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PRESENTATION AND EVALUATION

Outlook on Turkish Real Estate and Construction Industries

When the results of 2019 Q1's REIDIN real estate industry trust index and REIDIN real estate sector price expectation forecast formed quarterly with the views of approximately 10.000 professionals taking part in real estate sector which is one of the country economy's pioneer industries are examined, in the first quarter of 2019, the REIDIN Turkey real estate trust index value increased by 12% compared with the last quarter and reached 65.9 points. The overall trust index was regarded 'pessimistic' despite the fact that it gained an upward trend in 2019. The REIDIN Turkey real estate price expectation index value was calculated as 76.0 points with an increase of 1% compared with the previous quarter. In this way, it could be claimed that a partial recovery is expected in the price increase expectations regarding the real estate prices for the next three-month period compared again with the previous quarter. The incentives and measures adopted in accordance with the Medium Term Fiscal Plan and Fight Against Inflation Program declared by our government in the last quarter of 2018 indicate that the decrease in demand we are going through nowadays will be ending and an economic recovery of the sector will start again in 2019.

On the other hand, it is possible to claim that the increase in exchange rates in the second quarter of 2018 had a positive effect over the housing purchases of the foreigners. When the data provided by the REIDIN and GYODER and presented as part of the new housing price index is examined, it is seen that the rate of housing purchases of the foreigners, which was at the level of 6.1% in the first quarter of 2018, reached the level of 15% in the last quarter of 2018. At this point, the impact created by the increase in currency exchanges by rendering the housing prices in Turkish Lira relatively inexpensive for foreign investors should be kept in mind.

The bonded sales with offering interest - free long term options through their own financing models of the developer companies as part of their campaigns are calculated as 48.2% in the 4th quarter of 2018 and the rate of bank loan usage in the same period is calculated around 10%. The rapid increase in the housing credit interests is among the top effective factors playing a critical role in the swift increase of the bonded sales and sharp fall of the bank credit usage rates. On the other hand, when the REIDIN housing purchasing power index values prepared based on 81 cities are examined, the housing purchasing power index value is recorded as 75 points in the last quarter of 2018, this situation emerging under the 100 index points demonstrates that a family with a country - wide average income would be facing difficulties in purchasing houses through the utilization of a housing loan of 10 years with the existing interest rates (the average of the 4th quarter of 2018: 2.38%). While such indicator provides crucial advantages in terms of identifying the terms and credit rating of the loans by the credit customer for determining the credit risks beforehand by the institutions providing housing loans, it is also being used in determining the correct price policy in terms of creating the maximum demand to the houses to be produced by the project developers. This index is critical for the identification of the borrowing limits in proportion with the income of the households in terms of maintaining the sustainability of the repayments by the credit users.

When the increase of the housing prices as well as increase and return performances of the financial investment instruments in the fourth quarter of 2018 are examined, a loss of 3.81% in BIST-100 index is observed. Crucial losses in USD, Euro and Gold occurred in the aforesaid quarter. Deposit rates providing more regular profit to the investors offered a return over the inflation rate in such period (CPI of 4th quarter of 2018 was 0.78%). The housing investments that may be regarded as the traditional investment area of the Turkish investors have always been a good alternative compared with other financial investment instruments especially in the long term. However, in the 4th period of the year 2018, the term interests in both new houses and second hand houses remained under the rate of inflation.

Campaigns

The campaign on housing loans with an interest rate of 0.98% led by public banks in the first half of the year created an impetus in the sector. Similarly, in the same period, the effects of the campaigns led by GYODER had an effect on the sales positively especially for the branded house manufacturers.

The campaign namely 'It is Gaining Time for Turkey' launched by Emlak Konut REIT in the beginning of September drew considerable interest as well. The high level of housing loans rendered the campaigns of the contractors more interesting. The support on interests provided by the public banks in the last quarter of the year as part of the campaign process also started to become influential. The effects of these discounts can be observed in the mortgaged sales figures in 2019.

The Turkish housing market and other real estate markets gradually started to gain a balance. The fluctuations in the prices can be regarded as fluctuations that may emerge in any asset. The corrections particularly in housing prices prevented the price bubbles and triggered the activation of the market. The macroeconomic developments, expectations and risk perception are effective in pricing.

Promotion and Events

One of the most critical points that need to be accomplished in an organized manner regarding the sector is running 'efficient promotional activities'. In particular, the promotional activities conducted in foreign countries by professional organizations such as GYODER - KONUTDER - INDER under an umbrella organization covering all the industry and under the coordination of our Ministry of Environment and Urbanization will severely contribute primarily to the sector and overall Turkish economy.

The plans to be made to this end, market targeting and realization of events and fairs in foreign countries and social projects will come up with extremely positive results. The activities held so far were usually not very coordinated and due to certain deficiencies in plans they seem to have less effective.

Suggestions for a Sustainable Growth in Construction and Real Estate Sector

The predictable growth of the Construction and Real Estate sector at a certain trend is of vital essence both for the overall economy and for the sector. Within this context, it is obvious that there is a need for both legal and institutional regulations. To this end the things-to-do list can be summarized as follows:

- It will be useful to transform the Emlak Bank into a banking structure capable of generating solutions specific to the sector. Within this scope, securitization could be made with the mortgage systems seen in foreign countries and an infrastructure that will provide long term low interest loans to the low – income households will be useful.
- An analysis – data center where statistics regarding the real estate and related rights are kept and reported is required. For better analysis of the real property investments and the market, more transparent and detailed data is essential. Through an autonomous structure with the participation of public organizations, professional associations and/or academic circles, such structure could be achieved.
- Completion of the infrastructure for the financial products based on real estate and the accomplishment of the legal regulations for diversification of products will be appropriate. Moreover, opening the market on securities and rights based on real estate within the BIST will maintain the development of the second hand required in this area.
- Accomplishment of plain regulations specific to the current conditions on the appreciation and the property tax (value-substantive method)
- Accomplishment of the regulations according to the population density, infrastructure, earthquake and other natural disasters and urbanization plans in the ongoing bylaws
- Continuation of the tax exemptions of the Real Estate Investment Funds and Real Estate Investment Trusts

■ Establishment of Infrastructure Real Estate Investment Trusts and maintaining incentives to the Municipalities regarding this issue

■ Main input discounts for the housing construction for the middle and low income households and on the residential constructions for urban transformation (tax deduction on concrete, iron, etc.)

■ Qualifying the housing sales to foreigners as exports

■ Establishment of special cooperatives (or unions) for fulfilling the housing requirements of medium income and medium – low income households

With the know-how and experience accumulated throughout long years, Turkish economy and the real estate sector are adapting to the developing conditions in an extremely dynamic fashion. It is obvious that the sector will be conducting more successful accomplishments with added value in case the deficiencies both in terms of production and finance are covered.

Sincerely yours,
GYODER Training, Publications and
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Most Critical Issues This Year will be the Collections and Capital Maintenance

Now that January is over, the first reality striking us is in the beginning of February is the recession of the national income against the foreign currency. In fact, in this path which we started for an economy of nearly US\$ 1 trillion, the rapid increase of the exchange rates has made us fall wide out of the mark. Nevertheless, according to IMF studies, Turkey is projected to increase its economic growth starting from 2020 and is expected to have a nominal national income of nearly US\$ 1 trillion by the year 2023. In summary, the bottleneck we have been going through is regarded to be limited with 12 - 16 months.

Another remarkable detail is the constant increase of the CDS premiums. Turkey somehow cannot get rid of the “risky country” profile. And the reasons behind this are not only economic. As I also mentioned in the beginning of the report, it would not be wrong to claim the contributions of the political and diplomatic details to this risky profile.

With regard to the Budget Performance, we got used to a budget deficit growing constantly around 70-80 percent compared with the previous year. However, in 2018, this time the ratio of the budget deficit to the national income increased as well. It would not be wrong to say that the rise of the value added taxes in numerous products and increase in the penalties were in fact designed to prevent this disruption. The rise in budgetary expenses is also notable. We have not witnessed any severe initiatives in favor of public savings until today. I do not think that any steps will be taken to this end until the local elections are over. I can say that the rate of the primary surplus being 0% (zero) is an evidence of my hypothesis.

There is a significant decrease in the private sector’s external debts. Public debts are also continuing to expand gradually. We can say that the rate of the public and private sector external debt stock to the national income is nearly 70%. When the debt of the public and private sector in TRY is added, Turkey is about to enter

the league of “high debt countries”. Restructuring the debts without resource inflow surely requires severe skills. The endeavors to this end so far continue without causing too much distress. If there is a resource inflow in the upcoming months, we will be able to endure this difficulty, too.

Regarding the balance of payments, reduction in imports caused by the deceleration in the growth stands out. The temperate course of the power and commodity prices is influential at this point and we also observe that the decelerated industrial production limits the import demand. Yet, the rate of current account balance to the national income does not decrease, it increases on the contrary. This situation is a clear evidence of the requirement to create more added value in the exports. Besides, the obvious standing out of the net error and omissions regarding the financing of the current account deficit worries the experts while the decrease in

the Central Bank reserves raises concern” Indeed, the reserves of the Central Bank and net errors and omissions standing out in the financing of the current account deficit has come to a point to raise question marks in the minds.

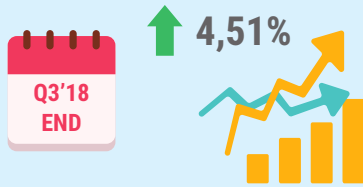
Finally, there is a slight recession in the rate of credit/ deposit. In my opinion, I believe that banks and nonbank financial institutions’ being selective in providing loans and the launch of the incentives declared by the government even with a slight delay will give positive results. Moreover, Ziraat Bank and Halkbank’s move of restructuring credit card debts will cause a relief in the households.

Without doubt, after all these steps, a cash inflow to the country is of vital essence. The expectation not to undergo another election for a long period following this local election may cause such a favor.

Prof. Dr. Emre Alkin
Altınbaş University
Vice Chancellor

MAIN ECONOMIC DATA

Annual Growth (TRY)

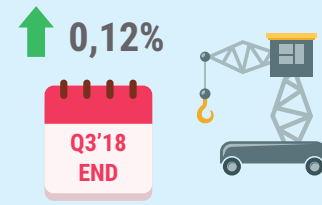


*As chain volume index (2009=100)

Inflation



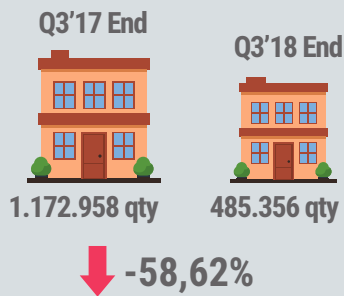
Construction Sector Growth Rate*



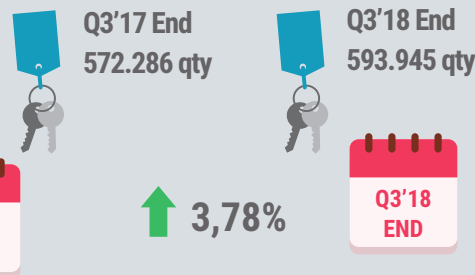
*As chain volume index (2009=100)

HOUSING

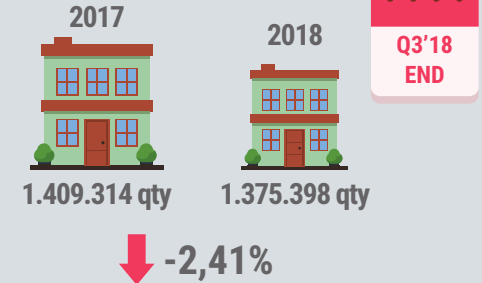
Construction Permits



Occupancy Permits



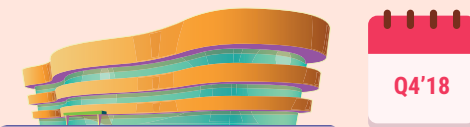
Housing Sales



SHOPPING MALLS

Total Stock

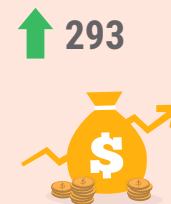
455 Shopping Malls
13 million 461 thousand sqm GLA
Under Project 44 shopping malls



