estates. In this framework, statistical data on accommodation and tourism establishments are presented and evaluated, and then projections are presented on the development of tourism and accommodation establishments.

Even though, Manisa has a tourism potential depending on the natural, historical and cultural assets of the city, it has a limited tourism activity compared to İzmir, Aydın, Balıkesir that have more priority and attractiveness in the tourism sector.

According to the accommodation statistics in Manisa 68.4 thousand persons accommodated in 2006 in total. Foreign guests were 5 thousand persons. Total number of overnight stays in 2006 was 106 thousand and average length of stay was 1.55 nights. Total occupancy rate in the accommodation establishments in Manisa was 26.24 percent in 2006.

TABLE.156 MANİSA ACCOMODATION STATISTICS

YEARS	NUMBER OF GUESTS (000)			NUMBER OF OVERNIGHT STAYS (000)			OCCUPANCY RATE %		
	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL
2002	3.432	31.059	34.491	7.673	49.038	56.711	2.67	17.04	19.71
2003	3.065	27.321	30.386	12.483	44.900	57.383	4.37	15.72	20.10
2004	3.602	42.167	45.769	8.151	60.763	68.914	2.70	20.12	22.82
2005	7.299	52.776	60.075	26.340	86.414	112.757	7.76	25.44	33.20
2006	5.081	63.362	68.443	13.317	92.706	106.023	3.30	22.94	26.24

RESOURCE: MINISTRY OF CULTURE AND TOURISM

Manisa has limited number of accommodation establishments' capacity. There are 11 establishments with tourism operating license, 517 rooms and 1.151 beds capacity in 2006; 3 establishments with tourism investment license, 205 rooms and 468 beds capacity in Manisa.

TABLE.157 MANİSA ACCOMMODATION ESTABLISHMENTS 2006

	WITH TOURISM INVESTMENT LICENSE			WITH TOURISM OPERATING LICENSE		
ESTABLISHMENTS	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY
4 STAR HOTEL	1	125	300	3	249	508
3 STAR HOTEL	1	54	116	1	48	96
2 STAR HOTEL	1	26	52	6	192	379
APART				1	28	168
TOTAL	3	205	468	11	517	1.151

RESOURCE: MINISTRY OF CULTURE AND TOURISM

It is projected that tourism activities will limitedly develop on three main axes in Manisa.

1. Business-trade oriented tourism activities
2. Spil Mountain (Spil National Park) focused on health-sports-vacation oriented tourism activities
3. Short-term history-culture tourism especially by visits of tourists coming to neighbor cities.

In this framework, in addition to the existing accommodation establishments in Manisa; it is projected that there will be need for

1. City-business boutique-concept hotels focused on business (3-4 stars)

2. Alternative sports establishments and related accommodation establishments (5 stars)

3. Boutique-concept city hotels entertainment-vacation oriented (3-4 stars)

VII.4 INDUSTRIAL AND LOGISTICS AREAS

Lastly, industrial and logistics areas are evaluated within commercial real estates. Manisa has turned into a very important and developed industrial city and industry has entered into a significant growth and development phase.

Manisa has become to offer infrastructure and superstructure that is in international quality. Manisa was selected as the city that has the best economic potential in Europe as the future city of industry in 2004. In this framework, Manisa has been selected as the second best city in Europe for the foreign capital investments (Financial Times Foreign Direct Investment Magazine 2004 survey). China added Manisa to the first 10 overseas investable cities in 2007.

Manisa has become the investment base of the high technology and high value added primary and supply industry and foreign capital investments with its 40 years of industrial development. Industry in Manisa has become integrated with Europe and world economy with intensive foreign capital investments.

Manisa is offering a suitable infra and super structure for international industrial investments. Industry is concentrated in Manisa Organized Industry Zone in Manisa. Area that 5th part is in operation now is, 50 km far from İzmir Airport, and 30 km far from İzmir port, has an important logistics advantage. There are one OIZ in each of Akhisar, Turgutlu and Salihli townships. Manisa will continue to be a primarily investable city for local industry and especially for direct foreign capital investments and for this reason, demand for the industrial zones will increasingly continue. It is projected that there will be important demand for the industrial areas in the OIZ and around the OIZ. It is expected that demand will be concentrated on large-scale parcels.

TABLE.158 MANİSA ORGANIZED INDUSTRY ZONES

ORGANIZED INDUSTRY ZONE	AREA HECTARES/M2/ DECARES	CHARACTERISTICS
MANISA OIZ	1. PART 1.739.000 M2 2. PART 1.500.000 M2 3. PART 1.850.000 M2 4. PART 3.759.000 M2 5.PART 743.000 M2 TOTAL 9.591.600 M2	100 % OCCUPANCY 100 % OCCUPANCY 100 % OCCUPANCY 60 % OCCUPANCY 30 % OCCUPANCY 163 FIRMS
AKHISAR OIZ	132 HECTARES	9 FIRMS IN OPERATION 10 FIRMS IN CONSTRUCTION STAGE 21 FIRMS PROJECT STAGE
TURGUTLU OIZ	162 HECTARES 105 PARCELS	16 FIRMS IN OPERATION 18 FIRMS IN OPERATION
SALIHLI OIZ	669.887 M2 48 INDUSTRY PARCELS	12 FIRMS IN OPERATION 8 FIRMS IN OPERATION
KULA DERI OIZ	579 HECTARES	INVESTMENT STAGE

RESOURCE: MINISTRY OF INDUSTRY AND TRADE

Chapter VIII.

MUĞLA REAL ESTATE SECTOR AND PROGNOSES

VIII.1 HOUSING SECTOR AND MARKETS

Evaluations and projections on Muğla real estate sector are made together with housing and commercial real estates and housing sector and housing markets are firstly taken into consideration. The main goal of the projections of housing sector and housing markets is to predict housing need in Muğla until 2015 and to identify the factors affecting the housing demand and housing supply. For this reason, factors that are effective in determining housing need and demand are examined and evaluated.

VIII.1.1 Demography and Population Forecast

Main and primary factors affecting the housing demand and supply are demography and population changes. For this reason, demographic and population indicators and developments of Muğla are presented first.

In this part of the study, Address Based Population Registration System data of the year 2007 are used for demographic and population data. In addition to this, old data that are still up-to-date and projecting the tendencies are used.

According to the ABPRS 2007 data, total population of Muğla was 766 thousand in 2007. Total population of Turkey was 70.6 million and the share of Muğla is 1.09 percent. In Table.159, population of 2007 and data of population size declared with general population census before 2000 are presented below for Muğla.

TABLE.159 POPULATION OF MUĞLA AND TURKEY

YEARS	MUĞLA (000)	TURKEY (000)	MUĞLA SHARE %
1980 (1)	438	44.737	1.09
1985 (1)	486	50.664	0.96
1990 (1)	563	56.473	1.00
2000 (1)	715	67.804	1.05
2007	766	70.586	1.09

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

The main indicator that determines the total population of Muğla and its share in Turkey's population is population growth rate of Muğla. Population growth rate of Muğla is above the average population growth rate of Turkey. Population growth rates of Muğla and Turkey are presented below in Table.160 comparatively. Accordingly, the population growth rate of Muğla is 1.76 percent in 2007. Population growth rate of Turkey is 1.26 percent in 2007.

TABLE.160 POPULATION GROWTH RATES OF MUĞLA AND TURKEY (%)

PERIODS	MUĞLA (%)	TURKEY (%)
1980-1985 (1)	2.09	2.49
1985-1990 (1)	2.93	2.17
1990-2000 (1)	2.40	1.83
2007	1.76	1.26

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

Two main factors are determinative in the population growth rate of cities. The first one is urban population growth and the second one is net migration. Muğla has high rates of migration inflow. Cities have both migration inflow and outflow. Net migration figure is different from the figures of inflow and outflow migration, and it indicates net migration intake, if it is positive.

Net migration figures and rates of Muğla are displayed in Table.161 below. Data is for between the years 1975-2000, and projects the tendencies of these years. In this period Muğla has taken net migration inflow.

Net inflow migration was at its peak in terms of quantity and proportion between the years 1995-2000. There isn't numerical data for the period after 2000; however, it is observed that net migration inflow to Muğla has been slowed down but continues.

TABLO.161 MUĞLA NET MIGRATION AND NET MIGRATION RATE

PERIODS	NET MIGRATION (PERSONS)	NET MIGRATION RATE %
1975-1980	1.659	0.43
1980-1985	3.058	0.70
1985-1990	15.998	3.29
1995-2000	42.921	7.02

RESOURCE: Migration Indicators of Cities, TSI

Table.162 displays the sources of population growth of Muğla as urban population growth and migration based population growth for the periods between the years 1980-2000. Accordingly, it is observed that share of the net migration increased in the population growth of Muğla and has become determinative.

TABLE.162 SOURCES OF MUĞLA'S POPULATION GROWTH

PERIODS	TOTAL POPULATION GROWTH (000)	TOTAL NET MIGRATION (000)	SHARE OF MIGRATION BASED POPULATION GROWTH %	URBAN POPULATION GROWTH (000)	SHARE OF URBAN POPULATION GROWTH %
1980-1985	48	3.1	6.5	44.9	93.5
1985-1990	77	16.0	20.8	61.0	79.2
1995-2000	80	42.9	53.6	37.1	46.4

An important indicator that relates demography and population data with real estate and housing sector is urbanization rates of cities and urban population size (city and town centers). Urban population size has taken into consideration in all indicators for real estate and housing sector.

Urbanization rate and urban population size of Muğla for the year 2007 with ABPRS are displayed below in Table.163. Accordingly, urbanization rate is 40.6 percent and urban population is 311 thousand in Muğla in 2007.

TABLE.163 URBANIZATION RATE AND URBAN POPULATION IN MUĞLA

PERIODS	TOTAL POPULATION (000)	URBANIZATION RATE (%)	URBAN POPULATION (000)
2007	766	40.6	311

RESOURCE: Address Based Population Registration System 2007

Urban household number depending on urban population size in Muğla is presented in Table.164 below.

Determinant of urban household number is average size of urban household size together with urban population size. Urban household average size is 3.25 persons by the year 2007 and urban household number is 96 thousand in Muğla.

TABLE.164 MUĞLA URBAN HOUSEHOLD NUMBER AND SIZE

YEARS	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	311	3.25	96

RESOURCE: Address Based Population Registration System 2007

After evaluating demography and population indicators and tendencies of Muğla, at this level, population projections for Muğla until 2015 for each year are made.

Main assumptions used for population projections on Muğla are continuance of urban population growth with decreasing rates, continuance of net migration inflow and having an average population growth rate over Turkey's average with decreasing rates.

Accordingly, while the population growth rate was 1.76 percent in 2007, it will decrease to 1.67 percent in 2010 and 1.57 percent in 2015.

By these population growth rates, population of Muğla will rise to 805 thousand in 2010 and 870 thousand in 2015. The share of the Muğla in the total population of Turkey will increase to 1.10 percent in 2010 and 1.12 percent in 2015.

TABLE.165 MUĞLA AND TURKEY POPULATION GROWTH PROJECTIONS

YEARS	TURKEY POPULATION GROWTH RATE %	TURKEY POPULATION (000)	MUĞLA POPULATION GROWTH RATE %	MUĞLA POPULATION (000)	MUĞLA POPULATION SHARE %
2007	1.26	70.586	1.76	766	1.09
2008	1.24	71.461	1.73	779	1.09
2009	1.22	72.332	1.70	792	1.09
2010	1.20	73.200	1.67	805	1.10
2011	1.18	74.064	1.65	818	1.10
2012	1.16	74.923	1.63	831	1.11
2013	1.14	75.777	1.61	844	1.11
2014	1.12	76.626	1.59	857	1.12
2015	1.10	77.469	1.57	870	1.12

Another important indicator for real estate and housing sector, depending on population projections of Muğla is urban household number and related projections. Urbanization, urban household population and urban household number projections in Muğla are presented in Table.166 below.

It is estimated that urbanization rate will continue to increase limitedly in Muğla. Accordingly, it is estimated that urbanization rate will be 41.5 percent in 2010 and 43.0 percent in 2015 in Muğla.

Urban household average size will continue to decrease. While the urban household average size was 3.25 persons in 2007, it is predicted that it will be 3.19 persons in 2010 and 3.10 persons in 2015. Based on these assumptions, while the total urban population was 311 thousand in 2007, it will reach to 374 thousand in 2015 and urban household number will increase from 96 thousand to 121 thousand in Muğla.