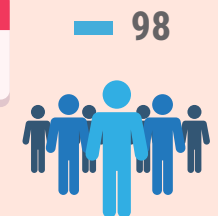
Leasable Area Per 1.000 persons



Turnover Index

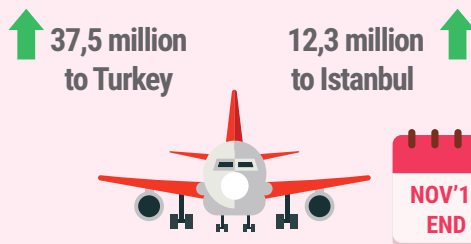


Visitor Index



TOURISM AND HOTEL

Number of Total Visitors



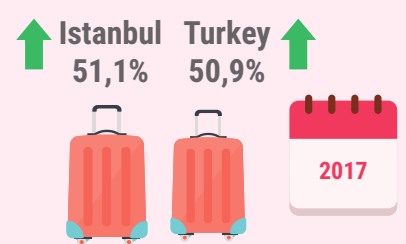
Tourism Revenue

18,7 billion \$

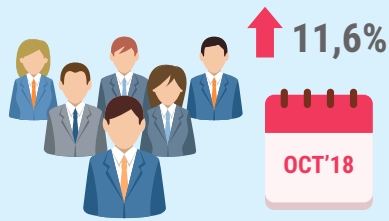
Average Spending Per Capita 608 \$



Occupancy Rates

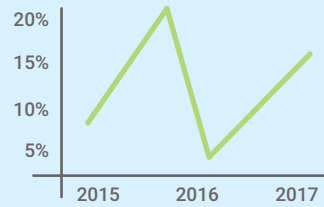


Unemployment Rate

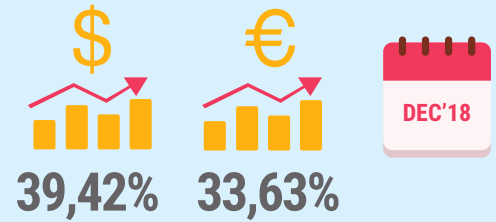


GDP

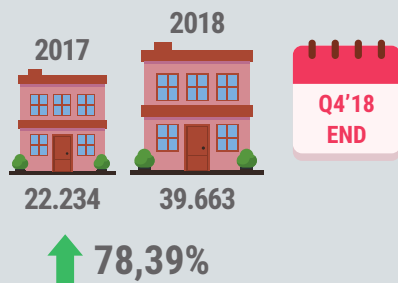
2 trillion 685 billion 298 million TRY



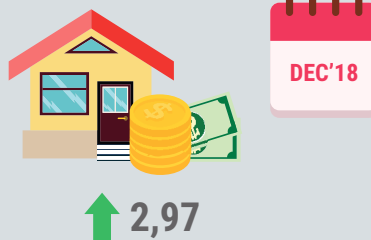
Exchange Rate Increase



Housing Sales to Foreigners



New Housing Price Index



Housing Loan Stock

↓ -1,79% decrease
188 billion 108 million TRY



Monthly Interest 2,04% ↑
Compound Interest 27,39% ↑



LOGISTICS

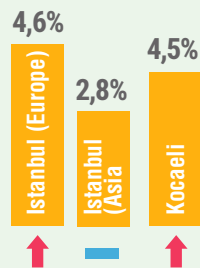
↑ Total Stock
10,22 million sqm

↓ Under Construction
711.916 sqm

↓ Under Project
2,25 million sqm

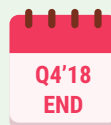


Vacancy Rates



Leasing Transaction Volume

↓ 243.091 sqm



REITs

Number of REITs (Q3'18)
33 unit ↑

REIT Market Value (Q3'18)
20,304 billion TRY ↓

XGMYO (DEC'18)
31.382 ↓



OFFICE

Total Stock

↑ 6,18 million sqm



Vacancy Rates

↑ 24,68%



Leasing Transaction Volume

↓ 66.000 sqm



Primary Rent

↓ 32\$ / sqm / month



*Rates of change are given according to the same period of the previous year.



MAIN ECONOMIC DATA

Turkish Economy Growing by 4.51% as of the end of Q3

Turkish economy revealed a strong growth performance in the first two quarters of the year 2018, led by private consumption expenses, respectively with 7.2% and 5.3%. In the second half of the year, the destruction caused by the rapid monetary depreciation of the Turkish Lira in the company balances, the tightening of the financial conditions and the consequential sharp rise in the interest rates, the inflationist pressure limited the economic activities. Thus, the growth rate decelerated in the third quarter of the year and fell to 1.6%. A tendency of balance in the economy due to the relative strength of foreign demand became evident in this period. The improvement in Turkey's international affairs, the rapid fall of oil prices due to supply-side developments and increase in the expectations of FED's interest rates slowing down were all supportive in terms of Turkish Lira assets. A slight recovery was observed in internal demand owing to the balance in the exchange rates, limited recession in the interests and the support of the temporary tax reductions in the last quarter. However, the weak course of credits continued in this period, too. The leading indicators of the economic growth such as the industrial production index and the manufacturing industry PMI index signal economic recession in the last quarter. Industrial production index shrank by 5.7% and 6.5% in October and November, on yearly basis. The PMI data witnessed the lowest level since 2009 by getting the average value of 44.4 in the last quarter. In October 2018, the rate of official unemployment increased to 11.6% by increasing 1.3 points compared with the same period of the previous year. The decline in the number of employed people in the construction sector reached 243 thousand in this period. The inflation rate concluded the year 2017 with 11.9% and had a stable course in the first quarter; however the cost side inflationist pressures'

effects started to be felt with the start of the second quarter of the year. Starting especially from August, it was seen that the inflationist effect extended over the basket and distorted the pricing behavior. The increase in the import prices in TRY through the exchange rate transitivity triggered the core inflation. The annual increase rate in the CPI in October reached 25.2%. Within the scope of the Fight Against Inflation Program, a relaxation occurred in the inflation towards the end of the year and the headline inflation fell down to 20.3% by the end of the year. The volatility in the exchange rates and its impact over the inflation outlook in 2018 were determinative in the decisions taken in monetary policy. Due to the negative effect of the cost side pressures over the inflation, the Central Bank realized a strong monetary tightening as of September and while the Bank raised its weighted average funding costs to 24.0%, it also supported the tightening trend with the other TRY and foreign currency liquidity instruments. The Central Bank has been maintaining its interest policy since the meeting dated October 25. With the help of the rapid balance in demand and the powerful course of tourism receipts, a surplus occurred in four consecutive months in the current deficit starting from August and the overall deficit decreased to US\$ 26.2 billion in the first 11 months of the year. When the leading indicators are examined, the total export of goods in 2018 increased by 7.1% while the imports fell by 4.6% and in this way the foreign trade deficit turned out to be nearly US\$ 22 billion, compared with the end of 2017. In respect of the services, the net travelling revenue reached US\$ 19.8 billion in the first 11 months of the year. The current deficit is estimated to fall below US\$ 30 billion by the end of 2018.

Gross Domestic Product by Expenditures at Current Prices

Year	GDP (million TRY)	Income per Capita (TRY)	GDP (million USD)	Income per Capita (TRY)	Growth** (%)	Average rate during the year
2014	2.044.466	26.489	798.987	12.112	5,17	2,19
2015	2.338.647	29.899	861.879	11.019	6,09	2,75
2016	2.608.526	32.904	862.744	10.883	3,18	3,04
2017	3.106.537	38.660	851.046	10.597	7,44	3,64
2018*	2.685.298	-	597.954	-	4,51	4,87

Q3 first estimate of Gross Domestic Product increased by 1.56% in the third quarter of 2018 compared to the same period of the previous year as the chain volume index (2009 = 100). Cumulatively, as of the end of the third quarter, it increased by 4.51% compared to the same period of the previous year as the chain volume index (2009 = 100).

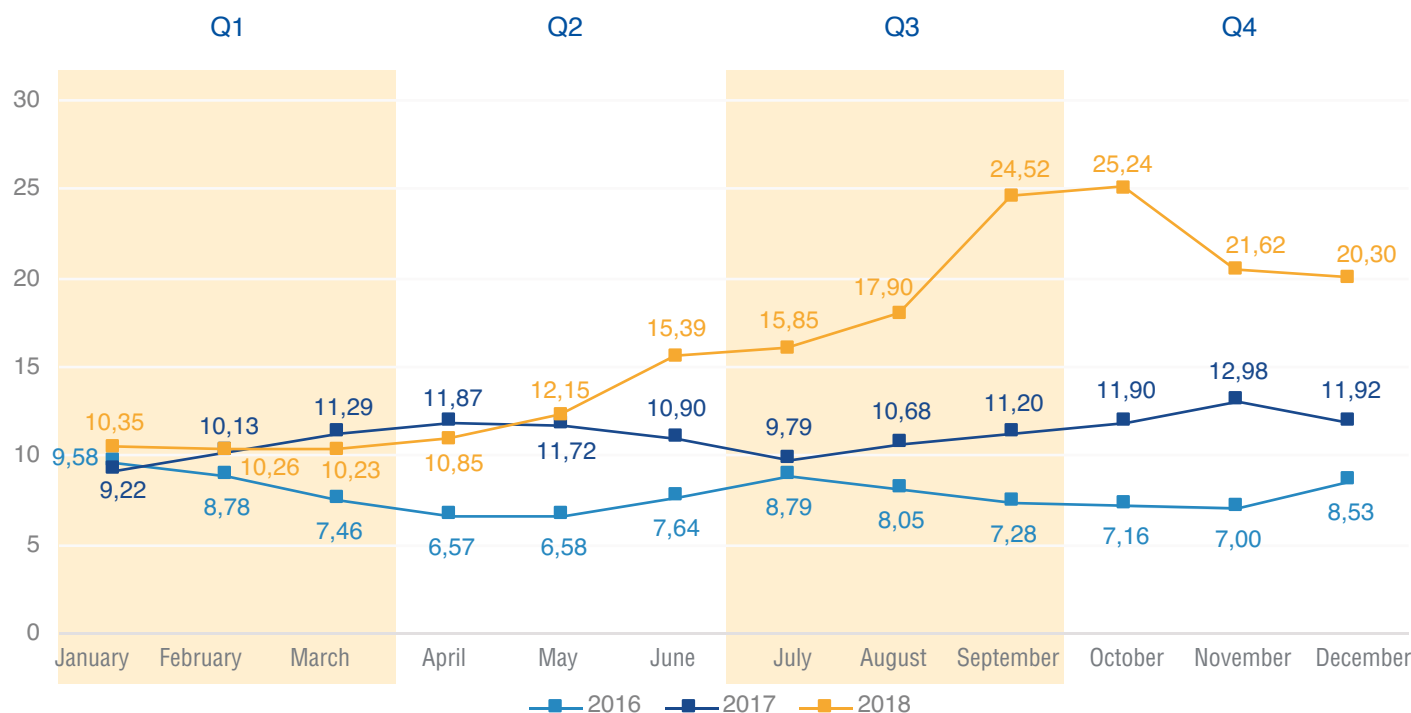
Source: TurkStat

Buying rate for last day of each month was used to establish average USD rate for that year.

*Data of Q3 end.

**Chain Volume Index (2009=100)

Annual Inflation*

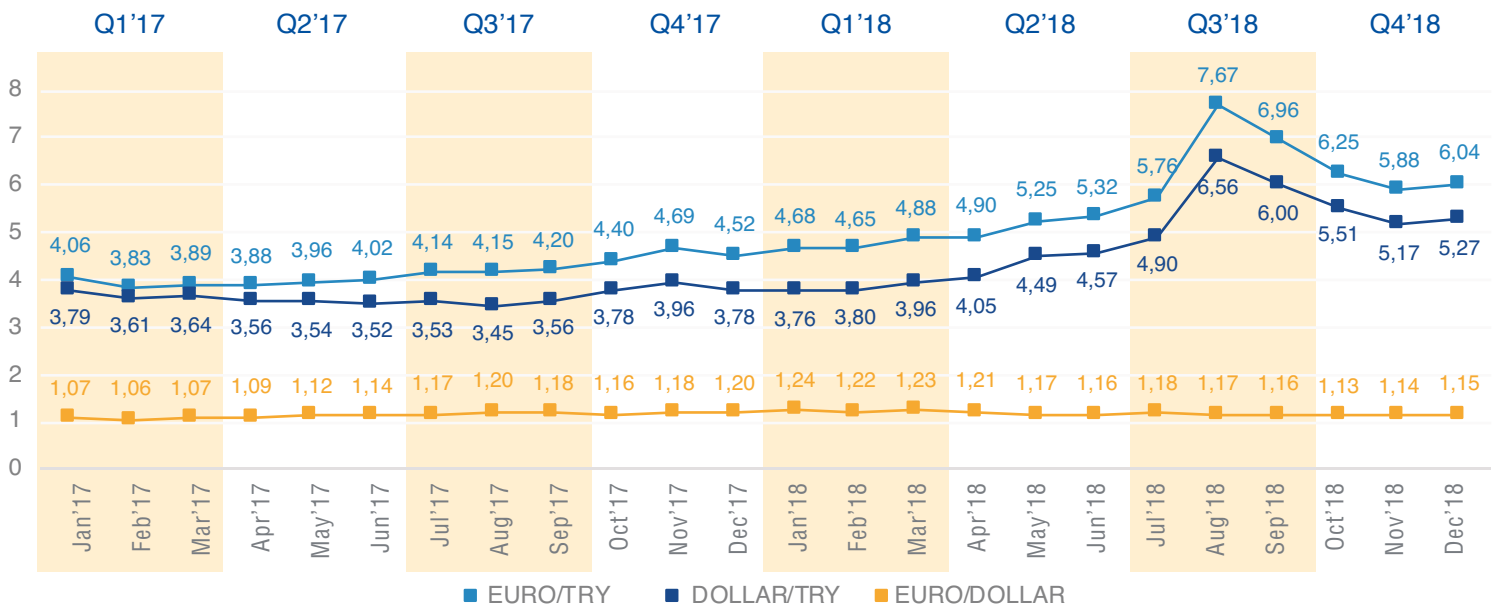


In CPI (2003 = 100), there was a decrease of 0.40% in December 2018 compared to the previous month, an increase of 20.30% compared to December of the previous year, 20.30% compared to the same month of the previous year and 16.33% on the average of 12 months.

Source: TurkStat

*Change according to the same month of the previous year

Exchange Rate*



The depreciation of the TRY against the Dollar and Euro continues. The dollar, which closed the third quarter of the year with 6.00, fell to 5.27 in December 2018 and the euro fell to 6.04 that closed the third quarter with 6.96.