TABLE.166 PROJECTIONS FOR URBAN POPULATION AND NUMBER OF HOUSEHOLDS IN MUĞLA

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE %	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	766	40.6	311	3.25	96
2008	779	40.9	319	3.23	99
2009	792	41.2	326	3.21	102
2010	805	41.5	334	3.19	105
2011	818	41.8	342	3.17	108
2012	831	42.1	350	3.15	111
2013	844	42.4	358	3.13	114
2014	857	42.7	366	3.11	118
2015	870	43.0	374	3.10	121

VIII.1.2 Housing Stock in Muğla

The next projection on housing sector and markets is analysis and evaluations on existing housing stock. Existing housing stock is evaluated in terms of two sides. The first one is if there is a housing need or surplus compared to existing household number, and the second one is to identify the number of houses that has need for renovation for the physical and legal structure of the existing housing stock in the forthcoming period.

For this reason, data on housing stock in Muğla are presented and evaluated in this section.

Housing stock in Muğla is evaluated firstly in terms of quantity and legal status. Housing stock in Muğla by the year 2000 is displayed with the TSI Building Count study of the year 2000. The total number of house is 194.620 by 2000 in Muğla. Number of houses in the urban spaces is 109.620.

Legal status of the existing houses in Muğla by the year 2000 is like this: the number of housing units with construction permits in the existing houses is 103.640 and its share in the existing housing stock is 95 percent. It is observed that shanty settlements are very limited and very low in quantity by the year 2000 in Manisa.

TABLE.167 MUĞLA HOUSING STOCK 2000

INDICATORS	MUĞLA
NUMBER OF BUILDINGS	141.143
NUMBER OF HOUSING UNITS	194.620
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	109.620
HOUSING UNITS WITH CONSTRUCTION PERMITS	103.640
HOUSING UNITS WITH OCCUPANCY PERMITS	55.717
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS	5.980
CONSTRUCTION PERMITS/TOTAL HOUSING UNITS %	95.0
OCCUPANCY PERMITS/TOTAL HOUSING UNITS %	51.0

RESOURCE: Building Stock 2000, TSI

Housing stock projections in Muğla by the year 2007 are presented in Table.168 below. To make housing stock projections by the year 2007, construction permits obtained between the years 2000-2006 (it is assumed that housing stock is created the year after the construction permit is obtained) and number of housing units that are unusable in 2001-2006 and the number of housing unit constructions without construction permits are used.

Accordingly, it is estimated that total housing stock reached to 168.689 in city and town centers in Muğla in 2007. The 2005 year-end data of the Ministry of Finance is 157.420 housing units. 59.069 construction permits have been taken in Muğla in 2000-2006. Housing construction permits taken in this period equals to 54 percent of the existing housing stock and it is predicted that an important number of house was built in the period. It is estimated that 1.000 housing unit have become unusable in 2001-2007, and on the other hand, 1.000 housing unit have been built illegally in the same period. Hence, urban housing stock of Muğla is estimated to be 168.689 at the end of 2007.

TABLE.168 MUĞLA 2007 HOUSING STOCK ESTIMATE (CITY AND TOWNSHIPS)

INDICATORS	MUĞLA
NUMBER OF HOUSING UNITS 2000 (CITY AND TOWNSHIP)	109.620
NUMBER OF CONSTRUCTION PERMITS (2000-2006)	59.069
HOUSING UNITS THAT ARE UNUSABLE (2001-2007)	1.000
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS (2001-2007)	1.000
TOTAL HOUSING STOCK 2007	168.689

Total housing stock in Muğla city and township centers is estimated to be 168.689 by the end of 2007, and total household number is 96 thousand. It is seen that there is a housing stock surplus in Muğla by the end of 2007.

As approximately all of the buildings are legal and having minimum standards, it is seen that there is a housing surplus with the housing construction in recent period in Muğla.

On the other hand, there are important number of secondary housing constructions in the recent period in Muğla and we have to take into consideration that these secondary housing units constitute the most part of the housing construction in evaluating the housing need in Muğla. In recent years, there are many numbers of secondary housing constructions especially in Bodrum and Marmaris townships of Muğla.

Other significant factors for the housing need are physical condition of the housing stock and the age of the existing housing stock.

Accordingly, physical condition of the housing stock in Muğla by the year 2000 and with the TSI Building Count results is displayed in Table.169 below. By the year 2000, there are 1.095 housing that are in ruins and planning to be pulled down, and 5.484 housing unit that need drastic repairs and modifications in Muğla.

As we assume that some part of the total 5.5 thousand housing units that need drastic repairs and modifications and in ruins and planning to be pulled down in 2000, would have been pulled down or become unusable until 2007, approximately 5 thousand housing units will require renewal.

TABLO.169 PHYSICAL CONDITION OF THE HOUSING STOCK IN MUĞLA 2000

INDICATORS	MUĞLA
NUMBER OF HOUSING UNITS	194.620
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	109.620
THOSE THAT DON'T NEED REPAIRS	78.926
THOSE THAT NEED SIMPLE REPAIRS AND MODIFICATIONS	23.020
THOSE THAT NEED DRASTIC REPAIRS AND MODIFICATIONS	5.481
IN RUINS AND PLANNED TO BE PULLED DOWN	1.095
UNKNOWN CONDITION	1.095

RESOURCE: TSI, Building Count 2000

When the housing stock is evaluated in terms of building life, buildings that are 50 years and older that are predominantly used for residential purposes are 15.406 in 2000. This figure is estimated to reach 24 thousand (approximately 38 thousand housing units) until 2015. The physical life of these buildings that are 50 years and older, except for the historical ones, is expiring and this will create a need for additional housing.

TABLO.170 CONSTRUCTION YEARS OF BUILDINGS IN MUĞLA 2000

BUILDING COMPLETION DATE	BUILDINGS THAT ARE SOLELY USED AS RESIDENCES	BUILDINGS THAT ARE PREDOMINANTLY USED AS RESIDENCES
-1929	4.124	136
1930-1939	2.360	122
1940-1949	3.074	342
1950-1959	4.764	484
1960-1969	8.092	608
1970-1979	14.400	1.179
1980-1989	25.920	1.901
1990-2000	47.207	2.316
UNKNOWN	1.568	126
TOTAL	111.509	7.214

RESOURCE: TSI, Building Count 2000

VIII.1.3 Housing Need in Muğla

We make projections for the housing need of Muğla for every year until 2015, based on the results, findings and assumptions based on the examinations and evaluations made until now. Accordingly, it is estimated that there will be 33 thousand housing need in Muğla between 2008-2015.

1. It is estimated that depending on the increase of 25 thousand households in 2008-2015, there will be equal need of housing units in Muğla.

2. Housing need based on urban transformation is estimated to be very limited and it is estimated to be 4 thousand. As shanty housing is at minimum rates in Muğla, need for social housing will be determinative in housing.

3. There will be a need for 4 thousand housing units between the years 2008-2015 as a result of renewal. 5 housing unit per thousand housing stock will be renewed every year assumption is used (the standard rate used by the State Planning Organization).

TABLE.171 PREDICTIONS OF HOUSING NEED IN MUĞLA (000)

YEARS	HOUSING NEED BASED ON THE INCREASE OF HOUSEHOLDS	URBAN REGENERATION BASED ON HOUSING NEED	RENEWAL BASED HOUSING NEED	TOTAL
2008	3.0	0.5	0.5	4.0
2009	3.0	0.5	0.5	4.0
2010	3.0	0.5	0.5	4.0
2011	3.0	0.5	0.5	4.0
2012	3.0	0.5	0.5	4.0
2013	3.0	0.5	0.5	4.0
2014	4.0	0.5	0.5	5.0
2015	3.0	0.5	0.5	4.0
TOTAL	25.0	4.0	4.0	33.0

VIII.1.4 Factors that Influence the Housing Demand in Muğla

After the housing need projections made for Muğla, we will evaluate the factors that influence the housing demand in Muğla. Home ownership of the households, the income pattern of the household and the demand for secondary housing toward Muğla are the factors shaping general housing demand in Muğla.

Home ownership of the households is the primary factor that affects the housing demand in the upcoming period. TSI's 2000 Population Census data is used in reference to home ownership. Even though the data is not up-to-date, the figures can show important trends.

The rate of home ownership throughout Muğla is 72.0 percent by the year 2000, and the rate of tenants is 19.6 percent. The rate of tenants is below the average of Turkey (31.6 percent). Nevertheless, 37.613 tenant households in Muğla in 2000 represent a housing demand potential for the following period. The Ministry of Finance 2005 data shows that there are 41.573 tenant households in Muğla. The ratio of households that are neither homeowners nor tenants in Muğla is 8.928 in 2000.

TABLE.172 HOME OWNERSHIP OF HOUSEHOLDS IN MUĞLA

HOME OWNERSHIP	NUMBER OF HOUSEHOLDS	HOUSEHOLDS % SHARE
HOMEOWNER	137.897	72.0
TENANT	37.613	19.6
LODGING DWELLER	5.561	2.9
NOT HOMEOWNER/ DOES NOT PAY RENT	8.928	4.7
OTHER	1.521	0.8
UNKNOWN	27	0.0
TOTAL	191.547	100.0

RESOURCE: General Population Census 2000, TSI

Level of city's economic development and personal incomes are other important determinants of the housing demand. Muğla exceeds the average of Turkey in terms of economic development and per capita income indicators.

In this level new GNP data of TSI, which is declared based on the new calculation method, is used. Accordingly, GNP volume of Turkey is 659 billion dollars in 2007 and per capita income is 9.333 dollars.

The share of Muğla in the GNP is 1.55 percent. Hence, GNP of Muğla was 10.2 billion dollars in 2007 and per capita income was 13.315 dollars. Table.173 shows the predictions on the developments of the gross product of Muğla and per capita income.

Accordingly, the primary basic assumptions are that as Turkish economy will grow 5 percent each year until 2015 and the share of Muğla in national income of Turkey will remain the same until 2015.

Based on these assumptions, per capita income in Muğla is estimated to rise 14.660 dollars in 2010 and 17.240 dollars in 2015. Per capita income projections in Muğla indicates that there will be an adequate and powerful income pattern for housing need will emerge.

Another factor that affects the need of housing and differentiates from the other cities (except the similar cities) is trend of the foreigners and the residents out from Muğla in the matter of owning housings in Muğla. The demand of the residents and foreigners for housing permanently or periodically is in growth trend. By the end of the year of 2007, there are 8.251 real estates (mostly housing) owned by foreigners in Muğla and the number of the foreigners living permanently in Muğla is 5.205.

TABLE.173 MUĞLA GROSS PRODUCT AND PER CAPITA INCOME PREDICTIONS

YEARS	GROSS PRODUCT BILLION DOLLAR	POPULATION (000)	PER CAPITA INCOME DOLLAR
2007	10.2	766	13.315
2008	10.7	779	13.735
2009	11.2	792	14.140
2010	11.8	805	14.660
2011	12.4	818	15.160
2012	13.0	831	15.645
2013	13.7	844	16.235
2014	14.4	857	16.800
2015	15.0	870	17.240

VIII.1.5 Prognoses for the Housing Sector and Markets in Muğla

After evaluating the factors that affect the housing sector in Muğla and making projections on housing demand, now we will make projections housing sector and housing markets.

Even though, numerical indicators encompass all the urban spaces in Muğla, there is a dual structure for housing sector and its markets in Muğla. Accordingly, housing sector and housing market has more developed in townships like Bodrum and Marmaris. Nevertheless, housing sector and market has been shapes by the demands of residents and foreigners rather than urban demands and needs. Housing sector and housing market in these townships are developing as secondary housing market.

Projections on housing sector and housing markets in Muğla are reflecting urban originating needs and encompassing housing sector and market in the city center.

1. There will be need for 33 thousand housing units in Muğla until 2008. 25 thousand of this need for housing will result from the increase in the number of households.

2. Housing and living space in Muğla is concentrated and squeezed in the city center. Even though, there is a need for new housing areas, areas for expansion are very limited. Ova location and all of the old Muğla is declared as protection zone that are expansion areas of the city and there isn't any possibility of construction. In Karabağlar plateau, construction permit is very limited because of a decision of Council of monuments. Limited housing spaces result into the increase in the land prices. Depending on this, there is a very limited housing construction in Muğla city center.

3. Muğla Municipality is planning to establish new housing and living spaces in the periphery of the city in the middle-long term as a result of existing regulations. New housing and living spaces are Yavaş, Yeniköy, Ortaköy, Kötekli, Akçaova, Kızıldağ, İkizce village and Yılanlı locations. After the construction permits are taken in these areas, there will be a development in the housing production.

4. There isn't any social housing construction of Muğla Municipality recently. TOKİ has 880 housing units construction in the city center.

5. 23.339 real estates in 2005, 26.755 real estates in 2006 and 22.963 real estates in 2007 have been sold in Muğla. 2.509 housing credits in 2005, 4.142 housing credits in 2006 and 4.236 housing credits in 2007 have been used in Muğla.

VIII.2 RETAIL MARKET AND SHOPPING CENTERS

Evaluations and projections on the real estate sector of Muğla are made together with housing and commercial real estates. As commercial real estates, shopping centers, accommodation facilities and industrial and logistics areas are examined and evaluated.