Source: CBRT
*By the last day of each month

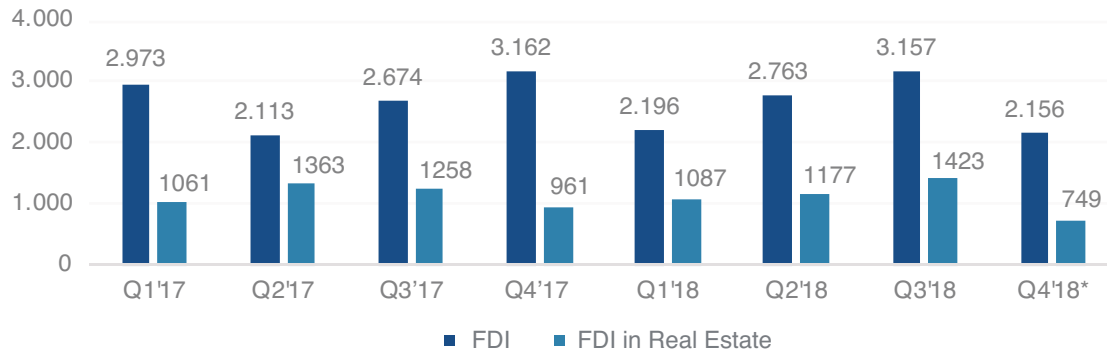
Comparison of Investment Instruments (%)

Period	*TR-81 Reidin	Reidin GYODER New House Price Index	Deposit Rate	BIST 100 Index	USD	Euro	Gold (Bullion)	Government Debt Securities
Q1'15	5,93	2,62	2,35	-3,95	12,85	-0,78	10,94	1,15
Q2'15	3,70	2,24	2,48	-9,9	11,31	11,57	5,8	-1,52
Q3'15	3,92	2,25	2,63	0,11	-3,01	-6,12	-7,5	3,1
Q4'15	4,46	1,96	2,67	-9,4	2,85	-0,76	-2,38	0,47
Q1'16	3,3	1,8	2,75	8,88	-1,09	0,98	14,86	4,45
Q2'16	1,95	0,41	2,63	0,77	1,66	1,42	6,14	2,38
Q3'16	1,08	-0,41	2,59	-1,31	17,92	10,98	2,63	-2,49
Q4'16	2,34	1,12	2,56	3,53	22	17,47	14,4	-2,44
Q1'17	3,14	1,22	2,55	17,5	4,97	6,35	11,77	2,38
Q2'17	3,08	0,86	2,62	10,27	-4,06	0,84	-1,44	4,46
Q3'17	2,33	1,03	3,03	7,16	-1,26	4,78	2,68	1,61
Q4'17	2,76	0,85	3,08	3,11	10,53	9,78	6,55	-1,84
Q1'18	2,55	0,9	3,18	6,58	1,25	5,51	5,93	2,08
Q2'18	1,73	0,78	3,27	-17,83	19,15	12,82	14,76	-6,29
Q3'18	0,82	0,50	3,79	-0,41	36,84	36,59	28,06	-8,12
Q4'18	0,58	0,77	5,26	-3,81	-16,2	-18,17	-12,18	15,4

When the housing price increases as well as the increase and return performances of financial investment instruments in the fourth quarter of 2018 are analyzed, it is observed that there was a 3.81% loss in BIST-100 Index. During this quarter, there were significant losses on US Dollars, Euro and Gold. The deposit interest, which yielded more regular returns to its investors, was higher than the inflation rate in the related period (2018 fourth quarter CPI 0.78%).

Source: Reidin and TurkStat
*Reidin Turkey Residential Property Price Index (81 province average)
**REIDIN-GYODER New Home Price Index is calculated on 70 projects and with a monthly average number of 22.500 properties presented by 34 developers.

Foreign Direct Investment (million USD)



In January-November 2018, net direct international investment inflow (actual inflow) was realized as US\$ 10 billion 272 million. In 2018, there was a 1.7% increase compared to the same period of 2017 which was US\$ 10 billion 105 million.

Source: CBRT
*The sum of 2018 October and November data

Age 15+ Unemployment (%)

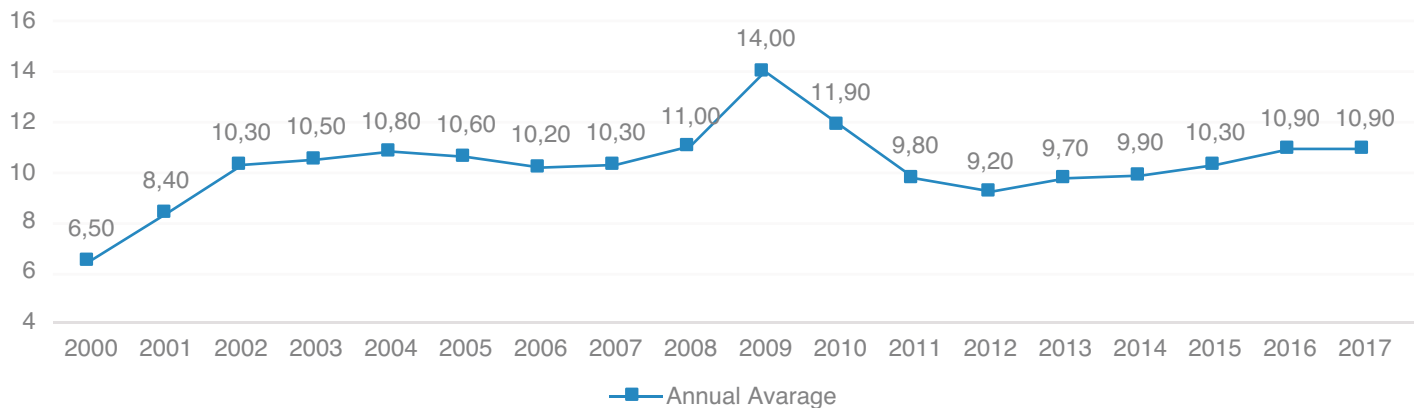
Monthly Average*

Aug'17	Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18	Jul'18	Aug'18	Sep'18	Oct'18
10,60	10,60	10,30	10,30	10,40	10,80	10,60	10,10	9,60	9,70	10,20	10,80	11,10	11,40	11,60

The unemployment rate, which was 10.40% as of December 2017, rose to 11.60% as of October 2018.

Source: TurkStat
*Job search time in unemployment data has been revised as 4 weeks by May 15, 2015, which was 3 months

Annual Average



Source: TurkStat

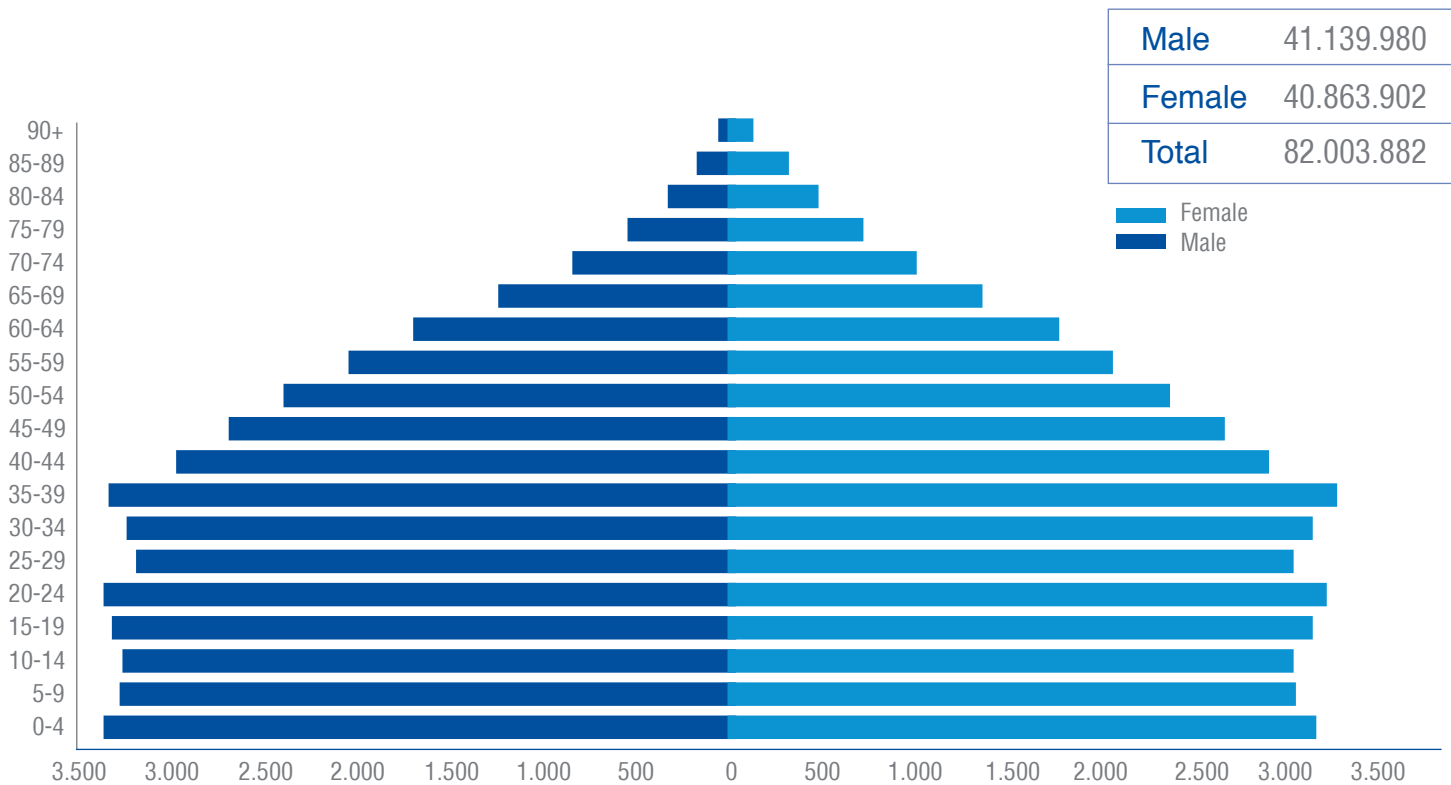
Population Growth in Major Cities (thousand)

	2015	2016	2017	2018
Istanbul	14.657	14.804	15.029	15.068
Ankara	5.271	5.347	5.445	5.504
Izmir	4.168	4.224	4.279	4.321
Bursa	2.843	2.901	2.936	2.995
Antalya	2.288	2.329	2.364	2.426

The population of İstanbul, where 18.4% of the country's population resides, exceeded 15 million with an increase of 0.26%. Population growth in metropolitans indicates that the demand for the housing sector will continue to increase.

Source: TurkStat

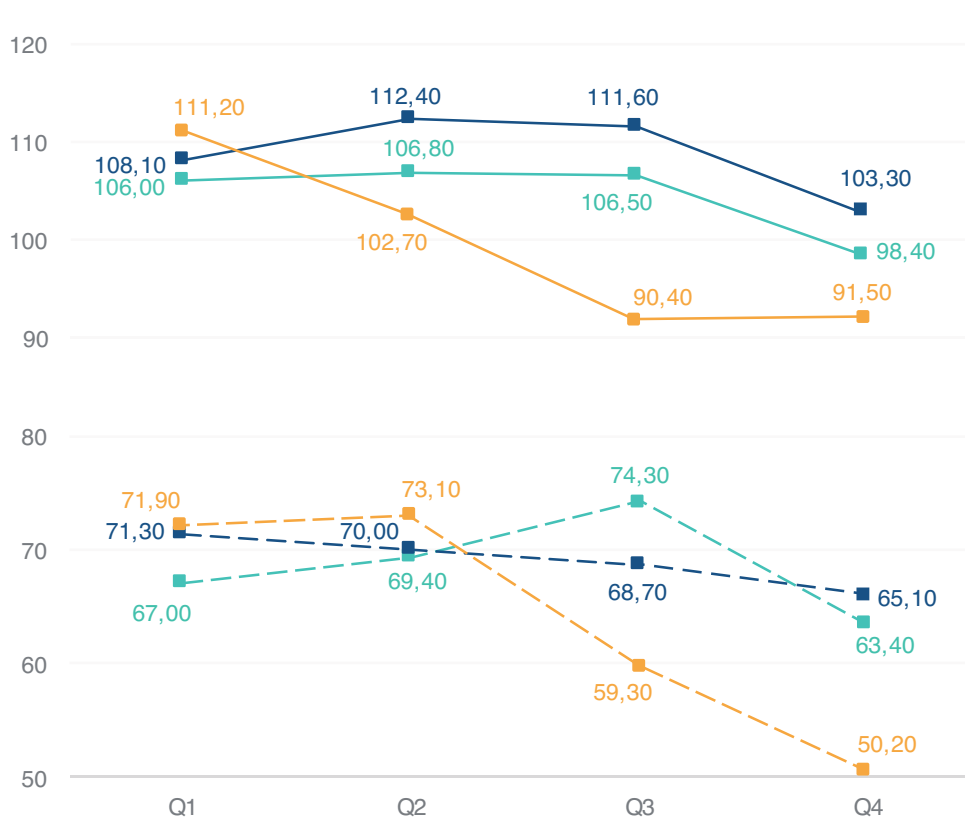
Population by Age Group and Gender, 2018



Source: TurkStat

The active population rate of 15-64 age group in our country is 67.84% of the total population in 2018. The proportion of the population aged 65 and over in the total population is 8.76%.