Firstly, shopping centers and retail markets in the commercial real estates are examined and evaluated in Muğla. In this framework, size of the retail market and shopping centers in Muğla are presented below. Share of the Muğla in national income in 2007 is 1.55 percent, size of gross product is 10.2 billion dollars and per capita income is 13.315 dollars.

TABLE.174 MUĞLA ECONOMIC SIZE

YEARS	GNP % SHARE	GROSS PRODUCT BILLION DOLLARS	PER CAPITA INCOME DOLLAR
2007	1.55	10.2	13.315

Related with retail market and shopping centers, private consumption expenditures, retail expenditures and its dispersion between food and non-food goods are presented in Table.175. Total private consumption expenditures in Muğla were 7.48 billion dollars in 2007. The share of the retail expenditures in the private consumption expenditures is 50 percent, and its volume is 3.74 billion dollars. 2.48 billion dollars of retail expenditures was food and beverage expenditures, and 1.26 billion dollars of retail expenditures was other retail expenditures.

TABLE.175 MUĞLA PRIVATE CONSUMPTION AND RETAIL EXPENDITURES

YEARS	GROSS PRODUCT BILLION DOLLARS	PRIVATE CONSUMPTION EXPENDITURES BILLION DOLLARS	RETAIL EXPENDITURES BILLION DOLLARS		
			FOOD BEVERAGE	OTHER	TOTAL
2007	10.2	7.48	2.48	1.26	3.74

Indicators on the shopping centers in Muğla are presented below. Accordingly, there are 8 shopping centers in Muğla in the standards of International Council for Shopping Centers (ICSC) by the end of 2007.

Total gross leasable area (GLA) of 8 shopping centers located in Muğla is 64.321 m2 and 4 of them are located in Bodrum and, 4 of them are located in Marmaris. In other words, there is in not any shopping center in the city center of Muğla. Shopping centers located in the townships are predominantly summer tourism oriented and functioning in accordance with the needs and demands of domestic and foreign tourists.

In accordance with the ICSC standards, 1 out of 4 shopping centers located in Bodrum is specialty shopping center, 1 of them is middle-scale and 2 of them is small-scale, and total gross leasable area of them is 35.649 m2.

According to ICSC standards, all of the shopping centers in Marmaris are small-scale shopping centers and the total gross leasable area of them is 28.672 m2.

Depending on the total gross leasable area size of these 8 shopping centers concentrated in Muğla townships, GLA of per thousand persons is 84 m2 in 2007 in Muğla. Total retail expenditure volume of the residents in Muğla in 2007 was 3.74 billion dollars and potential retail expenditure per gross leasable area was 58.150 dollars.

Nevertheless, for the shopping centers concentrated in the townships of Muğla, retail expenditures of both residents in these towns and domestic and foreign tourists are determinative.

TABLE.176 MUĞLA SHOPPING CENTER INDICATORS

YEARS	NUMBER OF SHOPPING CENTERS	TOTAL SHOPPING CENTER GROSS LEASABLE AREA M2	GROSS LEASABLE AREA PER 1000 PERSONS M2	ANNUAL POTENTIAL RETAIL EXPENDITURE PER SHOPING CENTER GLA DOLLARS
2007	8	64.321	84.0	58.150

Development projections on the shopping centers in Muğla are presented below. While making projections on shopping centers, firstly, shopping centers those are in construction and/or are actively being planned are taken into account by the targeted opening years. Hence, de facto realization projections are used for the years 2008-2009. Depending on the population, economic growth, urbanization and retail expenditure projections in Muğla, development projections for the shopping centers are presented for the following years.

Accordingly, there isn't any shopping center that will be opened in 2008 and 2009 in Muğla. For this reason, total gross leasable area size is not changing for 2008 and 2009.

For the following years, we make assumptions with two different scenarios. For the first scenario, there will be 125 m2 GLA per thousand persons in 2015, and for the second scenario it is predicted to be 150 m2. According to these assumptions, there will be 108.750 m2 GLA in 2015 in Muğla and for the second scenario there will be 130.500 m2 GLA in 2015.

TABLE.177 MUĞLA SHOPPING CENTER PROJECTIONS

	POPULATION	GROSS LEASABLE AREA M2 PER 1000 PERSONS		TOTAL GROSS LEASABLE AREA M2	
YEARS	(000)	A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2007	766	84.0	84.0	64.321	64.321
2008	779	82.5	825	64.321	64.321
2009	792	81.2	81.2	64.321	64.321
2010	805	85.0	90.0	68.425	72.450
2011	818	90.0	100.0	73.620	81.800
2012	831	100.0	110.0	83.100	91.410
2013	844	110.0	120.0	92.840	101.280
2014	857	120.0	135.0	102.840	115.695
2015	870	125.0	150.0	108.750	130.500

The size of annual potential retail expenditures per gross leasable area is another important indicator used in making shopping center projections.

Accordingly, with the first scenario, there are 108.750 m2 gross leasable area in 2015 in Muğla and the annual potential retail expenditure volume per gross leasable area is 50.650 dollars. In the second scenario, there are 130.500 m2 gross leasable area and 42.200 dollars of annual potential retail expenditure per gross leasable area.

In this framework, depending on the projections reached with these two alternative scenarios, after the de facto realizations, there is 45-65 thousand m2 additional shopping center investment potential until 2015 (between 2010-2015).

TABLE.178 MUĞLA SHOPPING CENTER PROJECTIONS

	RETAIL EXPENDITURES	TOTAL GROSS LEASABLE AREA M2		ANNUAL POTENTIAL RETAIL EXPENDITURES PER GROSS LEASABLE AREA DOLLARS	
YEARS	BILLION DOLLARS	A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2007	3.74	64.321	64.321	58.150	58.150
2008	3.92	64.321	64.321	60.944	60.944
2009	4.12	64.321	64.321	64.050	64.050
2010	4.33	68.425	72.450	63.280	59.765
2011	4.55	73.620	81.800	61.805	55.625
2012	4.77	83.100	91.410	57.400	52.180
2013	5.00	92.840	101.280	53.860	49.730
2014	5.25	102.840	115.695	51.050	45.380
2015	5.51	108.750	130.500	50.650	42.200

VIII.3 TOURISM AND ACCOMODATION ESTABLISHMENTS

Accommodation establishments are the second topic evaluated within commercial real estates. In this framework, statistical data on accommodation and tourism establishments in Muğla are presented and evaluated, and then projections are presented on the development of tourism and accommodation establishments.

Muğla is the second city after Antalya in accommodating tourists and the second important center of summer tourism. Bodrum, Marmaris, Fethiye, Datça, Göcek, Köyceğiz, Dalaman and, Milas townships of Muğla have developed tourism activities.

According to the accommodation statistics, 1.82 million persons accommodated in Muğla in 2006 in total. Accommodated foreign guests were 1.13 million persons. The total number of overnight stays in 2006 was 8.74 million. Average length of stay is 4.8 nights. According to the accommodation data of 2006, total occupancy rate was 48.93 percent in 2006.

TABLE.179 MUĞLA ACCOMODATION STATISTICS

	NUMBER OF GUESTS (000)			NUMBER OF OVERNIGHT STAYS (000)			OCCUPANCY RATE %		
YEARS	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL
2002	1.294.206	524.582	1.818.788	6.770.069	1.388.821	8.158.890	42.46	8.71	51.17
2003	959.973	553.593	1.513.566	6.267.153	1.418.549	7.685.702	41.77	9.45	51.23
2004	1.389.634	655.475	2.045.109	7.327.942	1.575.404	8.903.346	42.96	9.24	52.19
2005	1.690.690	720.790	2.411.480	8.788.455	1.682.449	10.470.904	46.57	8.91	55.48
2006	1.127.587	687.707	1.815.294	6.817.344	1.925.287	8.742.631	38.15	10.77	48.93

RESOURCE: MINISTRY OF CULTURE AND TOURISM

TABLE.180 MUĞLA 2006 ACCOMMODATION ESTABLISHMENTS

	WITH TOURISM INVESTMENT LICENSE			WITH TOURISM OPERATING LICENSE		
ESTABLISHMENTS	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY
5 STAR HOTEL	21	7.166	17.538	20	5.650	12.450
4 STAR HOTEL	19	2.769	6.093	57	10.004	21.255
3 STAR HOTEL	32	2.164	4.469	101	7.408	15.164
2 STAR HOTEL	33	1.240	2.554	112	4.930	10.065
1 STAR HOTEL	9	287	614	18	426	855
5 STAR HOLIDAY VILLAGE	13	4.085	9.171	16	5.257	12.010
4 STAR HOLIDAY VILLAGE	8	1.996	4.250	7	1.442	3.400
MOTEL	15	368	717	12	175	346
CAMPING	2	75	177			
APART HOTEL	10	1.308	3.764	41	1.610	3.671
WITH PRIVATE DOCUMENTS				12	530	1206
GOLF ESTABLISHMENTS	1	22	44			
EDUCATION AND IMPLEMENTATION ESTABLISHMENT	1	106	216			
TOURISM COMPLEX	3	1.601	3.739			
BOUTIQUE HOTEL	3	211	504			
B TYPE HOLIDAY COMPLEX	3	363	1.784			
TOTAL	173	23.761	55.634	396	37.432	80.422

RESOURCE: MINISTRY OF CULTURE AND TOURISM

Muğla has large accommodation capacity especially for the summer tourism. There are 396 establishments with tourism operating license, 37.432 rooms and 80.422 beds capacity in 2006. Moreover there are 173 establishments with tourism investment license, 23.761 rooms and 55 beds capacity in Muğla. The distribution of the accommodation establishments in Muğla by the end of the year of 2006 is presented in Table.180 above.

It is projected that tourism activities in Muğla will continue to develop summer tourism focused. Accordingly, tourism activities will continue to develop in the existing towns again. It is projected and planned that there will be an increase in the total incoming tourist number coming to Turkey (50 million tourists in 2023) and tourist number coming for summer tourism. In this framework, Muğla is one of the top cities that will meet the tourist increase especially for the summer tourism. For this reason, there is a need to increase and to diversify the accommodation capacity.

In this framework, it is projected that, in addition to the existing accommodation establishments in Muğla;

1- There will be need for accommodation establishments that will create additional capacity for the summer tourism

2- Boutique-concept-deluxe accommodation establishments that will offer different and specialty service

3- Additional establishments for the yacht tourism and golf tourism

4- Accommodation establishments predominantly entertainment-vacation- for city tourism.

VIII. 4 INDUSTRIAL AND LOGISTICS AREAS

Lastly, industrial and logistics areas are evaluated within commercial real estates.

Services sector predominantly as tourism services sector has been developed in Muğla and industry activities are very limited. It is estimated that the same trend will continue in the following period. Marble industry is in a rapid development potential and tendency.

Industry is very limited in Muğla and there isn't any OIZ in Muğla as well. There is 1 OIZ planning to be opened in Milas in 2010 that is in investment stage and idea of establishing Marble OIZ in Yatağan. It is projected that industry investments will concentrated in these two OIZ in Muğla.

TABLE.181 MUĞLA ORGANIZED INDUSTRY ZONES

ORGANIZED INDUSTRY ZONE	AREA HECTARES/M2/ DECARES	CHARACTERISTICS
MILAS OIZ	119 HECTARES	INVESTMENT STAGE

RESOURCE: MINISTRY OF INDUSTRY AND TRADE

Chapter IX.

TEKİRDAĞ REAL ESTATE SECTOR AND PROGNOSES

IX.1 HOUSING SECTOR AND MARKETS

Evaluations and projections on Tekirdağ real estate sector are made together with the housing and commercial real estates. Evaluations start with housing sector and housing markets. The main goal of the projections on housing sector and housing markets is to predict the housing need that will emerge in Tekirdağ until 2015 and to identify the factors that affect the housing demand and supply. For this reason, factors affecting the housing need and housing supply and demand are examined and evaluated in this section.

IX.1.1 Demography and Population Projection

Demographic and population changes are the main factors that affect housing need and demand. For this reason, we first evaluate the demographic and population data and developments of Tekirdağ.

In this framework, figures of population, migration, urbanization, urban household population and urban household number are given and projections are made on population, urbanization, and urban household number.

In this part of the study, Address Based Population Registration System data of the year 2007 are used for demographic and population data. In addition to this, old data that are still up-to-date and projecting the tendencies are used.

According to the ABPRS 2007 data, total population of Tekirdağ is 728 thousand. Total population of Turkey is 70.6 million and the share of Tekirdağ in the total population of Turkey is 1.03 percent. In Table.182, population of 2007 and data of general population census before 2000 are presented below for Tekirdağ.