Expectation and Confidence Index



Expectation Index
Confidence Index

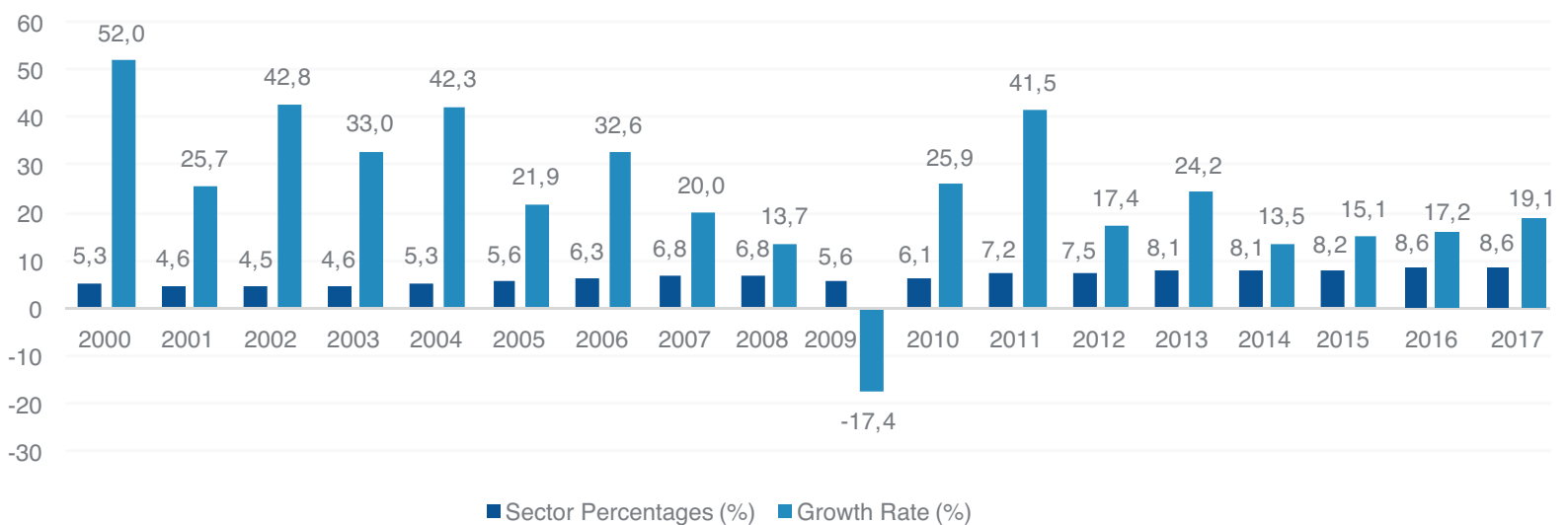
— 2018
— 2017
— 2016

--- 2018
--- 2017
--- 2016

The Expectation Index declined to 91.5 in the fourth quarter of 2018 and the Confidence Index fell to 50.2 compared to the previous quarter.

Source: CBRT

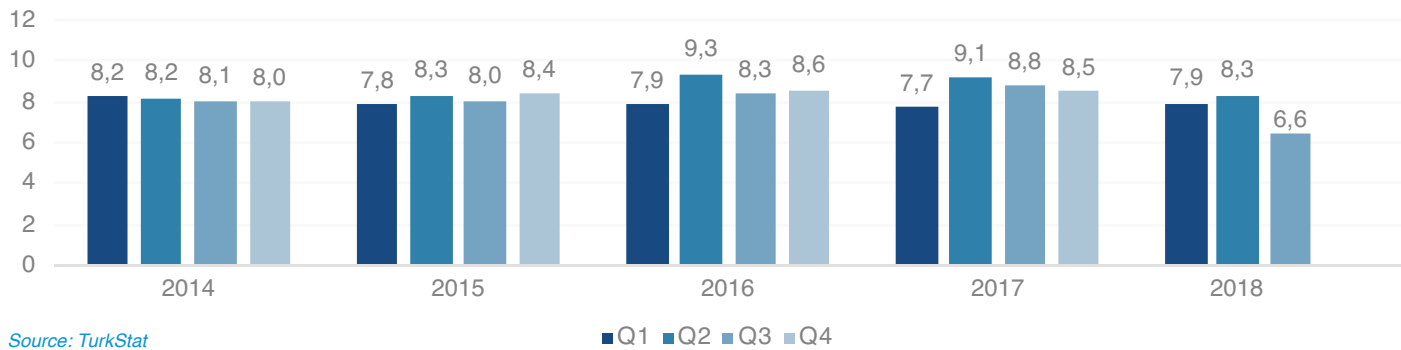
Share of Construction Received from the GDP by Production Approach at Current Prices



The construction sector's share of GDP with production method at current prices on an annual basis was 6.6% in the third quarter of 2018. As of the end of third quarter of 2018, while the construction sector growth rate was 6.44%, the growth rate of real estate activities was 12.48% and GDP was 21.20%.

Source: TurkStat
*Figures of year 2013 and earlier have been updated.

Share in GDP (%)



Growth compared to same month of previous year (%)



Construction Sector - National Income Growth Figures Comparison (%)





HOUSING

Housing sales to foreigners increased by 78.39% compared to the previous year

In 2018, the housing sales displayed a decrease of 2.41% compared to the previous year and fell to the level of 1.375.398 houses. The increase in the construction expenses discussed throughout the whole year, the downward trend in the housing sales and the rate of increase in the housing price index, increase in the interest rates of housing loans, VAT discounts at houses and offices were the main items of the agenda. In addition to these, the incentive developed for the real estate purchases of the foreigners in our country and the extension of certain incentives and campaigns offered to the end consumer through the changes in the legal regulations were at the top of the most discussed subjects in the second half of the year.

In 2018, there was a constriction of 41.49% on quantity basis in mortgaged sales, compared to the previous year. The share of the mortgaged sales to the total housing sales was 33.57% in previous year and this year it fell to 20.13%. We can claim that the upward trend in the housing loan interest rates within the year directly influenced the amount of mortgaged sales. A decrease by 1.23% in the sale of first hand houses and 3.44% in the sale of second hand houses were witnessed in 2018 compared to the previous year.

The effects of the shrinkage experienced in demands over the house prices were started to be seen soon enough, the momentum loss in housing price increases encountered in 2017 continued in 2018 as well. According to the data provided by the Central Bank of Turkey, the annual increase of the housing price index which was 11.13% in the end of 2017 fell to 10.48% in November.

The housing sales to foreigners reached the level of 39.663 with an increase of 78.39% compared to the previous year and its share in total sales was recorded as 2.88%. The impetus in the sales was clearly observed due to decrease in the real estate price required for the citizenship right granted to the real estate owner foreigners at the end of the 3rd quarter, from US\$ 1 million USD to US\$ 250 thousand. The sales gained dynamism particularly in the last quarter and nearly 39% of the sales were accomplished during this period. Within the scope of the housing sales to foreigners, İstanbul remained at the top with 14.270 houses, and Antalya followed İstanbul with 7.938 houses. When the housing sales based on nationalities are considered, Iraqi citizens were at the top of the list with 8.205 houses and they were followed by Iranians with 3.652 houses.

Building Permits Statistics and Percentage Changes

Year	Housing Stock
2000*	16.235.830
2001*-2014**	5.478.603
2015	732.948
2016	754.067
2017	823.438
Total	24.024.886

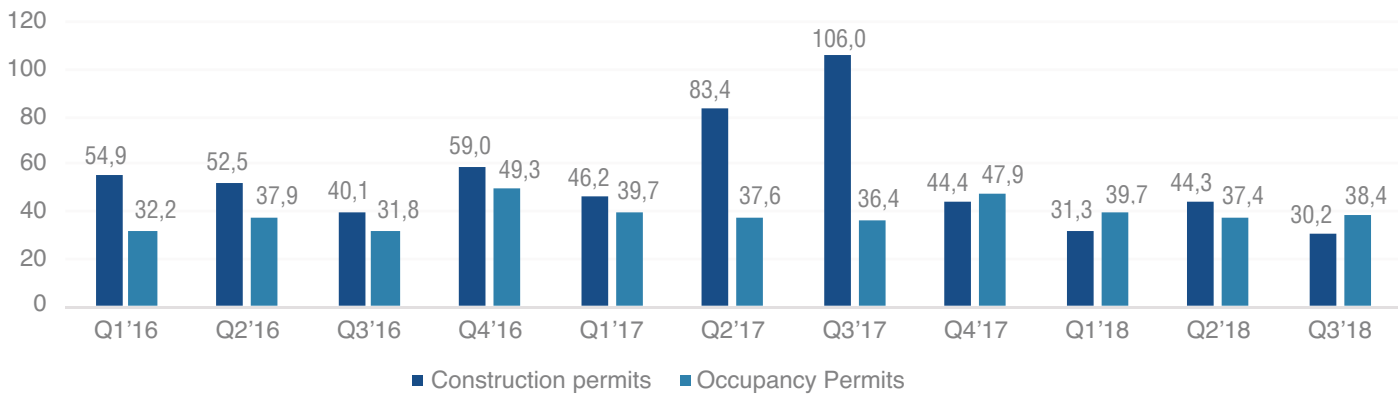
As of the end of third quarter of 2018, on the basis of area, the number of construction permits decreased by 55.06% compared to the same period of the previous year, and the occupancy permit decreased by 1.57%. The number of construction permits as per the number of apartments decreased by 58.6% compared to the same period of previous year while the number of building permits increased by 3.78%.

Source: TurkStat

* Total number of flats specified in the 2000 building census report

** Number of flats that received occupancy permit between 2001 and 2014

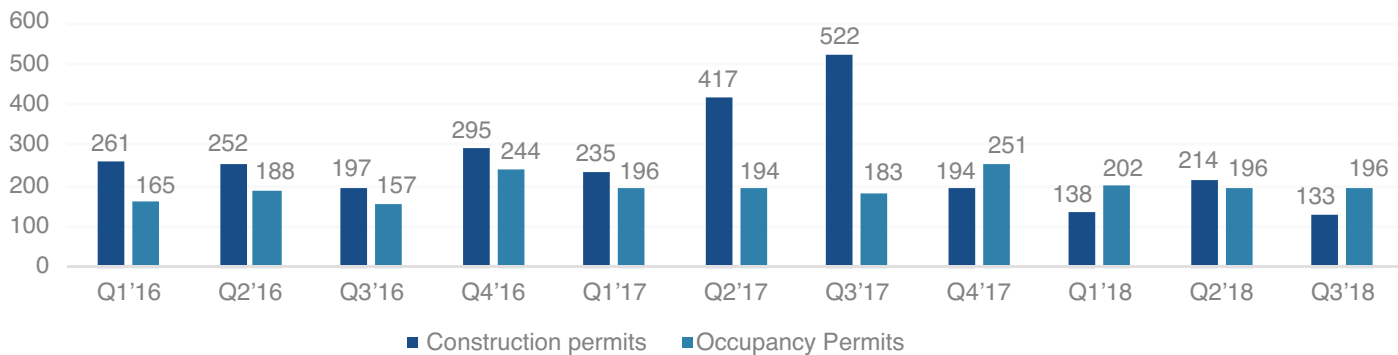
Surface Area (million sqm)



Source: TurkStat

*Rates of change are given according to the same period of the previous year.

Number of flats (thousands)



Source: TurkStat

*Rates of change are given according to the same period of the previous year.

Housing Sales on Quarterly Basis (number)

	First Sale	Second Hand Sale	Total Sales	Mortgaged Sales
Q1'16	139.860	163.604	303.464	95.861
Q2'16	152.305	175.030	327.335	105.223
Q3'16	142.585	162.427	305.012	102.297
Q4'16	196.936	208.706	405.642	146.127
2016 Total	631.686	709.767	1.341.453	449.508
Q1'17	145.826	179.954	325.780	125.093
Q2'17	150.397	178.186	328.583	120.282
Q3'17	180.466	195.899	376.365	117.852
Q4'17	183.009	195.577	378.586	109.872
2017 Total	659.698	749.616	1.409.314	473.099
Q1'18	138.777	165.100	303.877	89.380
Q2'18	160.100	182.055	342.155	112.425
Q3'18	167.198	189.161	356.359	54.478
Q4'18	185.497	187.510	373.007	20.537
2018 Total	651.572	723.826	1.375.398	276.820

Housing sales decreased nearly by 2.41% as of the end of 2018 compared to the same period of the previous year.

Source: TurkStat

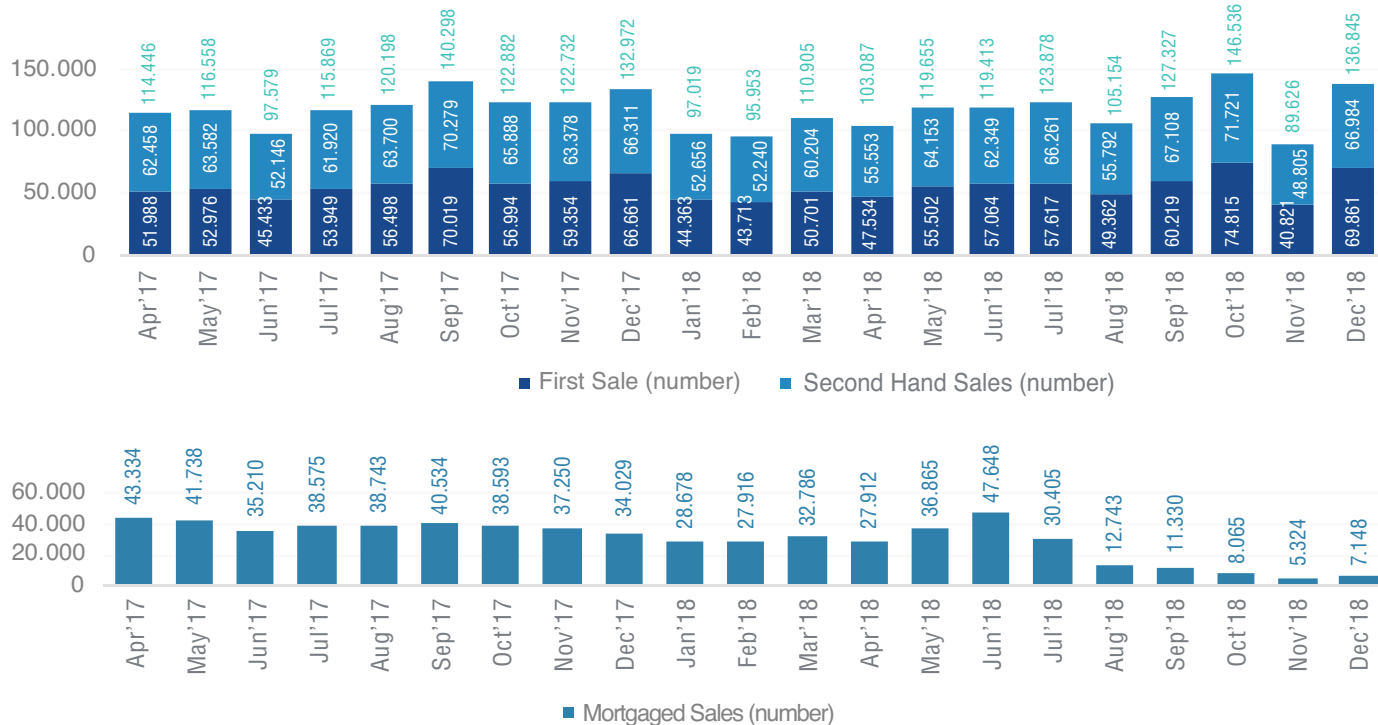
First Sale: The first sale of a housing by producer or by people making an agreement with the producer in return for a flat.

Second hand sale: Resale of the housing by the person obtaining the house from first sale.

As of the end of 2018 there was a decline of 1.23% in the first hand housing sales compared to the same period of the previous year, and a decrease of 3.44% in second hand sales.

Mortgaged sales decreased by 41.49%. The share of mortgaged sales in total sales was 33.57% as of the end of 2017, but it decreased to 20.13% in the same period of 2018.

Housing Sales on Annual Basis (number)



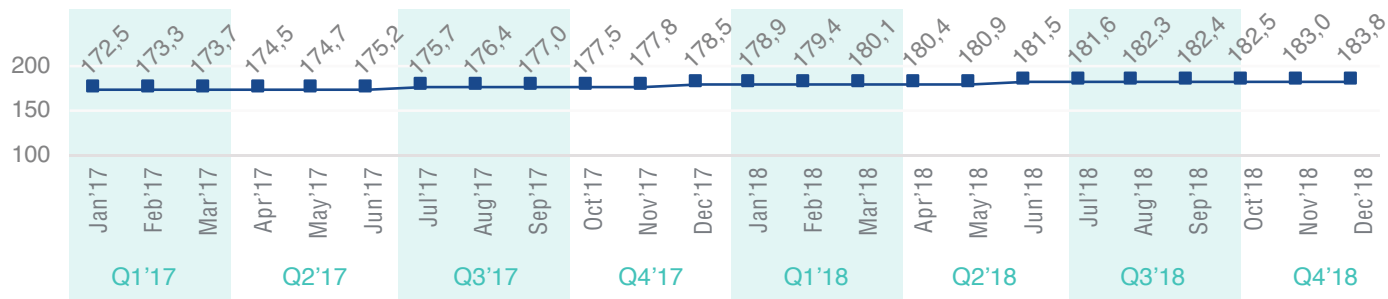
Source: TurkStat

First Sale: The first sale of a housing by producer or by people making an agreement with the producer in return for a flat.

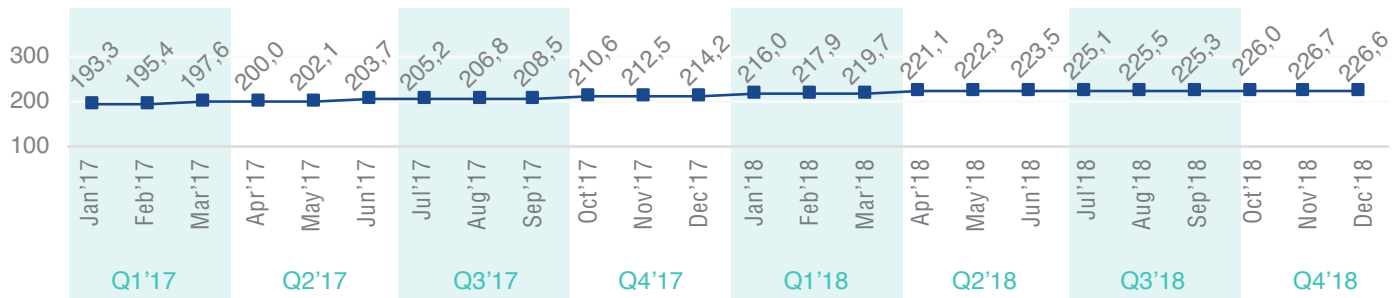
Second hand sale: Resale of the housing by the person obtaining the house from first sale.

Housing Price Indexes (Country-wide)

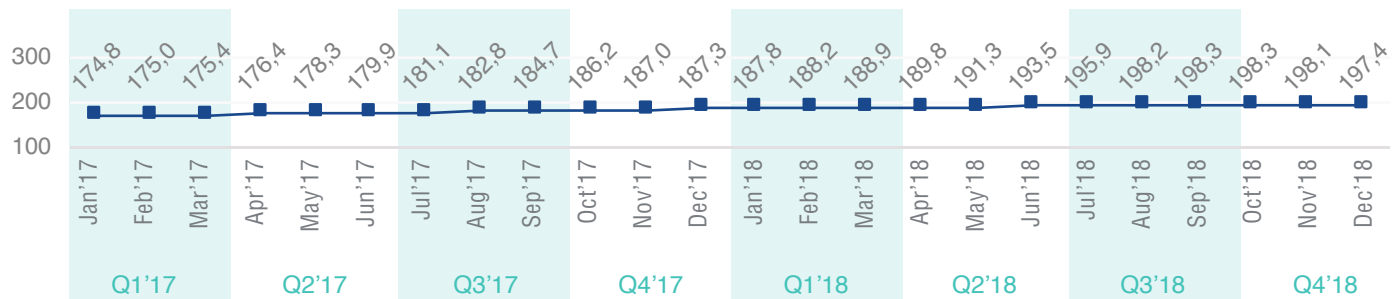
Reidin GYODER New Home Price Index (January 2010=100)



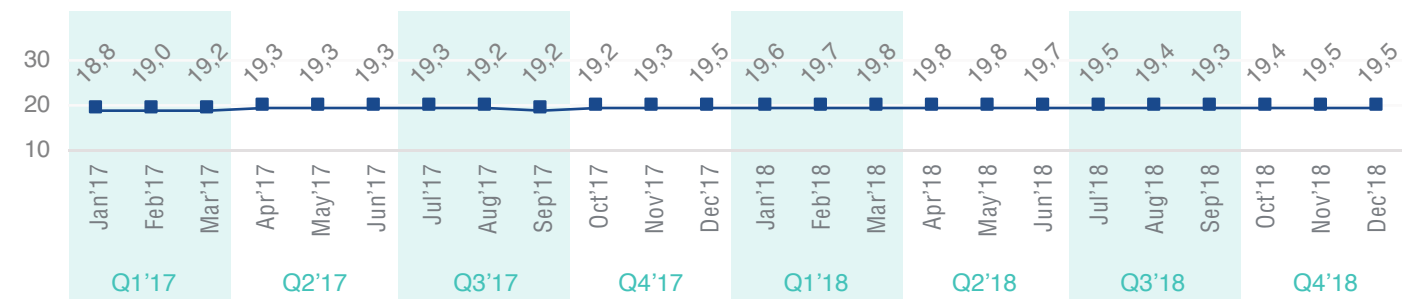
Reidin Turkey Residential Property Price Index



Reidin Residential Rent Value Index (January 2012=100)



Reidin Home Return on Investment Time (Year)



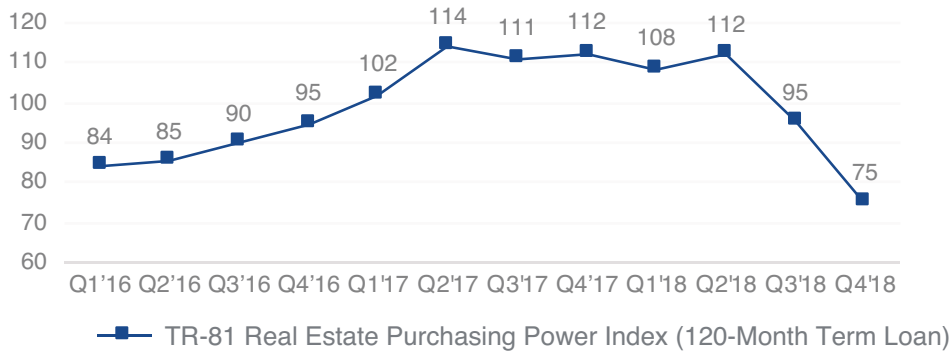
According to the REIDIN-GYODER New Housing Price Index, the price increase in December 2018 was 0.44% compared to the previous month and 2.97% compared to the same period of the previous year. If we make a comparison as of the Q4 end, it increased by 0.77% as of the end of the Q4 compared to Q3.

Source: Reidin

*REIDIN-GYODER New Home Price Index is calculated on 70 projects and with a monthly average number of 22.500 properties presented by 34 developers.

**Reidin Turkey Residential Property Price Index (81 province average)

Real Estate Purchasing Power Index (120-month Term Loan)

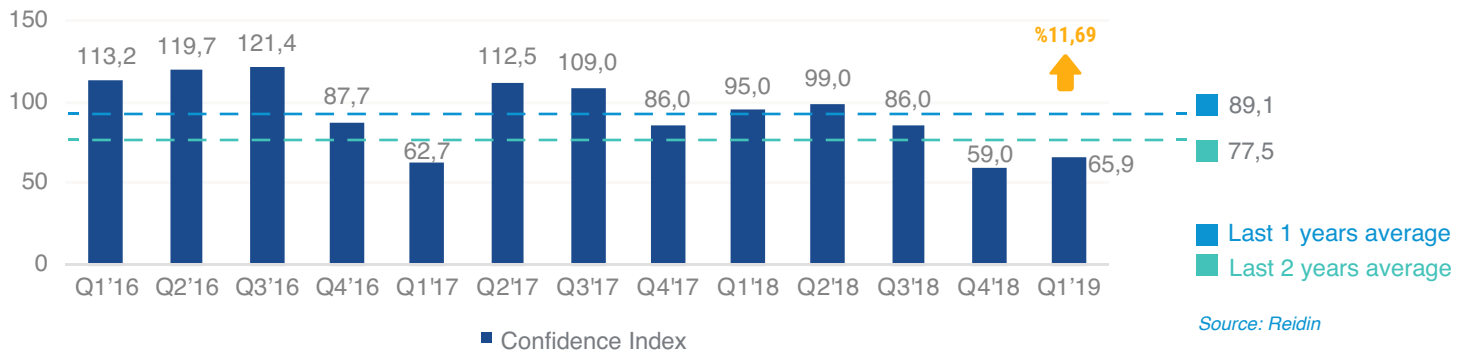


Housing Purchasing Power Index Turkey average decreased by 21.05% compared to the previous quarter and by 33.23% compared to the same quarter of the previous year and was recorded as 75 in the fourth quarter of 2018.

*It is an important economic indicator that measures whether a family lives in any 68 cities of Turkey with an average income can own a house by using a 120-month term housing loan or not. The index values of 100 and above indicate that one can own a house by using a 120-month term loan with the existing interest rate; values below 100 indicate that a family cannot own a house by using a housing loan under current financial terms.