TABLE.182 POPULATION OF TEKİRDAĞ AND TURKEY

YEARS	TEKİRDAĞ (000)	TURKEY (000)	TEKİRDAĞ SHARE %
1980 (1)	361	44.737	0.80
1985 (1)	403	50.664	0.79
1990 (1)	469	56.473	0.83
2000 (1)	624	67.804	0.92
2007	728	70.586	1.03

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

The main indicator that determines the total population of Tekirdağ and its share in Turkey's population is population growth rate of Tekirdağ. Population growth rate of Tekirdağ is above the average population growth rate of Turkey.

Population growth rates of Tekirdağ and Turkey are presented below in Table.183 comparatively. Accordingly, the annual population growth rate of Tekirdağ is 2.12 percent in 2007. Population growth rate of Turkey is 1.26 percent in 2007.

TABLE.183 POPULATION GROWTH RATES OF TEKİRDAĞ AND TURKEY (%)

PERIODS	TEKİRDAĞ (%)	TURKEY (%)
1980-1985 (1)	2.20	2.49
1985-1990 (1)	3.04	2.17
1990-2000 (1)	2.85	1.83
2007	2.12	1.26

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

Two main factors are determinative in the population growth rate of cities. The first one is urban population growth and the second one is net migration. Tekirdağ has a net migration inflow. Cities have both migration inflow and outflow.

Net migration figure is different from the figures of inflow and outflow migration, and it indicates net migration intake, if it is positive. Net migration figures and rates of Tekirdağ are displayed in Table.184 below. Data is for between the years 1975-2000, and projects the tendencies of these years. In this period Tekirdağ has taken high migration inflow with absolute and increasing rates in this period. Especially, between the years 1995-2000, there has been a high migration inflow. Although there isn't numerical data for the period after 2000, it is observed that net migration inflow to Tekirdağ has been limitedly slow down but continues

TABLE.184 TEKİRDAĞ NET MIGRATION AND NET MIGRATION RATE

PERIODS	NET MIGRATION PERSONS	NET MIGRATION RATE %
1975-1980	4.849	1.65
1980-1985	3.438	1.03
1985-1990	17.907	4.67
1995-2000	51.335	9.68

RESOURCE: Migration Indicators of Cities, TSI

Table.185 displays the sources of population growth of Tekirdağ as urban population growth and migration based population growth for the periods between the years 1980-2000. Accordingly, the share of the net migration rapidly increased in the population growth of Tekirdağ and reached to 51.3 percent in this period. Together with the decrease of the share of the urban population growth, there has been periods that population rise absolutely decreased.

TABLE.185 SOURCES OF TEKİRDAĞ'S POPULATION GROWTH

PERIODS	TOTAL POPULATION GROWTH (000)	TOTAL NET MIGRATION (000)	SHARE OF MIGRATION BASED POPULATION GROWTH %	URBAN POPULATION GROWTH (000)	SHARE OF URBAN POPULATION GROWTH %
1980-1985	42	3.5	8.3	38.5	91.7
1985-1990	66	17.9	27.1	48.1	72.9
1995-2000	92	51.3	55.8	40.7	44.2

An important indicator that relates demography and population data with real estate and housing sector is urbanization rates of cities and urban population size (city and town centers). Urban population size living in city and town centers has to be taken into consideration in all indicators for real estate and housing sector.

Urbanization rate and urban population size of Tekirdağ for the year 2007 with ABPRS are displayed below in Table.186. Accordingly, urbanization rate is 67.9 percent and urban population is 494 thousand in Tekirdağ in 2007.

TABLE.186 URBANIZATION RATE AND URBAN POPULATION IN TEKİRDAĞ

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE (%)	URBAN POPULATION (000)
2007	728	67.9	494

RESOURCE: Address Based Population Registration System 2007

Urban household number depending on urban population size in Tekirdağ is presented in Table.187 below. Determinant of urban household number is average size of urban household together with urban population size. Urban household average size is 3.50 persons by the year 2007 and urban household number is 137 thousand in Tekirdağ.

TABLE.187 TEKİRDAĞ URBAN HOUSEHOLD NUMBER AND SIZE

YEARS	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	494	3.50	137

RESOURCE: Address Based Population Registration System 2007

After evaluating demography and population indicators and tendencies of Tekirdağ, at this level, population projections for Tekirdağ until 2015 for each year are made.

Main assumptions used for population projections on Tekirdağ are the limited slow down of the increase in the urban population growth and inflowing net migration rate, on the other hand the population growth will remain over Turkey's average and high.

Accordingly, while population growth rate of Tekirdağ is 2.12 percent in 2007, it will be 2.02 percent in 2010 and 1.90 percent in 2015. Depending on these rates, it is projected that population of Tekirdağ will be 773 thousand in 2010 and 852 thousand in 2015. Share of the population of Tekirdağ in the total population of Turkey will be 1.06 in 2010 and 1.10 percent in 2015.

TABLE.188 TEKİRDAĞ AND TURKEY POPULATION GROWTH PROJECTIONS

YEARS	TURKEY POPULATION GROWTH RATE %	TURKEY POPULATION (000)	TEKİRDAĞ POPULATION GROWTH RATE %	TEKİRDAĞ POPULATION (000)	TEKİRDAĞ POPULATION SHARE %
2007	1.26	70.586	2.12	728	1.03
2008	1.24	71.461	2.08	743	1.04
2009	1.22	72.332	2.05	758	1.05
2010	1.20	73.200	2.02	773	1.06
2011	1.18	74.064	2.00	788	1.06
2012	1.16	74.923	1.98	804	1.07
2013	1.14	75.777	1.95	820	1.08
2014	1.12	76.626	1.93	836	1.09
2015	1.10	77.469	1.90	852	1.10

Another important indicator for real estate and housing sector, depending on population projections of Tekirdağ is urban household number and related projections. Urbanization, urban household population and urban household number projections in Tekirdağ are presented in Table.189 below.

It is estimated that urbanization rate will continue to increase in Tekirdağ. Accordingly, urbanization rate will be 69.1 percent in 2010 and 71 percent in 2015 in Tekirdağ. Urban household average size will continue to diminish. While the urban household average size was 3.50 persons in 2007, it is predicted that it will be 3.41 persons in 2010 and 3.30 persons in 2015.

Based on these assumptions, while the total urban population was 494 thousand in 2007, it will reach to 605 thousand in 2015 and urban household number will increase from 137 thousand to 183 thousand in Tekirdağ.

TABLE.189 PROJECTIONS FOR URBAN POOPULATION AND NUMBER OF HOUSEHOLDS IN TEKİRDAĞ

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE %	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	728	67.9	494	3.50	137
2008	743	68.3	507	3.47	146
2009	758	68.7	521	3.44	151
2010	773	69.1	534	3.41	157
2011	788	69.5	548	3.38	162
2012	804	69.9	562	3.36	167
2013	820	70.3	576	3.34	172
2014	836	70.7	591	3.32	178
2015	852	71.0	605	3.30	183

IX.1.2 Housing Stock in Tekirdağ

The next projection on housing sector and markets is analysis and evaluations on housing stock. Existing housing stock is evaluated in terms of two important sides. The first one is if there is a housing need compared to existing household number, and the second one is to identify the number of houses that has need for renovation for the physical and legal structure of the existing housing stock in the forthcoming period.

For this reason, data on housing stock in Tekirdağ are presented and evaluated in this section.

Housing stock in Tekirdağ is evaluated firstly in terms of quantity and legal status. Housing stock in Tekirdağ by the year 2000 is displayed with the TSI Building Count study of the year 2000. The total number of house is 222.641 by 2000 in Tekirdağ. House number in the urban spaces (city and town centers) is 166.909.

Legal status of the existing houses in Tekirdağ by the year 2000 is like this: the number of housing units with construction permits in the existing houses is 166.888 and its share in the existing housing stock is 100 percent. Put it differently, there isn't any housing unit without construction permits and Tekirdağ is the only city all around Turkey like this.

TABLE.190 TEKİRDAĞ HOUSING STOCK 2000

INDICATORS	TEKİRDAĞ
NUMBER OF BUILDINGS	99.408
NUMBER OF HOUSING UNITS	222.641
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	166.909
HOUSING UNITS WITH CONSTRUCTION PERMITS	166.888
HOUSING UNITS WITH OCCUPANCY PERMITS	68.769
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS	21
CONSTRUCTION PERMITS/TOTAL HOUSING UNITS %	100.0
OCCUPANCY PERMITS/TOTAL HOUSING UNITS %	41.0

RESOURCE: Building Stock 2000, TSI

Housing stock projections in Tekirdağ by the year 2007 are presented in Table.191 below. To make housing stock projections by the year 2007, construction permits obtained between the years 2000-2006 (it is assumed that housing stock is created the year after the construction permit is obtained) and number of housing units that are unusable in 2001-2006 and the number of units without construction permits are used.

Accordingly, it is estimated that total housing stock reached to 202.493 in city and town centers in Tekirdağ in 2007.

The 2005 year-end data of the Ministry of Finance is 189.640 housing units. 36.584 construction permits have been taken in Tekirdağ in 2000-2006. It is estimated that 1.000 housing units have become unusable in 2001-2007, and it is assumed that no housing construction without construction permits have been made. Hence, urban housing stock of Tekirdağ is estimated to be 202.493 at the end of 2007.

TABLE.191 TEKİRDAĞ 2007 HOUSING STOCK ESTIMATE (CITY AND TOWNSHIPS)

INDICATORS	TEKİRDAĞ
NUMBER OF HOUSING UNITS 2000 (CITY AND TOWNSHIP)	166.909
NUMBER OF CONSTRUCTION PERMITS (2000-2006)	36.584
HOUSING UNITS THAT ARE UNUSABLE (2001-2007)	1.000
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS (2001-2007)	-
TOTAL HOUSING STOCK 2007	202.493

Total housing stock in Tekirdağ city and township centers is estimated to be 203.393 by 2007. Total urban household number is 137 thousand. It is observed that there isn't any housing deficit in Tekirdağ by the end of 2007 and all the housing stock is comprised of licensed housing units carrying the minimum standards.

An important matter about the housing stock in Tekirdağ is the secondary housing units owned by residents (approximately 40.000 housing unit).

Among the housing stock mentioned above, there are also housing units owned by residents in Istanbul and especially used temporarily and seasonally. In this framework, adequacy of the existing housing stock is much more limited compared to the absolute figures.

Other significant factors for the housing need are physical condition of the housing stock and the age of the existing housing stock.

Accordingly, physical condition of the housing stock in Tekirdağ by the year 2000 with the TSI Building Count results is displayed in Table.192 below. By the year 2000, there are 1.670 housing that are in ruins and planning to be pulled down, and 6.676 housing unit that need drastic repairs and modifications in Tekirdağ.

Even though we assume that some part of the total 8.4 thousand housing units that need drastic repairs and modifications and in ruins and planning to be pulled down in 2000 would have been pulled down or become unusable until 2007, approximately 7 thousand housing units will still require renewal.

TABLE.192 PHYSICAL CONDITION OF THE HOUSING STOCK IN TEKİRDAĞ 2000

INDICATORS	TEKİRDAĞ
NUMBER OF HOUSING UNITS	222.641
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	166.909
THOSE THAT DON'T NEED REPAIRS	125.182
THOSE THAT NEED SIMPLE REPAIRS AND MODIFICATIONS	31.713
THOSE THAT NEED DRASTIC REPAIRS AND MODIFICATIONS	6.676
IN RUINS AND PLANNED TO BE PULLED DOWN	1.670
UNKNOWN CONDITION	1.670

RESOURCE: Building Count 2000, TSI

When the housing stock is evaluated in terms of building life, buildings that are 50 years and older that are solely and/or predominantly used for residential purposes are 5.395 in 2000. This figure is estimated to reach 10.6 thousand (approximately 17 thousand housing units) until 2015. The physical life of these buildings that are 50 years and older, except for the historical ones, is expiring and this will create a need for additional housing.

TABLE.193 CONSTRUCTION YEARS OF BUILDINGS IN TEKİRDAĞ 2000

BUILDING COMPLETION DATE	BUILDINGS THAT ARE SOLELY USED AS RESIDENCES	BUILDINGS THAT ARE PREDOMINANTLY USED AS RESIDENCES
-1929	271	14
1930-1939	788	24
1940-1949	1.151	49
1950-1959	2.961	137
1960-1969	4.869	397
1970-1979	9.958	1.293
1980-1989	23.919	2.964
1990-2000	33.482	3.913
UNKNOWN	525	112
TOTAL	77.924	8.903

RESOURCE: Building Count 2000, TSI

IX.1.3 Housing Need in Tekirdağ

We make projections for the housing need of Tekirdağ for every year until 2015, based on the results, findings and assumptions of the evaluations made in the previous section.

Accordingly, it is estimated that there will be need of 62 thousand housing units between the years 2008-2015.

1-It is estimated that depending on the increase of 46 thousand households in 2008-2015, there will be equal need of housing units between 2008-2015.

2-The housing need based on urban transformation is estimated to be 8 thousand in total. As there isn't shanty a settlement in Tekirdağ, need is defined in terms of social housing.

3-There will be a need for 8 thousand housing units between the years 2008-2015 as a result of renewal. It is assumed that 5 housing unit per thousand housing stock will be renewed every year (the standard rate used by the State Planning Organization).

TABLE.194 PREDICTIONS OF HOUSING NEED IN TEKİRDAĞ (000)

YEARS	HOUSING NEED BASED ON THE INCREASE OF HOUSEHOLDS	URBAN REGENERATION BASED HOUSING NEED	RENEWAL BASED HOUSING NEED	TOTAL HOUSING NEED
2008	8.0	1.0	1.0	10.0
2009	6.0	1.0	1.0	8.0
2010	6.0	1.0	1.0	8.0
2011	5.0	1.0	1.0	7.0
2012	5.0	1.0	1.0	7.0
2013	5.0	1.0	1.0	7.0
2014	6.0	1.0	1.0	8.0
2015	5.0	1.0	1.0	7.0
TOTAL	46.0	8.0	8.0	62.0

IX.1.4 Factors that Influence the Housing Demand in Tekirdağ

After the housing need projections made for Tekirdağ, we will evaluate the factors that influence the housing demand. Home ownership of the households, the income pattern of the household and the demand for secondary housing are the major factors shaping general housing demand in Tekirdağ.

Home ownership of the households is the primary factor that affects the housing demand in the upcoming period. TSI's 2000 Population Census data is used in reference to home ownership. Even though the data is not up-to-date, the figures can show important trends.

The rate of home ownership in Tekirdağ is 68.3 percent by the year 2000, and the rate of tenants is 23.1 percent. The rate of tenants is below the average of Turkey (31.6 percent).

Nevertheless, 36.938 tenant households in Tekirdağ in 2000 represent a housing demand potential for the following period. The Ministry of Finance 2005 data shows that there are 38.626 tenant households in Tekirdağ. The ratio of households that are neither homeowners nor tenants in Tekirdağ is 7.991 in 2000.

TABLE.195 HOME OWNERSHIP OF HOUSEHOLDS IN TEKİRDAĞ

HOME OWNERSHIP	NUMBER OF HOUSEHOLDS	HOUSEHOLDS % SHARE
HOMEOWNER	108.941	68.3
TENANT	36.938	23.1
LODGING DWELLER	4.345	2.7
NOT HOMEOWNER/ DOES NOT PAY RENT	7.991	5.0
OTHER	1.280	0.8
UNKNOWN	74	0.1
TOTAL	159.569	100.0

RESOURCE: General Population Census 2000, TSI

Level of city's economic development and personal incomes are other important determinants of the housing demand. Tekirdağ exceeds a little the average of Turkey in terms of economic development and per capita income indicators.

In this level new GNP data of TSI, which is declared based on the new calculation method, is used. Accordingly, GNP volume of Turkey is 659 billion dollars in 2007 and per capita income is 9.333 dollars.

The share of Tekirdağ in the GNP is 1.05 percent. Hence, GNP of Tekirdağ was 6.9 billion dollars in 2007 and per capita income is 9.480 dollars. Table.196 shows the predictions on the developments of the gross product of Tekirdağ and per capita income.

Accordingly, the basic assumptions are that as Turkish economy will grow 5 percent each year until 2015 and the share of Tekirdağ in national income of Turkey will remain the same until 2015.

Based on the assumptions mentioned above, per capita income in Tekirdağ is estimated to rise 10.350 dollars in 2010 and 12.090 dollars in 2015. Per capita income projections in Tekirdağ indicates that there will be a limited-adequate income pattern for housing need will emerge.

Another factor that affects the need of housing is secondary housing demand. Especially Istanbul residents create a housing need to use permanently or seasonally.

Housing need expands as permanent usage after the retirement, as summerhouse and in the Çorlu-Çerkezköy townships (after the shift of industry of Istanbul to these townships) for permanent usage.

It is predicted that this demand will continue and it will be an important determinative factor in the housing need in Tekirdağ.

TABLE.196 TEKİRDAĞ GROSS PRODUCT AND PER CAPITA INCOME PREDICTIONS

YEARS	GROSS PRODUCT BILLION DOLLARS	POPULATION (000)	PER CAPITA INCOME DOLLAR
2007	6.9	728	9.480
2008	7.2	743	9.690
2009	7.6	758	10.025
2010	8.0	773	10.350
2011	8.4	788	10.660
2012	8.8	804	10.945
2013	9.3	820	11.340
2014	9.8	836	11.725
2015	10.3	852	12.090

IX.1.5 Projections for the Housing Sector and Markets in Tekirdağ

After evaluating the factors that affect the housing sector in Tekirdağ and making projections on housing demand, now we will make projections housing sector and housing markets.

1- The need for housing will remain with 62 thousand housing units until 2015 in Tekirdağ. Housing need in Tekirdağ is predominantly determined by the increase in the household size (45 thousand). Housing need in terms of renewal and urban transformation will be much more limited.

2- Housing sector has a planned development in Tekirdağ and its townships and a live housing market has been created. Housing units in the market are mostly comprised of middle class housings for middle-income groups and social housings. In the following period it is estimated that development will be towards these kinds of housing stocks.

3- It is observed that as a result of the socio-economic quality of the city, demand of the upper and middle-upper income group residents will be limited. On the other hand, demand of middle-upper and upper income group will be much more determinative in the sector.

4- As new housing development areas in the city center, western part of the city is seen as the permanent residence area and eastern part as the area for secondary housing development. New housing area is the region from the center to the west, Otogar region, Hürriyet Mahallesi (Quarter), and the area from the center toward the Namık Kemal University is developing. Altınova, Barbaros and Kumbağ region are the secondary housing development areas.

5- Tekirdağ townships Çorlu, Çerkezköy, Hayrabolu, Malkara, Marmara Ereğlisi, Muratlı and Saray has developed at least as much as the city center and they have a large population and housing stock as a result of the industrialization. Housing market of Çorlu and Çerkezköy is developing more rapid than the city center. Çetin Emeç Boulevard, Önerler Village, Boulevard Road Istanbul direction, upper side of and new industrial zone area in Çorlu are developing as the new housing areas. However, there is a continuing and in construction housing supply in Çorlu and it is probably will be over the need.

Çerkezköy'de ise area between the center, Saray direction and textile factories in Çerkezköy is developing as new housing area and housing supply is expanding. As the industrially zoned and residentially zoned areas decrease in Çorlu and Çerkezköy that are industrialized towns, land prices rise. Depending on this, higher quality housing units are built for middle and middle-upper income group

6- Housing unit construction of TOKİ continues in Tekirdağ. In Çerkezköy Kapaklı (revenue distribution method with Emlak Konut GYO) 1.160 housing units, in Çorlu Kazimiye (again Emlak Konut GYO) 1.200 housing units are being constructed. In addition to these, in Çorlu Valideçeşme 320, in Çerkezköy Kapaklı 204, in Hayrabolu 132 and in the city center 580 housing units have been constructed.

7- 34.568 real estates in 20050, 36.949 in 2006 and 34.835 in 2007 have been sold in Tekirdağ. 4.655 housing credits in 2005, 5.093 in 2006 and 5.148 in 2007 have been used in Tekirdağ.

IX.2 RETAIL MARKET AND SHOPPING CENTERS

Evaluations and projections on the real estate sector of Tekirdağ are made together with housing and commercial real estates. As commercial real estates, shopping centers, accommodation facilities and industrial and logistics areas are examined and evaluated.

Firstly, shopping centers and retail markets in the commercial real estates are examined and evaluated in Tekirdağ. In this framework, size of the retail market and shopping centers in Tekirdağ are presented below.

Share of the Tekirdağ in national income in 2007 is 1.05 percent, size of gross product is 6.9 billion dollars and per capita income is 9.480 dollars.

TABLE.197 TEKİRDAĞ ECONOMIC SIZE

YEARS	GNP % SHARE	GROSS PRODUCT BILLION DOLLARS	PER CAPITA INCOME DOLLAR
2007	1.05	6.9	9.480

Related with retail market and shopping centers, private consumption expenditures, retail expenditures and its dispersion between food and non-food goods is presented in Table.198.

Total private consumption expenditures in Tekirdağ were 5.06 billion dollars in 2007. The share of the retail expenditures in the private consumption expenditures is 44 percent, and its volume is 2.25 billion dollars. 1.45 billion dollars of retail expenditures was food and beverage expenditures, and 0.8 billion dollars of retail expenditures was other retail expenditures.

TABLE.198 TEKİRDAĞ PRIVATE CONSUMPTION AND RETAIL EXPENDITURES

	GROSS	PRIVATE CONSUMPTION	RETAIL EXPENDITURES BILLION DOLLARS		
YEARS	PRODUCT BILLION DOLLARS	EXPENDITURES BILLION DOLLARS	FOOD BEVERAGE	OTHER	TOTAL
2007	6.9	5.06	1.45	0.80	2.25

Information on the shopping centers in Tekirdağ is presented in Table.199 below. Accordingly, there are 2 shopping centers in Tekirdağ in the standards of International Council for Shopping Centers (ICSC) by the end of 2007. In accordance with the ICSC standards one of them is outlet and the other one is small-scale shopping centers. Both of them are located in Çorlu.

Total gross leasable area (GLA) of both of these shopping centers is 27.288 m2. GLA of per thousand persons is 37.5 m2.

Total retail expenditure volume in Tekirdağ was 2.25 billion dollars in 2007. Accordingly, potential retail expenditure per gross leasable area was 82.450 dollars.

TABLE.199 TEKİRDAĞ SHOPPING CENTER INDICATORS

YEARS	NUMBER OF SHOPPING CENTERS	TOTAL SHOPPING CENTER GROSS LEASABLE AREA M2	GROSS LEASABLE AREA PER 1000 PERSONS M2	ANNUAL POTENTIAL RETAIL EXPENDITURE PER SHOPING CENTER GLA DOLLARS
2007	2	27.288	37.5	82.450

Development projections on the shopping centers in Tekirdağ are presented below. While making projections on shopping centers, firstly, shopping centers those are in construction and/or are actively being planned are taken into account by the targeted opening years. Hence, de facto realization projections are used for the years 2008-2009.

There is 1 shopping center that will be opened in 2008, 2 shopping centers that will be opened in 2009 that are construction or planning stage in Tekirdağ. After the opening of these shopping centers total gross leasable area will be 35.288 m2 at the end of 2008 and 110.288 m2 at the end of 2009. GLA per thousand persons will be 145.5 m2 at the end of 2009.

Depending on the population, economic growth and retail expenditure projections in Tekirdağ, development projections for the shopping centers are presented for the following years.

Projections are made for the gross leasable areas of shopping centers with two different scenarios. With these two alternative scenarios we assume 175 m2 and 200 m2 gross leasable area per thousand persons in 2015 for Tekirdağ.

Accordingly, for the first scenario there will be 149.100 m2 GLA in 2015 in Tekirdağ and for the second scenario there will be 170.400 m2 GLA in 2015.

TABLE.200 TEKİRDAĞ SHOPPING CENTER PROJECTIONS

YEARS	POPULATION (000)	GROSS LEASABLE AREA M2 PER 1000 PERSONS		TOTAL GROSS LEASABLE AREA M2	
		A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2007	728	37.5	37.5	27.288	27.288
2008	743	47.5	47.5	35.288	35.288
2009	758	145.5	145.5	110.288	110.288
2010	773	150.0	150.0	115.950	115.950
2011	788	155.0	160.0	122.140	126.080
2012	804	160.0	170.0	128.640	136.680
2013	820	165.0	180.0	135.300	147.600
2014	836	170.0	190.0	142.120	158.840
2015	852	175.0	200.0	149.100	170.400

The size of annual potential retail expenditures per gross leasable area is another important indicator used in making shopping center projections.

Accordingly, with the first scenario, there are 149.100 m2 gross leasable area in 2015 in Tekirdağ and the annual potential retail expenditure volume per gross leasable area is 22.150 dollars. In the second scenario, there are 170.400 m2 gross leasable area and 19.350 dollars of annual potential retail expenditure per gross leasable area.

In this framework, depending on the projections reached with these two alternative scenarios, after the de facto realizations, there is 40-60-thousand m2 additional shopping center investment potential until 2015 (between 2010-2015).