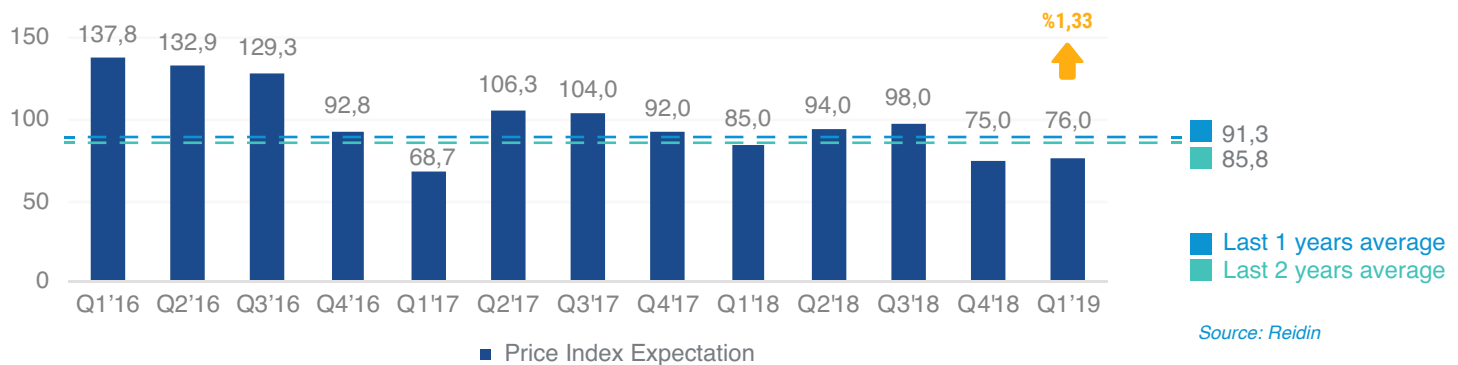
Source: Reidin

Real Estate Confidence Index & Price Expectation Index



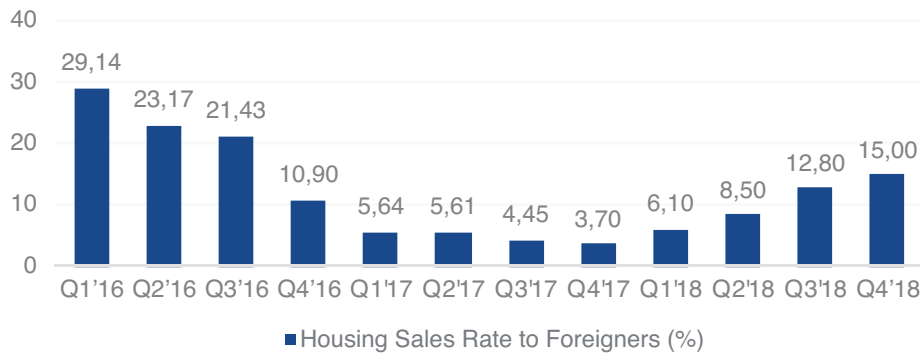
Source: Reidin

In the first quarter of 2019, the Confidence Index, which was measured as 65.9, was announced as 89.1 as the average of the last year, while the Price Expectation Index measured as 76, was announced as 91.3 as the average of the last year.



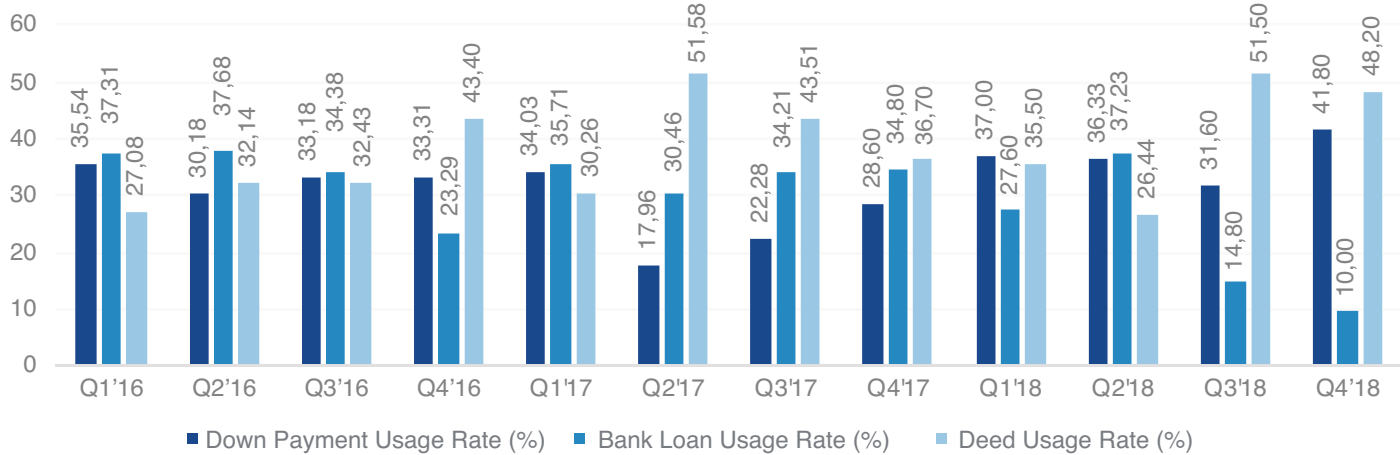
Source: Reidin

Indicators of Branded Housing Projects



Source: Reidin

In 2018 Q4, consumers who purchase houses from branded housing projects prefer to use promissory notes from the options of down payment, promissory note and bank loan. In the fourth quarter of 2018, the rate of destocking was 4.5%, while 15.0% of the sales of branded housing projects were made to foreign investors.

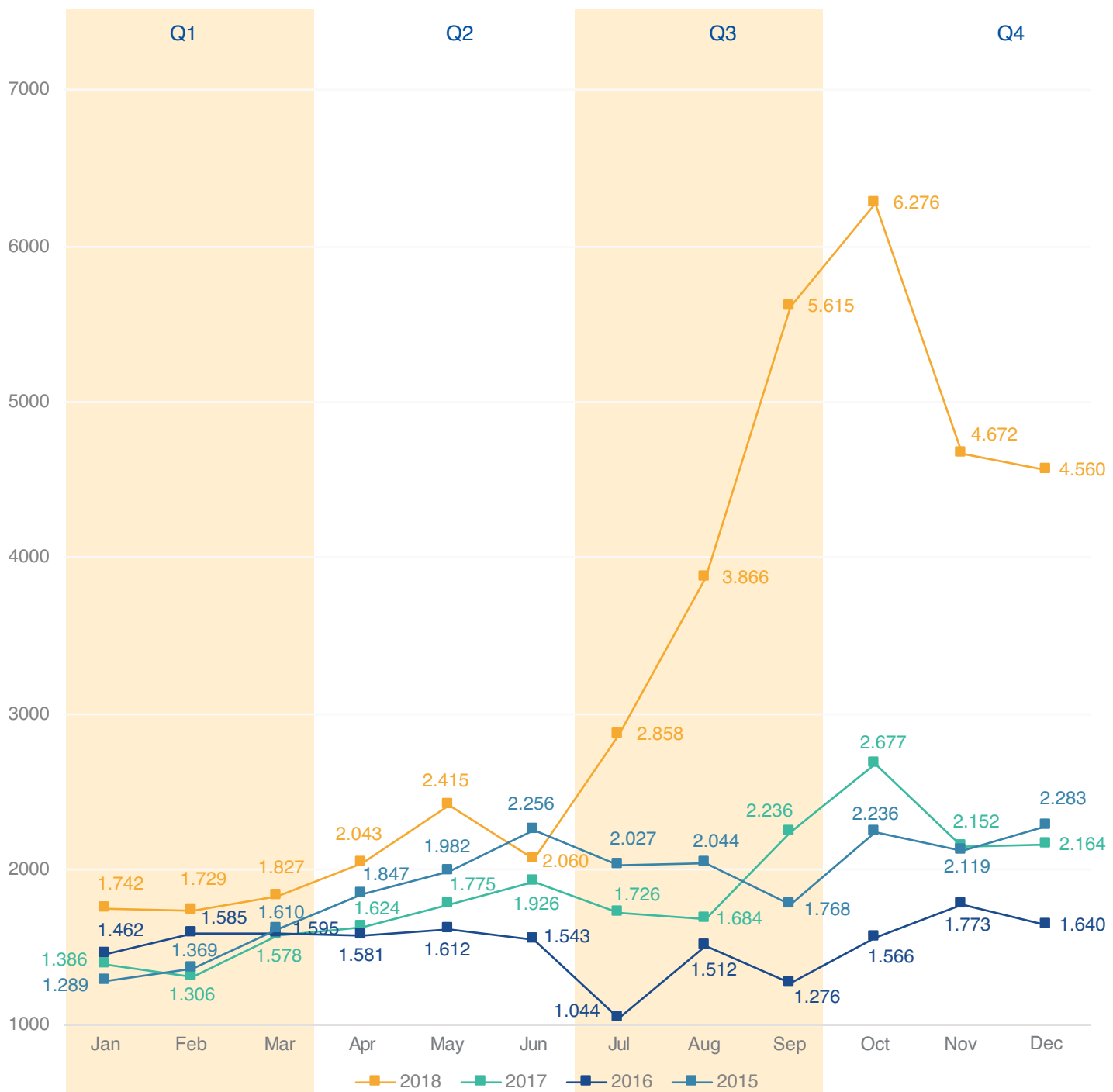


Source: Reidin



Source: Reidin

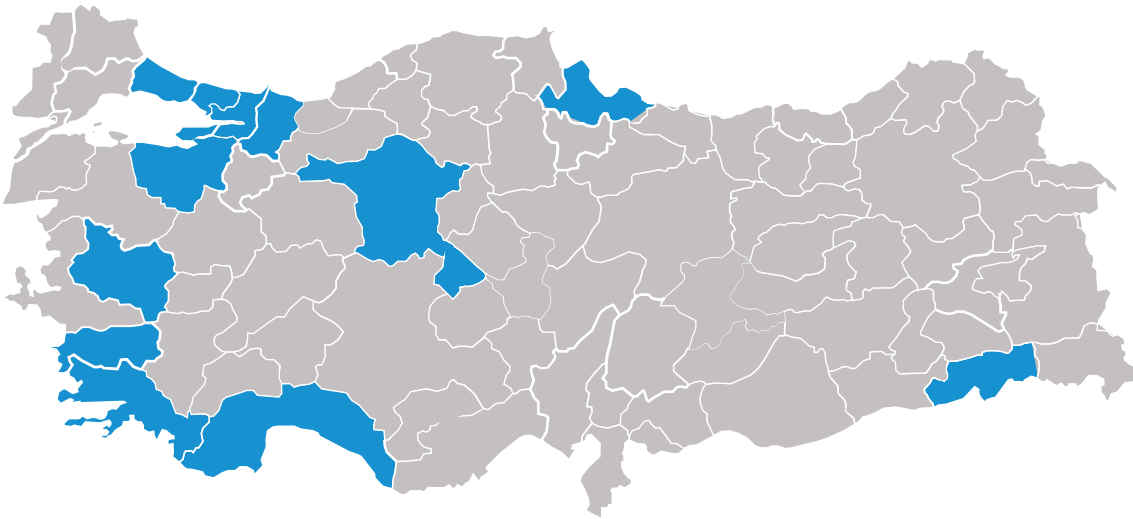
Number of House Sales to Foreigners in Turkey



Housing sales to foreigners rose to 39,663 units as of the end of the fourth quarter of 2018, with growth of 78.39%, compared to the same period of previous year.

Source: TurkStat

Top 10 Cities Preferred by Foreigners for Housing Purchase



In 2018, the most preferred province of foreigners in real estate investments was Antalya. When we examine all kinds of real estate investments of foreigners made in Turkey in 2017 and 2018, 143.7% increase was recorded in 2018 compared to 2017 on area basis, while 119.5% in the number of transactions.

Q4'18				Q4'17	
Q4'18 Ranking (Q4'17 Ranking)	First 10 Cities	Surface Area per Total Stock (sqm)	Total Number of Transactions	Surface Area per Total Stock (sqm)	Total Number of Transactions
1 (2) ↑	Antalya	1.265.436	10.587	700.703	5.657
2 (1) ↓	Istanbul	1.081.599	17.418	751.351	8.173
3 (7) ↑	Sakarya	984.741	1.820	210.462	643
4 (5) ↑	Kocaeli	966.035	739	248.145	407
5 (3) ↓	Muğla	678.541	1.699	495.806	1.221
6 (-)	Manisa	669.963	107	37.910	37
7 (10) ↑	Aydın	668.818	2.109	161.183	1.046
8 (8)	Yalova	498.243	4.613	177.779	874
9 (4) ↓	Bursa	476.643	3.294	264.130	1.754
10 (-)	Ankara	413.864	2.671	102.008	950
- (6)	Şırnak	5.366	2	214.320	5
- (9)	Samsun	125.065	896	166.622	449
	Other	3.586.388	7.828	1.156.308	3.284
	Total	11.420.700	53.783	4.686.727	24.500

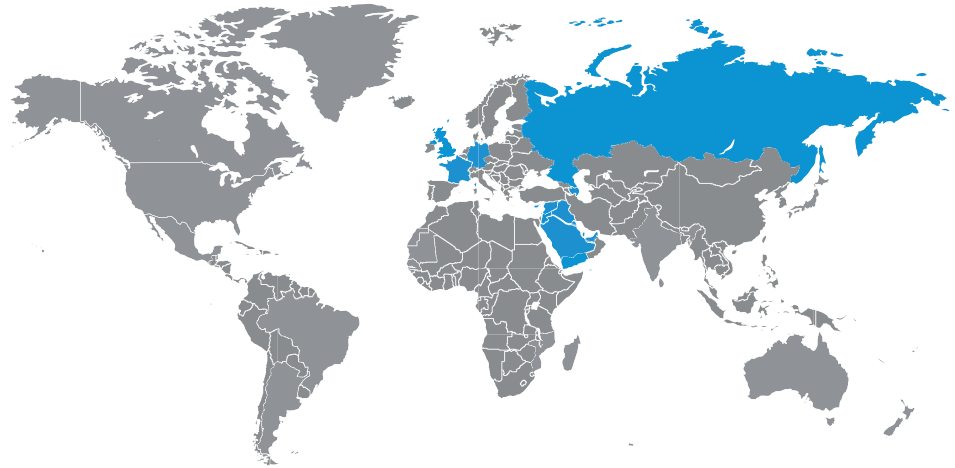
Source: General Directorate of Land Registers Department of Foreign Affairs

*Figures include all real estate sales and their transactions.