TABLE.201 TEKİRDAĞ SHOPPING CENTER PROJECTIONS

YEARS	RETAIL EXPENDITURES BILLION DOLLARS	TOTAL GROSS LEASABLE AREA M2		ANNUAL POTENTIAL RETAIL EXPENDITURES PER GROSS LEASABLE AREA DOLLARS	
		A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2007	2.25	27.288	27.288	82.450	82.450
2008	2.33	35.288	35.288	66.028	66.028
2009	2.42	110.288	110.288	21.950	21.950
2010	2.55	115.950	115.950	22.000	22.000
2011	2.68	122.140	126.080	21.950	21.250
2012	2.82	128.640	136.680	21.920	20.750
2013	2.99	135.300	147.600	22.100	20.250
2014	3.17	142.120	158.840	22.305	19.950
2015	3.30	149.100	170.400	22.150	19.350

IX.3 TOURISM AND ACCOMODATION ESTABLISHMENTS

Accommodation establishments are the second topic evaluated within commercial real estates. In this framework, statistical data on accommodation and tourism establishments in Tekirdağ are presented and evaluated, and then projections are presented on the development of tourism and accommodation establishments.

Tourism of Tekirdağ mostly developed as a summer resort of Istanbul and as secondary housing. For this reason, accommodation based tourism activities remained very limited in Tekirdağ. Being closer to Istanbul also contributes to the limitation of accommodation tourism.

According to the accommodation statistics in Tekirdağ, 23.686 persons accommodated in 2006 in total. Foreign guests were 3.972 persons. Total number of overnight stays in 2006 was 73.601. Accordingly, total occupancy rate was 34.63 percent in 2006.

TABLE.202 TEKİRDAĞ ACCOMODATION STATISTICS

	NUMBER OF GUESTS (000)			NUMBER OF OVERNIGHT STAYS (000)			OCCUPANCY RATE %		
YEARS	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL
2002	4.781	27.486	32.267	15.107	58.295	73.402	4.41	17.02	21.43
2003	4.786	31.830	36.616	15.147	69.146	84.293	5.55	25.33	30.88
2004	4.191	30.747	34.938	13.987	71.056	85.043	5.11	25.95	31.06
2005	2.772	22.715	25.487	13.344	56.048	69.392	5.35	22.46	27.80
2006	3.972	19.714	23.686	20.572	53.029	73.601	9.68	24.95	34.63

RESOURCE: MINISTRY OF CULTURE AND TOURISM

Number and capacity of the accommodation establishments is very limited in Tekirdağ. There are 8 establishments with tourism operating license, 330 rooms and 694 beds capacity in 2006; 3 establishments with tourism investment license, 214 rooms and 437 beds capacity in Tekirdağ.

TABLE.203 TEKİRDAĞ ACCOMMODATION ESTABLISHMENTS 2006

	WITH TOURISM INVESTMENT LICENSE			WITH TOURISM OPERATING LICENSE		
ESTABLISHMENTS	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY
5 STAR HOTEL	1	123	268			
3 STAR HOTEL	2	91	169	3	158	346
2 STAR HOTEL				4	156	316
HOLIDAY VILLAGE				1	16	32
TOTAL	3	214	437	8	330	694

RESOURCE: MINISTRY OF CULTURE AND TOURISM

It is estimated that tourism in Tekirdağ will develop as weekend-short time-12 months entertainment and vacation oriented and alternative sports and tourism activities; and it will be shaped with the needs and preferences of Istanbul residents. In this framework, in addition to the existing accommodation establishments, it is projected that

1- Boutique-concept-deluxe accommodation establishments offering different and preferential services

2- Business hotels focused on business-congress-exposition-meeting will be needed.

IX.4 INDUSTRIAL AND LOGISTICS AREAS

Lastly, industrial and logistics areas are evaluated within commercial real estates.

It is projected that in the framework of development trends of industry and logistics, Tekirdağ has a high potential in terms of investment on industry and logistics areas. It is predicted that depending on the development of industry and logistics, need for industry and logistics areas will be high.

Potential industrial zones in Tekirdağ are Çorlu, Çerkezköy, Hayrabolu and Malkara. Need to carry the existing industrial zones in Istanbul located in the city center is increasing in the short middle and long term. Additionally, there is a need for industrial zones for the new industrial investments.

In this framework, Tekirdağ stands out with its industrial plot capacity within the metropolitan area of Istanbul. Nevertheless, with the environmental arrangement plan drawn to a scale of 1/25.000, it is decided not to open new industrially zoned areas except the existing ones, and industrial production will be gathered around organized industrial zones. Industrial zone potential has become restricted by this decision. For this reason, demand toward the existing industrially zoned plots in Çorlu and Çerkezköy increases, and prices are in an increasing trend.

There are 800 factories in Çorlu region in addition to the OIZ area, and existing industrially zoned plots are gaining value. Türkgücü road, Tekirdağ road, Çerkezköy road and E-5 highway until the Vakıflar merkezi in Çorlu have not been used yet and have the industrially zoned plot that gain value. OIZ specialized on leather in Çorlu have 90 percent occupancy rate. Çorlu European Free Zone has become a significant alternative investment area as a result of the restriction of the industrially zoned areas. Occupancy rate is 90 percent in the zone and, there is still vacancy in the zone.

Industrially zoned plots are restricted in Çerkezköy as well and the land prices are in an increasing trend. Almost all of the Organized Industry Zone is full.

Existing organized zones in Hayrabolu and Malkara have become new places of attraction. About 60 firms have decided to move to Hayrabolu OIZ that was in operation but had a low occupancy rate previously. Infrastructure investments continue in Malkara OIZ and it is becoming the sole potential OIZ in the region.

Tekirdağ has an important potential for the logitics zone investments as well. Sea, air, railway and roadway transportation capacity of Tekirdağ and continuing projects in these transportation areas create this potential.

Tekirdağ has being turned into an important port city. Big private ports (Asyaport, Akport) will start to establish Europe-Asia connection (transit haulage) with container and other sea transportation through Balıkesir-Bandırma. For this reason, a large logistic space need emerges around Tekirdağ ports.

Tekirdağ ports are directly connected to Europe with railway (railway investment between ports and Muratlı) and highway connections (TEM (Trans European Motorway connection) in transit haulage. For this reason, in connection points of railway and highway transportation Muratlı has become an important logistics center and need for logistics space will increase in Muratlı.

A cargo (logistics) village is being established in Çorlu in terms of the airway haulage. Çorlu international airport will realize the cargo transportation of the developing industry in the region. For this reason, cargo village that is planned to being established on 1.500 decares of land that is 5 km far from the airport will create need for logistics space.

In this framework, logistics space investments in the related regions seem attractive depending on the seaway, highway, and railway and airway transportation development projections.

TABLE.204 TEKİRDAĞ ORGANIZED INDUSTRY ZONES

ORGANIZED INDUSTRY ZONE	AREA HECTARES/M2/ DECARES	CHARACTERISTICS
ÇERKEZKÖY OIZ	1.247 HECTARES	195 FIRMS IN OPERATION % 90 OCCUPANCY RATE
ÇORLU DERI OIZ	130 HECTARES	190 FIRMS IN OPERATION % 70 OCCUPANCY RATE
HAYRABOLU OIZ	100 HECTARES	4 FIRMS IN OPERATION
MALKARA OIZ	1056 DECARES 630 DECARES INDUSTRY ZONE 69 PARCELES	IN INVESTMENT STAGE 23 PARCELS SOLD
ÇORLU EUROPEAN FREE ZONE	2 MILLION M2	144 FIRMS IN OPERATION % 60 OCCUPANCY RATE

RESOURCE: MINISTRY OF INDUSTRY AND TRADE

Chapter X.

TRABZON REAL ESTATE SECTOR AND PROGNOSES

X.1 HOUSING SECTOR AND MARKETS

Evaluations and projections on Trabzon real estate sector are made together with housing and commercial real estates and housing sector and housing markets are firstly taken into consideration. The main goal of the projections of housing sector and housing markets is to predict housing need in Trabzon until 2015 and to identify the factors affecting the housing demand and housing supply. For this reason, factors that are effective in determining housing need and demand are examined and evaluated.

X.1.1 Demography and Population Forecast

Main and primary factors affecting the housing demand and supply are demography and population changes. For this reason, demographic and population changes and data of Trabzon are presented first.

In this framework, figures of population, migration, urbanization, urban household population and urban household number are given and projections are made on population, urbanization, and urban household number.

In this part of the study, Address Based Population Registration System data of the year 2007 are used for demographic and population data. In addition to this, old data that are still up-to-date and projecting the tendencies are used.

According to the ABPRS 2007 data, total population of Trabzon is 741 thousand. Total population of Turkey is 70.6 million and share of Trabzon is 1.05 percent. In Table.205, population of Trabzon in 2007 and population volumes declared with the general population census before 2000 are presented below for Trabzon.

TABLE.205 POPULATION OF TRABZON AND TURKEY

YEARS	TRABZON (000)	TURKEY (000)	TRABZON SHARE %
1980 (1)	731	44.737	1.63
1985 (1)	786	50.664	1.55
1990 (1)	796	56.473	1.41
2000 (1)	975	67.804	1.44
2007	741	70.586	1.05

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

The main indicator that determines the total population of Trabzon and its share in Turkey's population is population growth rate of Trabzon. Population growth rate of Trabzon is above the average population growth rate of Turkey. Population growth rates of Trabzon and Turkey are presented below in Table.206 comparatively. Accordingly, the annual population growth rate of Trabzon is 1.41 percent in 2007. Population growth rate of Turkey is 1.26 percent in 2007.

TABLE.206 POPULATION GROWTH RATES OF TRABZON AND TURKEY (%)

PERIODS	TRABZON (%)	TURKEY (%)
1980-1985 (1)	1.45	2.49
1985-1990 (1)	0.24	2.17
1990-2000 (1)	2.03	1.83
2007	1.41	1.26

RESOURCE: Address Based Population Registration System 2007
(1) General Population Census TSI

Two main factors are determinative in the population growth rate of cities. The first one is urban population growth and the second one is net migration. Trabzon has been subject to net migration outflow. Cities have both migration inflow and outflow. Net migration figure is different from the figures of intake and outflow migration, and it indicates net migration outflow, if it is negative. Net migration figures and rates of Trabzon are presented in Table.207. Data is for between the years 1975-2000, and projects the tendencies of these years. Trabzon has a net migration outflow since 1975. Migration outflow has increased year by year and it has reached the highest quantity and proportion in 1985-1990 period. It is observed that out flowing migration has been slow down in 1995-

2000 and decreased. There isn't any numerical data for the period after 2000. Nevertheless, it is observed that outflow migration is decreasingly continues after 2000.

TABLE.207 TRABZON NET MIGRATION AND NET MIGRATION RATE

PERIODS	NET MIGRATION PERSONS	NET MIGRATION RATE %
1975-1980	-17.143	-2.62
1980-1985	-25.496	-3.56
1985-1990	-51.495	-6.79
1995-2000	-9.977	-1.11

RESOURCE: Migration Indicators of Cities, TSI

Table.208 displays urban population growth and migration based population growth as population growth sources in Trabzon for the periods between the years 1980-2000. Table.208 displays the sources of population growth of Trabzon as urban population growth and migration based population growth for the periods between the years 1980-2000. Accordingly, high rates of and high quantity of urban population growth has been determinative between the years 1980-2000. Urban population growth is high in Trabzon and in spite of the high migration outflow; population of Trabzon is over the average of Turkey's population.

TABLE.208 SOURCES OF TRABZON POPULATION GROWTH

PERIODS	TOTAL POPULATION GROWTH (000)	TOTAL NET MIGRATION (000)	SHARE OF MIGRATION BASED POPULATION GROWTH %	URBAN POPULATION GROWTH (000)	SHARE OF URBAN POPULATION GROWTH %
1980-1985	55	-25.5	-46.4	80.5	153.6
1985-1990	10	-51.5	-51.5	61.5	615.0
1995-2000	93	-10.0	-10.8	103.0	110.8

An important indicator that relates demography and population data with real estate and housing sector is urbanization rates of cities and urban population size (city and town centers). Urban population size living in city and town centers has to be taken into consideration in all indicators for real estate and housing sector. Urbanization rate and urban population size of Trabzon for the year 2007 with ABPRS are displayed below in Table.209. Accordingly, urbanization rate is 53.4 percent and urban population is 397 thousand in Trabzon in 2007.

TABLE.209 URBANIZATION RATE AND URBAN POPULATION IN TRABZON

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE (%)	URBAN POPULATION (000)
2007	741	53.4	397

RESOURCE: Address Based Population Registration System 2007

Urban household number depending on urban population size in Trabzon is presented in Table.210 below. Determinant of urban household number is average size of urban household size together with urban population size. Urban household average size is 4.55 persons by the year 2007 and urban household number is 87 thousand in Trabzon.

TABLE.210 TRABZON URBAN HOUSEHOLD NUMBER AND SIZE

YEARS	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	397	4.55	87

RESOURCE: Address Based Population Registration System 2007

After evaluating demography and population indicators and endencies of Trabzon, at this level, population projections for Trabzon until 2015 for each year are made. Main assumptions used for projections of Trabzon's population is that population growth rate will decrease depending on the slowing down in the urban population growth and migration outflow, however, it is estimated that population growth rates will be over the average population growth rate of Turkey.

Accordingly, while the population growth rate was 1.41 percent in 2007 in Trabzon, it will recess to 1.35 percent in 2010 and 1.25 percent in 2015. Depending on these growth rates, Trabzon's population will reach to 771 thousand in 2010 and 821 thousand in 2015. Share of Trabzon in the total population of Turkey will almost remain the same and it will be 1.06 percent in 2015.

TABLE.211 TRABZON AND TURKEY POPULATION GROWTH PROJECTIONS

YEARS	TURKEY POPULATION GROWTH RATE %	TURKEY POPULATION (000)	TRABZON POPULATION GROWTH RATE %	TRABZON POPULATION (000)	TRABZON POPULATION SHARE %
2007	1.26	70.586	1.41	741	1.05
2008	1.24	71.461	1.39	751	1.05
2009	1.22	72.332	1.37	761	1.05
2010	1.20	73.200	1.35	771	1.05
2011	1.18	74.064	1.33	781	1.05
2012	1.16	74.923	1.31	791	1.05
2013	1.14	75.777	1.29	801	1.06
2014	1.12	76.626	1.27	811	1.06
2015	1.10	77.469	1.25	821	1.06

Another important indicator for real estate and housing sector, depending on population projections of Trabzon is urban household number and related projections. Urbanization, urban household population and urban household number projections in Trabzon are presented in Table.212 below.

It is estimated that urbanization rate will continue to limitedly increase in Trabzon. Accordingly, urbanization rate will be 54.6 percent in 2010 and 56.5 percent in 2015 in Trabzon.

Urban household average size will continue to decrease. While it was 4.55 persons in 2007, it will be 4.45 persons in 2010 and 4.30 persons in 2015.

Based on these assumptions, while the urban population was 397 thousand in 2007, it will reach to 464 thousand in 2015 and urban household number will increase from 87 thousand to 108 thousand in Trabzon.

TABLE.212 PROJECTIONS FOR URBAN POOPULATION AND NUMBER OF HOUSEHOLDS IN TRABZON

YEARS	TOTAL POPULATION (000)	URBANIZATION RATE %	URBAN POPULATION (000)	URBAN HOUSEHOLD SIZE	NUMBER OF URBAN HOUSEHOLDS (000)
2007	741	53.4	397	4.55	87
2008	751	53.8	404	4.52	89
2009	761	54.2	412	4.48	92
2010	771	54.6	421	4.45	95
2011	781	55.0	430	4.41	98
2012	791	55.4	438	4.39	100
2013	801	55.8	447	4.36	103
2014	811	56.2	456	4.33	105
2015	821	56.5	464	4.30	108

X.1.2 Housing Stock in Trabzon

The next projection on housing sector and markets is analysis and evaluations on housing stock. Existing housing stock is evaluated in terms of two important sides. The first one is if there is a housing need or surplus compared to existing household number, and the second one is to identify the number of houses that has need for renovation for the physical and legal structure of the existing housing stock in the forthcoming period.

For this reason, data on housing stock in Trabzon are presented and evaluated in this section.

Housing stock in Trabzon is evaluated firstly in terms of quantity and legal status. Housing stock in Trabzon by the year 2000 is displayed with the TSI Building Count study of the year 2000. The total number of house is 195.111 by 2000 in Trabzon. House number in the urban spaces (city and town centers) is 137.306

Legal status of the existing houses in Trabzon by the year 2000 is like this: the number of housing units with construction permits in the existing houses is 75.472 and its share in the existing housing stock is 55 percent. The number of housing units that do not have construction permits 61.834 and it is observed that there are important numbers of shanty settlements in Trabzon and almost half of the housing stock is without construction permits and under the minimum standards.

TABLE.213 TRABZON HOUSING STOCK 2000

INDICATORS	TRABZON
NUMBER OF BUILDINGS	96.698
NUMBER OF HOUSING UNITS	195.111
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	137.306
HOUSING UNITS WITH CONSTRUCTION PERMITS	75.472
HOUSING UNITS WITH OCCUPANCY PERMITS	46.997
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS	61.834
CONSTRUCTION PERMITS/TOTAL HOUSING UNITS %	55.0
OCCUPANCY PERMITS/TOTAL HOUSING UNITS %	34.0

RESOURCE: Building Stock 2000, TSI

Housing stock projections in Trabzon by the year 2007 are presented in Table.214 below. To make housing stock projections by the year 2007, construction permits obtained between the years 2000-2006 (it is assumed that housing stock is created the year after the construction permit is obtained) and number of housing units that are unusable in 2001-2006 and the number of units without construction permits are used.

Accordingly, it is estimated that total housing stock reached to 165.668 in city and town centers in Trabzon in 2007. The 2005 year-end data of the Ministry of Finance is 155.440 housing units. 23.862 construction permits have been taken in Trabzon in 2000-2006. It is estimated that 2.500 housing units have become unusable in 2001-2007, and it is assumed that 7.000 housing units without construction permits have been made. Hence, urban housing stock of Trabzon is estimated to be 165.668 at the end of 2007.

TABLE.214 TRABZON 2007 HOUSING STOCK ESTIMATE (CITY AND TOWNSHIPS)

INDICATORS	TRABZON
NUMBER OF HOUSING UNITS 2000 (CITY AND TOWNSHIP)	137.306
NUMBER OF CONSTRUCTION PERMITS (2000-2006)	23.862
HOUSING UNITS THAT ARE UNUSABLE (2001-2007)	2.500
HOUSING UNITS WITHOUT CONSTRUCTION PERMITS (2001-2007)	7.000
TOTAL HOUSING STOCK 2007	165.668

Total housing stock in Trabzon city and township centers is estimated to be 165.668 by 2007. Total urban household number is 87 thousand. When these two figures are compared, it is observed that there isn't any housing deficit in Trabzon numerically. Nevertheless, more than 45 percent of the existing stock in Trabzon is built without construction permits and is sub-standard. For this reason, it is observed that there is a significant deficit for high quality and standard housing units.

Other significant factors for the housing need are physical condition of the housing stock and the age of the existing housing stock.

Accordingly, physical condition of the housing stock in Trabzon by the year 2000 with the TSI Building Count results is displayed in Table.215 below. By the year 2000, there are 2.750 housing that are in ruins and planning to be pulled down, and 19.223 housing unit that need drastic repairs and modifications in Trabzon.

As we assume that some part of the total 22 thousand housing units that need drastic repairs and modifications and in ruins and planning to be pulled down in 2000 would have been pulled down or become unusable until 2007, approximately 20 thousand housing units will still require renewal.

TABLE.215 PHYSICAL CONDITION OF THE HOUSING STOCK TRABZON

INDICATORS	TRABZON
NUMBER OF HOUSING UNITS	195.111
NUMBER OF HOUSING UNITS (CITY AND TOWNSHIPS)	137.306
THOSE THAT DON'T NEED REPAIRS	61.788
THOSE THAT NEED SIMPLE REPAIRS AND MODIFICATIONS	52.176
THOSE THAT NEED DRASTIC REPAIRS AND MODIFICATIONS	19.223
IN RUINS AND PLANNED TO BE PULLED DOWN	2.750
UNKNOWN CONDITION	1.375

RESOURCE: TSI, Building Count 2000

When the housing stock is evaluated in terms of building life, buildings that are 50 years and older that are solely and/or predominantly used for residential purposes are 17.898 in 2000. This figure is estimated to reach 29 thousand (approximately 46 thousand housing units) until 2015. The physical life of these buildings that are 50 years and older, except for the historical ones, is expiring and this will create a need for additional housing.

TABLE.216 CONSTRUCTION YEARS OF BUILDINGS IN TRABZON

BUILDING COMPLETION DATE	BUILDINGS THAT ARE SOLELY USED AS RESIDENCES	BUILDINGS THAT ARE PREDOMINANTLY USED AS RESIDENCES
-1929	2.146	1.122
1930-1939	1.627	1.007
1940-1949	2.731	1.920
1950-1959	4.260	3.085
1960-1969	6.726	4.618
1970-1979	11.589	6.537
1980-1989	12.028	6.995
1990-2000	12.293	6.172
UNKNOWN	389	224
TOTAL	53.789	31.680

RESOURCE: TSI, Building Count 2000

X.1.3 Housing Need in Trabzon

We make projections for the housing need of Trabzon for every year until 2015, based on the assumptions, findings and results of the evaluations made in the previous section. Accordingly, it is estimated that there will be need of 45 thousand housing units between the years 2008-2015 in Trabzon.

1- It is estimated that depending on the increase of 21 thousand households in 2008-2015, there will be equal need of housing units.

2- The housing need based on urban transformation is estimated to be 16 thousand in total. It is assumed that 25 percent of the shanty housing in Trabzon will be renewed where there is a significant number of shanty housing until 2015.

TABLE.217 PREDICTIONS FOR HOUSING NEED IN TRABZON (000)

YEARS	HOUSING NEED BASED ON THE INCREASE OF HOUSEHOLDS	URBAN REGENERATION BASED ON HOUSING NEED	RENEWAL BASED HOUSING NEED	TOTAL HOUSING NEED
2008	2.0	2.0	1.0	5.0
2009	3.0	2.0	1.0	6.0
2010	3.0	2.0	1.0	6.0
2011	3.0	2.0	1.0	6.0
2012	2.0	2.0	1.0	5.0
2013	3.0	2.0	1.0	6.0
2014	2.0	2.0	1.0	5.0
2015	3.0	2.0	1.0	6.0
TOTAL	21.0	16.0	8.0	45.0

3- There will be a need for 8 thousand housing units between the years 2008-2015 as a result of renewal. It is assumed that 5 housing unit per thousand housing stock will be renewed every year (the standard rate used by the State Planning Organization).

X.1.4 Factors that Influence the Housing Demand in Trabzon

After the housing need projections made for Trabzon, we will evaluate the factors that influence the housing demand. Home ownership of the households and the income pattern of the household are the major factors shaping general housing demand in Trabzon.

Home ownership of the households is the primary factor that affects the housing demand in the upcoming period. TSI's 2000 Population Census data is used in reference to home ownership. Even though the data is not up-to-date, the figures can show important trends. The rate of home ownership in Trabzon is 72.5 percent by the year 2000, and the rate of tenants is 22.1 percent. The rate of tenants is below the average of Turkey (31.6 percent).

42.634 tenant households in Trabzon in 2000 represent a housing demand potential for the following period. The Ministry of Finance 2005 data shows that there are 44.430 tenant households in Trabzon. The ratio of households that are neither homeowners nor tenants in Trabzon is 6.306 in 2000.

TABLE.218 HOME OWNERSHIP OF HOUSEHOLDS IN TRABZON

HOME OWNERSHIP	NUMBER OF HOUSEHOLDS	HOUSEHOLDS % SHARE
HOMEOWNER	139.816	72.5
TENANT	42.634	22.1
LODGING DWELLER	2.940	1.5
NOT HOMEOWNER/ DOES NOT PAY RENT	6.306	3.3
OTHER	1.040	0.5
UNKNOWN	115	0.1
TOTAL	192.891	100.0

RESOURCE: General Population Census 2000, TSI

Level of city's economic development and personal incomes are other important determinants of the housing demand. Trabzon lags behind the average of Turkey in terms of economic development and per capita income indicators.

In this level new GNP data of TSI, which is declared based on the new calculation method, is used. Accordingly, GNP volume of Turkey is 659 billion dollars in 2007 and per capita income is 9.333 dollars.

The share of Trabzon in the GNP is 0.90 percent. Accordingly, GNP of Trabzon was 5.9 billion dollars in 2007 and per capita income is 7.965 dollars. Table.219 shows the predictions on the developments of the gross product of Trabzon and developments in the per capita income.

Accordingly, the basic assumptions are that as Turkish economy will grow 5 percent each year until 2015 and Trabzon will sustain its 1 percent share in the Turkish national income.

Based on the assumptions, per capita income in Trabzon is estimated to rise 8.810 dollars in 2010 and 10.595 dollars in 2015. Per capita income projections in Trabzon indicates that there will be a limited income pattern for housing need will emerge.

TABLE.219 TRABZON GROSS PRODUCT AND PER CAPITA INCOME PREDICTIONS

YEARS	GROSS PRODUCT BILLION DOLLARS	POPULATION (000)	PER CAPITA INCOME DOLLAR
2007	5.9	741	7.965
2008	6.2	751	8.255
2009	6.5	761	8.540
2010	6.8	771	8.820
2011	7.2	781	9.220
2012	7.5	791	9.480
2013	7.9	801	9.865
2014	8.3	811	10.235
2015	8.7	821	10.595

X.1.5 Prognoses for the Housing Sector and Markets in Trabzon

After evaluating the factors that affect the housing sector in Trabzon and making projections on housing demand, now we will make projections housing sector and housing markets.