**Figures are annual cumulative values as of the end of Q4

Top Ten Countries Preferring to Purchase Housing from Turkey

When we examine all kinds of real estate investments of foreigners made in Turkey, we observe that France, Palestine, Yemen and Qatar took part in top 10 countries that preferred Turkey in 2018, different from 2017.



Q4'18 Ranking (Q4'17 Ranking)	(First 9 month) First 10 Countries Citizen	Q4'18		Q4'17	
		Surface Area per Total Stock (sqm)	Total Number of Transactions	Surface Area per Total Stock (sqm)	Total Number of Transactions
1 (1)	Germany	1.477.461	3.167	700.502	1.280
2 (2)	Saudi Arabia	912.730	2.889	492.238	2.177
3 (9) ↑	Jordan	763.759	1.639	163.083	527
4 (3) ↓	Iraq	704.901	10.725	381.030	3.666
5 (-)	France	703.672	298	29.915	139
6 (-)	Palestine	682.247	804	101.871	406
7 (6) ↓	England	645.887	2.487	251.449	1.347
8 (4) ↓	Kuwait	443.252	2.631	371.667	1.694
9 (-)	Qatar	435.984	870	104.486	314
10 (-)	Yemen	332.062	857	112.421	339
- (5)	TRNC	262.214	180	254.508	100
- (7)	Azerbaijan	293.280	1.441	224.818	798
- (8)	Russian Federation	265.093	2.749	172.273	1.565
- (10)	United Arab Emirates	164.151	556	135.215	336
	Other	3.334.006	22.259	1.191.252	9.723
	Total	11.420.700	53.552	4.686.727	24.411
	Gulf Countries	3.056.337	22.813	1.561.434	9.225
	Ratio of Gulf Countries in Total Investments	27%	43%	33%	38%

Source: General Directorate of Land Registers Department of Foreign Affairs

*Figures include all real estate sales and their transactions.

**Figures are annual cumulative values as of the end of Q4



HOUSING LOANS

As of the end of December 2018, the housing loan volume reached TRY 188 billion

While the upward trend in housing loan interest rates that started in June continued until the end of October, there was a downfall in such rates in November. The housing loan interest rate, which was 2.16% at the end of October 2018, fell to 2.04% at the end of December 2018. The annual interest rate, which was 29.28% in October, decreased nearly by 2 points and recorded as 27.39% in December.

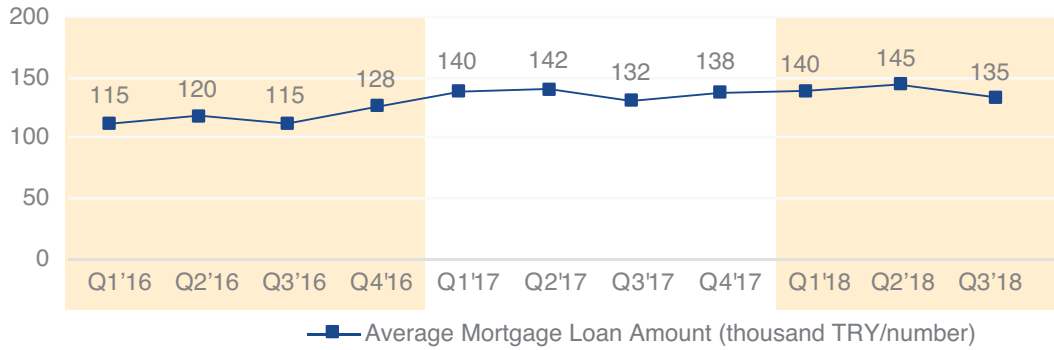
The volume of housing loans reached to the level of TRY 188 billion at the end of December 2018. While the share of public deposit banks in total housing loan volume increased compared to December 2017, the

share of domestic private and foreign deposit banks decreased. The share of non-performing housing loans to total housing loans was in the upward trend as of the beginning of August 2018 and it was recorded as 0.52% as of December 2018.

The total consumer loans were at the level of TRY 399 billion in December. The share of housing loans in total consumer loans, which was 48.2% in December 2017, was 47.1% as of December 2018 with nearly 1 point decrease. Total loans were around TRY 2.4 trillion, while the share of individual loans in total loans was 21.1%. This rate was at the level of 23.3% in December 2017.

Mortgage Extension

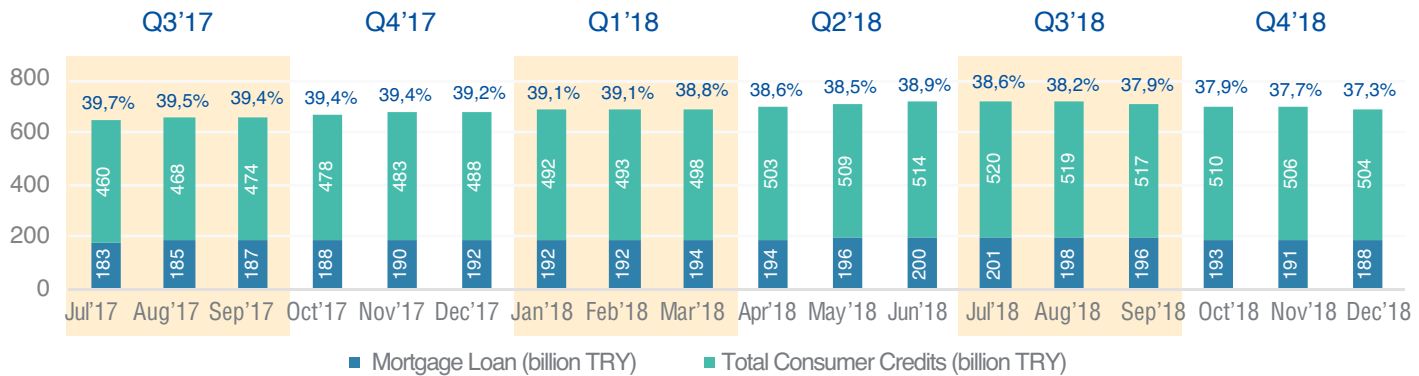
Period	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Total Credit Extension (million TRY)	11.223	13.280	13.215	19.378	18.815	17.790	16.343	15.501	12.713	17.303	7.368
Credit Extension Figure (number)	98.016	110.918	115.179	151.019	134.212	125.085	123.674	112.592	90.788	119.714	54.734



The amount of housing loans used in the third quarter of 2018 decreased by 54.92% compared to the same period of the previous year and fell to TRY 7.368 million. The average loan amount in the third quarter of 2018 increased by 1.87%, compared to the same period of the previous year and realized as TRY 135.000.

Source: The Banks Association of Turkey

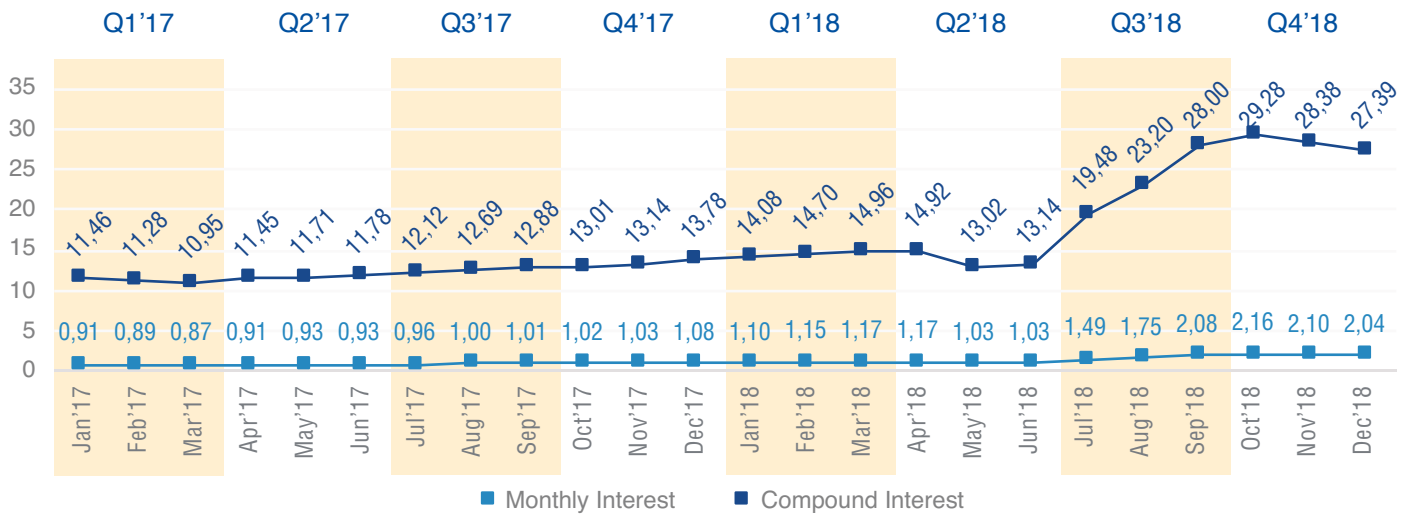
Mortgage Loan - Total Consumer Credits Comparison



The share of housing loans in personal loans decreased in December 2018 compared to the same month of the previous year and was recorded as 37.3%.

Source: Banking Regulation And Supervision Agency

Mortgage Loan Interest Rate (%)



As of December 2018, monthly interest rate on housing loans was 2.04% and compound annual interest rate was 27.39%.

Source: CBRT

Distribution of Mortgage Loan According to Banks

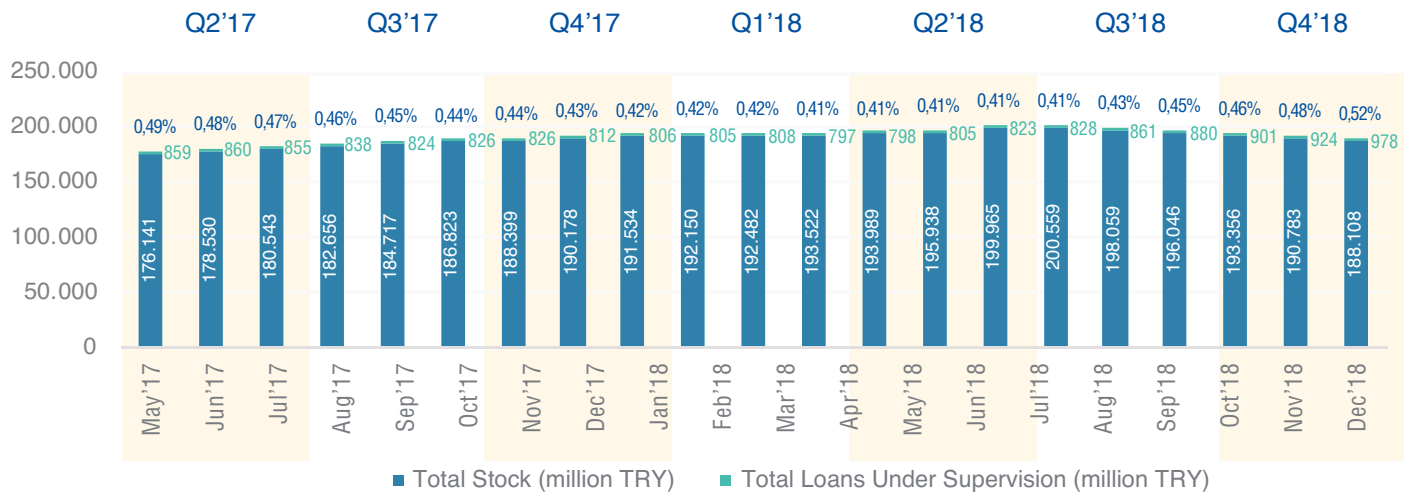
Distribution of Sector in General	Number of Banks	Sector Shares	Distribution of Mortgage Loan Volume (billion TRY)*
Total Banking Sector	50	100%	188.108
Total Deposit Banks	32	93,3%	175.557
<i>Public Deposit Money Banks</i>	3	48,4%	91.126
<i>Private Deposit Banks</i>	8	26,6%	49.989
<i>Deposit Banks with Foreign Partners</i>	21	18,3%	34.442
Development and Investment Banks	13	0,0%	1
Participation Banks	5	6,7%	12.550

Source: Banking Regulation And Supervision Agency

*The latest published data are the data of BDDK end of 2018 December.

The total housing loan volume exceeded TRY 188 billion 108 million as of December 2018.

Mortgage Loan Stock and Non-performing Loan*



The share of nonperforming loans in total housing loans was recorded as 0.52% as of December 2018.

Source: Banking Regulation And Supervision Agency

*Cumulative total of Mortgage Loan Stock and Non-performing Loan



OFFICE

Office Vacancy Rate Calculated as 24.68% as of the End of 2018

As a result of the tightening emerging critically in the economy, the GDP increase raised by 1.6% during the third quarter of 2018, compared to the same period of the previous year and the consumer confidence index fell to 58.20 with a slight decrease in parallel. The real sector confidence index increased compared to the previous quarterly period and reached 97.7 points in December. On the other hand, the rate of unemployment despite the seasonal fluctuations continues to increase and was recorded at 11.5% as of October 2018. A slight relief was observed in the inflation rate in December and the rate fell to 20.3%. On the other hand, the ongoing worries over the inflation rates and Turkish Lira's recent devaluation continue to influence the office leasing and investment activities.