1- Need for housing will be 45 thousand until 2015 in Trabzon. As a result of the increase in the household number and intense shanty buildings, housing need based on urban transformation will be determinative.

2- Intense shanty buildings in the housing and living spaces that city can expand towards and irregular settlements prevents the development of a healthy housing sector and market. There isn't any housing-living space in the west and east sides of the city for regular and planned development. There is only south part of the city for planned and regular enlargement.

3- South part of the city stands out as a new housing and living space. Region located between the city center and south local road and connection roads, there is a tendency to develop regular and high quality housing construction. Predominantly high quality for low middle and middle class, multi storied mass housing will dominate the housing construction in the region.

4- Areas developing as housing space in and around the city center are Bahçecik, Karşıyaka, Yeşiltepe, Kalkınma, Erdoğdu, Aydınlıkevler, Beşirli ve Çukurçayır regions. High quality housing construction (limited) for the middle and middle-upper income group is in a developing trend in these regions.

5- Urban transformation works continue in Trabzon as well. In the regions like Çömlekçi, Zağnos and Tabakhane where shanty settlements is very intense, Municipality conducts urban transformation works and these areas are transformed into a regular and planned housing areas that have social facilities.

6- TOKİ has social housing construction in Trabzon. There are 1.710 housing units in total in Trabzon with 936 housing units with 4 stages in Akçaabat Aydınlı region, 382 housing units in Bahçecik, 64 housing units in Merkez Çömlekçi, 208 housing units in Düzköy Yenimahalle (disaster housing units), 40 units in Akçaabat Kavaklı and 80 housing units in Akçaabat (disaster housing units).

7- 10.519 real estates in 2005, 10.864 real estates in 2006 and 11.182 real estates in 2007 have been sold in Trabzon. 555 housing credits in 2005, 1.716 housing credits in 2006 and 2.298 housing credits in 2007 have been used in Trabzon.

X.2 RETAIL MARKET AND SHOPPING CENTERS

Evaluations and projections on the real estate sector of Trabzon are made together with housing and commercial real estates. As commercial real estates, shopping centers, accommodation facilities and industrial and logistics areas are examined and evaluated.

Firstly, shopping centers and retail markets in the commercial real estates are examined and evaluated in Trabzon. In this framework, size of the retail market and shopping centers in Trabzon are presented below.

Share of Trabzon in national income in 2007 is 0.90 percent, size of gross product is 5.9 billion dollars and per capita income is 7.965 dollars.

TABLE.220 TRABZON ECONOMIC SIZE

YEARS	GNP % SHARE	GROSS PRODUCT BILLION DOLLARS	PER CAPITA INCOME DOLLAR
2007	0.90	5.9	7.965

Related with retail market and shopping centers, private consumption expenditures, retail expenditures and its dispersion between food and non-food goods are presented in Table.221.

Total private consumption expenditures in Trabzon were 4.33 billion dollars in 2007. The share of the retail expenditures in the private consumption expenditures is 52 percent, and its volume is 2.26 billion dollars. 1.50 billion dollars of retail expenditures was food and beverage expenditures, and 0.76 billion dollars of retail expenditures was other retail expenditures.

TABLE.221 TRABZON PRIVATE CONSUMPTION AND RETAIL EXPENDITURES

YEARS	GROSS PRODUCT BILLION DOLLARS	PRIVATE CONSUMPTION EXPENDITURES BILLION DOLLARS	RETAIL EXPENDITURES BILLION DOLLARS		
			FOOD BEVERAGE	OTHER	TOTAL
2007	5.9	4.33	1.50	0.76	2.26

Information on the shopping centers in Trabzon is presented below. Accordingly, there is 1 shopping center in Trabzon in the standards of International Council for Shopping Centers (ICSC) by the end of 2007. Total gross leasable area (GLA) of this small-scale shopping center in the standards of ICSC shopping center is 5.550 m2. GLA of per thousand persons is 7.4 m2.

Total retail expenditure volume in Trabzon was 2.24 billion dollars in 2007. Accordingly, potential retail expenditure per gross leasable area was 410 thousand dollars.

TABLE.222 TRABZON SHOPPING CENTER INDICATORS

YEARS	NUMBER OF SHOPPING CENTERS	TOTAL SHOPPING CENTER GROSS LEASABLE AREA M2	GROSS LEASABLE AREA PER 1000 PERSONS M2	ANNUAL POTENTIAL RETAIL EXPENDITURE PER SHOPING CENTER GLA DOLLARS
2007	1	5.500	7.4	410.000

Development projections on the shopping centers in Trabzon are presented below. While making projections on shopping centers, firstly, shopping centers those are in construction and/or are actively being planned are taken into account by the targeted opening years. Hence, de facto realization projections are used for the years 2008-2009.

There is 1 shopping center that will be opened in 2008, 1 shopping center that will be opened in 2009 that are construction or planning stage in Trabzon. After the opening of these shopping centers total gross leasable area will be 50.500 m2 at the end of 2008 and 74.500 m2 at the end of 2009. GLA per thousand persons will be 67.2 m2 at the end of 2008 and 97.9 m2 at the end of 2009.

Depending on the population, economic growth and retail expenditure projections in Trabzon, development projections for the shopping centers are presented for the following years. Projections are made for the gross leasable areas of shopping centers with two different scenarios. With these two alternative scenarios we reach two different gross leasable area size for shopping centers and two different retail expenditure volumes for these two GLA sizes.

Accordingly, with these two alternative scenarios we estimate 125 m2 and 150 m2 gross leasable area per thousand persons in 2015 for Trabzon. Accordingly, for the first scenario there will be 102.625 m2 GLA in 2015 in Trabzon and for the second scenario there will be 123.150 m2 GLA in 2015.

TABLE.223 TRABZON SHOPPING CENTER PROJECTIONS

YEARS	POPULATION (000)	GROSS LEASABLE AREA M2 PER 1000 PERSONS		TOTAL GROSS LEASABLE AREA M2	
		A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2007	741	7.4	7.4	5.500	5.500
2008	751	67.2	67.2	50.500	50.500
2009	761	97.9	97.9	74.500	74.500
2010	771	96.6	96.6	74.500	74.500
2011	781	105.0	110.0	82.005	85.910
2012	791	110.0	120.0	87.010	94.920
2013	801	115.0	130.0	92.115	104.130
2014	811	120.0	140.0	97.320	113.540
2015	821	125.0	150.0	102.625	123.150

The size of annual potential retail expenditures per gross leasable area is another important indicator used in making shopping center projections.

Accordingly, with the first scenario, there are 102.625 m2 gross leasable area in 2015 in Trabzon and the annual potential retail expenditure volume per gross leasable area is 32.450 dollars. In the second scenario, there are 123.150 m2 gross leasable area and 27.040 dollars of annual potential retail expenditure per gross leasable area.

In this framework, depending on the projections reached with these two alternative scenarios, after the de facto realizations, it is projected that there is 30-50 thousand m2 additional shopping center investment potential until 2015 (between 2010-2015).

TABLE.224 TRABZON SHOPPING CENTER PROJECTIONS

	RETAIL EXPENDITURES	TOTAL GROSS LEASABLE AREA M2		ANNUAL POTENTIAL RETAIL EXPENDITURES PER GROSS LEASABLE AREA DOLLARS	
YEARS	BILLION DOLLARS	A SCENARIO	B SCENARIO	A SCENARIO	B SCENARIO
2007	2.26	5.500	5.500	410.000	410.000
2008	2.34	50.500	50.500	46.350	46.350
2009	2.44	74.500	74.500	32.750	32.750
2010	2.60	74.500	74.500	34.900	34.900
2011	2.76	82.005	85.910	33.650	32.150
2012	2.86	87.010	94.920	32.870	30.150
2013	3.00	92.115	104.130	32.570	28.810
2014	3.17	97.320	113.540	32.575	27.920
2015	3.33	102.625	123.150	32.450	27.040

X.3 TOURISM AND ACCOMODATION ESTABLISHMENTS

Accommodation establishments are the second topic evaluated within commercial real estates. In this framework, statistical data on accommodation and tourism establishments are presented and evaluated, and then projections are presented on the development of tourism and accommodation establishments.

In spite of the important historical and cultural assets of Trabzon, it has limited tourism activities. Tourism activities are comprised of short time shopping, trade and business-oriented activities. It is projected that Trabzon is not able to turn to account its tourism potential.

According to the accommodation statistics in Trabzon, 188.183 persons accommodated in 2006 in total. Accommodated foreign guests were 25.743 persons. Total number of overnight stays in 2006 was 221.346. Average length of stay of the foreign guests is 1.2 nights, and average length of stay of domestic guests is 1.2 nights as well. Overnight stays in tourism activities in Trabzon are very limited. According to these accommodation data total occupancy rate was 28 percent in 2006.

TABLE.225 TRABZON ACCOMODATION STATISTICS

	NUMBER OF GUESTS (000)			NUMBER OF OVERNIGHT STAYS (000)			OCCUPANCY RATE %		
YEARS	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL	FOREIGN	DOMESTIC	TOTAL
2002	46.273	107.106	153.379	61.032	141.589	202.621	8.22	19.07	27.29
2003	31.287	114.312	145.599	41.783	160.966	202.749	5.69	21.92	27.61
2004	17.019	113.727	130.746	25.794	157.191	182.985	4.47	27.25	31.72
2005	29.273	118.924	148.197	41.914	169.155	211.069	5.81	23.44	29.25
2006	25.743	155.140	180.883	31.712	189.634	221.346	4.02	24.02	28.04

RESOURCE: MINISTRY OF CULTURE AND TOURISM

Capacity of the accommodation establishments is very limited in Trabzon as well. There are 21 establishments with tourism operating license, 1.039 rooms and 2.111 beds capacity in 2006; 18 establishments with tourism investment license, 1.539 rooms and 3.017 beds capacity in Trabzon.

TABLE.226 TRABZON ACCOMMODATION ESTABLISHMENTS 2006

	WITH TOURISM INVESTMENT LICENSE			WITH TOURISM OPERATING LICENSE		
ESTABLISHMENTS	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY	NUMBER OF ESTABLISHMENT	NUMBER OF ROOMS	BED CAPACITY
5 STAR HOTEL	2	415	847	1	157	335
4 STAR HOTEL	3	401	818	2	235	481
3 STAR HOTEL	9	544	1.054	4	197	387
2 STAR HOTEL	3	119	238	13	399	756
HOLIDAY VILLAGE	1	60	60			
TOTAL	18	1.539	3.017	21	1.039	2.111

RESOURCE: MINISTRY OF CULTURE AND TOURISM

It is projected that tourism activities will be limitedly develops in the short-middle term and it will develop alternative tourism (nature, plateau, alternative sports, history-culture-belief) oriented and business tourism oriented.

In this framework, in addition to the existing accommodation establishments in Trabzon, it is projected that there will be need for

1- Boutique-concept city hotels offering different and specialty tourism services

2- business-oriented city hotels (3-4 stars).

X.4 INDUSTRIAL AND LOGISTICS AREAS

Lastly, industrial and logistics areas are evaluated within commercial real estates.

Industry is predominantly concentrated in organized industry zone in Trabzon. There is one free zone in limited operation in addition to the OIZ in operation. There are 2 OIZ in investment stage and 1 OIZ in the study stage. In addition to these, one shipyard zone in Çamburnu location is established.

It is expected that industry will develop in these new planned zones in Trabzon. Even though the advantage of being among the cities receiving incentive, industrial development will be relatively slow in Trabzon. It is expected that there will be more rapid development in shipyard industry zone.

Trabzon port is determined as the transit port within the EU transportation corridors between the Asia and Middle East-Gulf regions in trade. It is projected that logistics activities and need for logistics space will increase depending on this function of Trabzon port.

TABLE.227 TRABZON ORGANIZED INDUSTRY ZONES

ORGANIZED INDUSTRY ZONE	AREA HECTARES/M2/ DECARES	CHARACTERISTICS
TRABZON ARSIN OIZ	983.240 M2, 92 PARCELS	80 FIRMS IN OPERATION, 10 FIRMS IN INVESTMENT STAGE
TRABZON BEŞIKDÜZÜ OIZ	720.000 M2, 31 PARCELS	IN INFRASTRUCTURE AND CONSTRUCTION STAGE
TRABZON VAKFIKEBIR OIZ	100 HECTARES	INVESTMENT STAGE
TRABZON AKÇAABAT OIZ		STUDY STAGE
TRABZON FREE ZONE	38.000 M2	2 FIRMS IN OPERATION
TRABZON TECHNOLOGY DEVELOPMENT CENTER	KARADENIZ TECHNICAL UNIVERSITY	

RESOURCE: MINISTRY OF INDUSTRY AND TRADE

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