In the 4th quarter, new office areas of 92.750 sqm entered the market in İstanbul, the total areas allocated to offices introduced to market increased in 2018 by 376.631 sqm and the total supply went up to 6.18 million sqm. When the leasing activities taking place in the 4th quarter are compared with the same period of the previous year and with the previous quarter, with the help of the legislation on the protection of the value of Turkish Currency, consecutive falls of 7.78% and 20.22% were recorded and the total area was recorded as 65.564 sqm.

In the 4th quarter, 62.51% of the contracts per square meter were made in the Anatolian side, while 19.40% were finalized at the MIA. The remaining contracts signed at the European side (18.08%) besides MIA increased crucially compared to the previous quarter.

The office vacancy rate realized as 24.68% by the end

of 2018 and the most critical new leasing operations were as follows: ÇimSA (2.594 sqm, Rönesans Tower), Yöntem Kozmetik (2.400 sqm, 4B Plaza), Lexus (2.000 sqm, Süzer Plaza) and Eaton (1.927 sqm MOB). In addition to these Index Group rented an area of 7.000 sqm at Seba Office.

The investment activities will continue to gain momentum with the increasing number of real estates for sale, the remarkable operations were Vakif GYO's purchase of 102 independent office areas at Nidapark Küçükyalı for ₺220.7 million from Emlak Konut GYO, Doğuş GYO's purchase of D Ofis Maslak from the Doğuş Group in exchange of ₺525.69 million, AG Anadolu Grup Holding's sale of the former edifices of Alternatifbank Directorate General for ₺62 million to Karadeniz Örne and İş Portfolio Management's purchase of three floors at Kartal Manzara Adalar Office Space Center from İş GYO for ₺25.8 million.

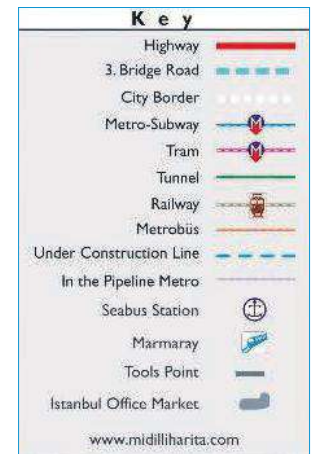
When the leasing transactions that took place against the contrary winds seen in the economy such as the increase in the exchange rates, decelerated GDP rate and the high inflation rate are compared to the previous year, a similar rate was maintained, and it is seen that the expected level of demand will continue to rise in the upcoming period. Therefore, this situation indicates that the office market did not encounter any shrinkage despite the challenging economic conditions. The Communiqué on the Protection of the Value of Turkish Currency has not negatively affected the Class A office market as much as expected due to the exemption of foreign institutions. However, considering the domestic capital, it is seen that prices will approach purchaser's expectations.

Istanbul Office Market by Regions

	Q4'17			Q3'18			Q4'18		
European Side	Stock (thousand sqm)	Vacancy Rate (%)	Prime Rent (\$/sqm/month)	Stock (thousand sqm)	Vacancy Rate (%)	Prime Rent (\$/sqm/month)	Stock (thousand sqm)	Vacancy Rate (%)	Prime Rent (\$/sqm/month)
Levent - Etiler	849	22,40	35	852	16,13	32	867	18,51	32
Maslak	838	20,70	28	838	19,8	21	862	22,15	21
Z.Kuyu - Şişli Line (Z.kuyu - Gayrettepe- Esentepe - Mecidiyeköy - Şişli)	451	22,40	22	451	18,95	20	498	18,81	20
Taksim and surrounding area (Taksim - Elmadağ - Bomonti - Piyalepaşa)	148	27,90	17	139	27,11	14	146	25,78	14
Kağıthane	259	26,20	15	269	23,04	15	292	30,85	14
Beşiktaş (Nişantaşı - Akaretler - Barbaros - Maçka - Teşvikiye)	102	20,50	17	102	18,82	15	103	17,08	14
Western Istanbul (Güneşli - Yenibosna - Bakırköy - İkitelli)	814	6,20	11	814	7,29	10	818	7,10	10
Cendere - Seyrantepe	284	78,40	15	458	77,00	15	422	80,84	14
Anatolian Side	Stock (thousand sqm)	Vacancy Rate (%)	Prime Rent (\$/sqm/month)	Stock (thousand sqm)	Vacancy Rate (%)	Prime Rent (\$/sqm/month)	Stock (thousand sqm)	Vacancy Rate (%)	Prime Rent (\$/sqm/month)
Kavacık	131	19,00	16	131	18,1	14	105	27,07	14
Ümraniye	716	14,10	20	714	12,60	19	751	13,39	18
Altunizade	59	1,00	20	59	1,00	19	59	1,00	19
Kozyatağı (İçerenköy - Göztepe - Ataşehir)	689	41,80	25	736	35,05	24	719	33,80	24
Eastern Istanbul (Küçükyalı - Maltepe - Kartal - Pendik)	437	17,80	12	522	26,75	10	537	31,85	10

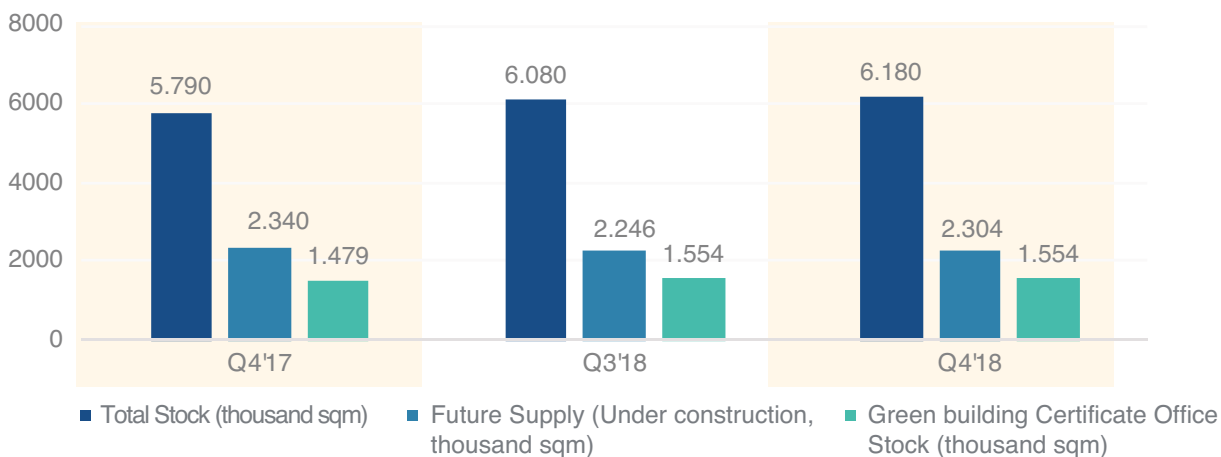
The general supply increased compared to the previous quarter and reached 6.18 million sqm. In the fourth quarter, the leasing transactions were recorded as 65.564 sqm with decreases of 7.78% and 20.22%, respectively, compared to the same period of the previous year and the previous quarter, due to the Communiqués on the Protection of the Value of Turkish Currency.

Source: Office data were prepared by Cushman&Wakefield specifically for GYODER.



Leasing	Q4'17	Q3'18	Q4'18
Total Occurring Take-up Transactions (thousand sqm)	79,00	82,00	66,00
Prime Rent (USD/sqm/month)	35,00	32,00	32,00
Prime Yield (%)	7,25	7,50	7,50
Stock Vacancy Rate (%)	24,03	24,62	24,68

The total leasing transaction in the fourth quarter of the year was 65.564 sqm. The vacancy rate was 24.68% in total.





SHOPPING MALLS

Number of Shopping Malls reached 455 as of 2018 year-end

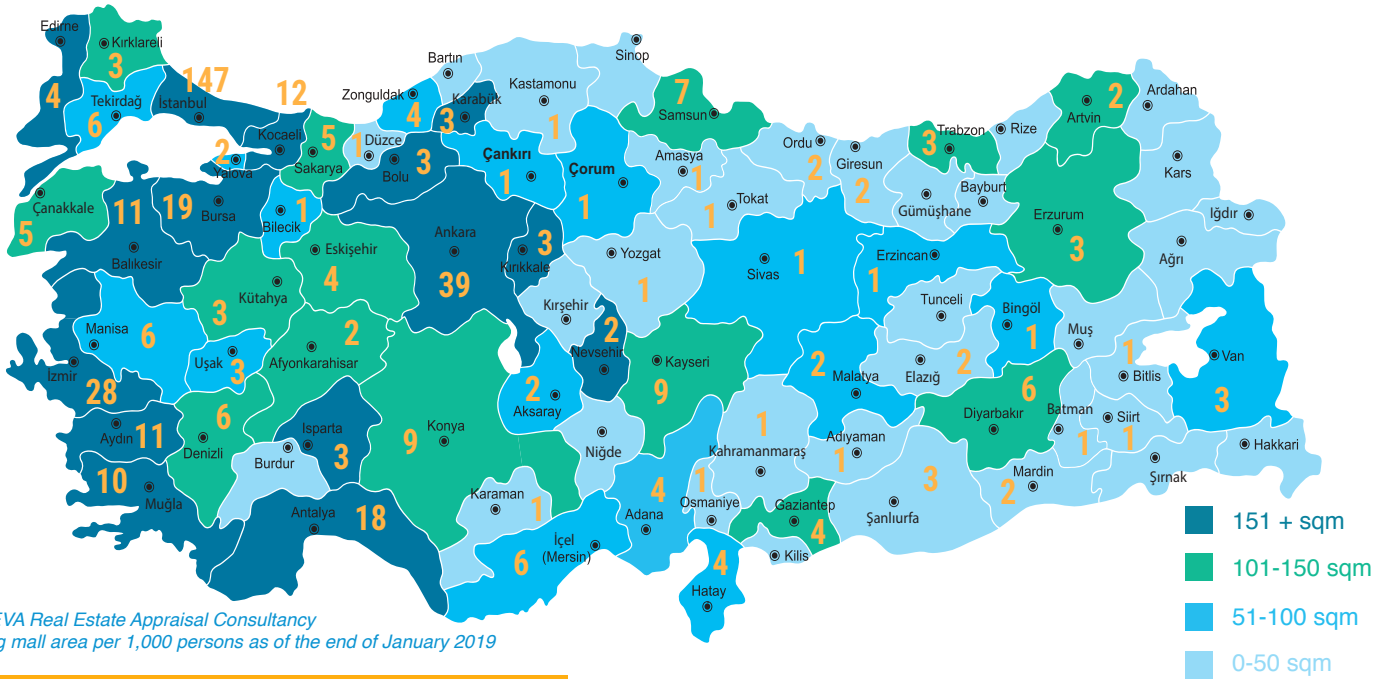
The total number of shopping malls in overall Turkey, which was 429 as of the end of 2017, reached 455 as of 2018 year-end.

As of the end of the last quarter of 2018, 64 cities have shopping malls and 17 cities do not have shopping malls yet. However, it is expected that the number of cities that have not met with shopping malls will decrease to 16 in the next two years.

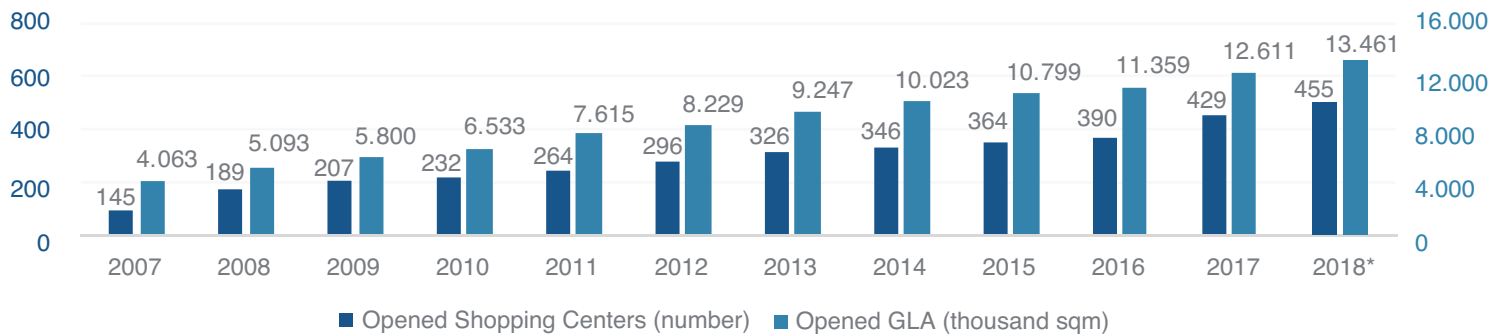
The cities having the most shopping malls are respectively; Istanbul with 147, Ankara with 39 and İzmir with 28. The total leasable stock is 13 million 461 thousand sqm. When examined in terms of leasable area, Istanbul constitutes approximately 39% of the total leasable area stock. In Turkey, the average leasable area per 1.000 people is 167 sqm.

Growth of Shopping Mall in Turkey

GLA* Volume and Number of Shopping Malls according to Cities



Shopping Malls Opened by Years and GLA



As of the end of 2018 Q4, the total number of shopping malls reached 455 and the total leasable area stock reached 13 million 461.000 sqm. İstanbul constitutes approximately 39.0% of the total leasable area stock. In overall Turkey, the leasable area per 1.000 people is 167 sqm.

Source: EVA Real Estate Appraisal Consultancy

Shopping Centers That Have Lost Their Functions

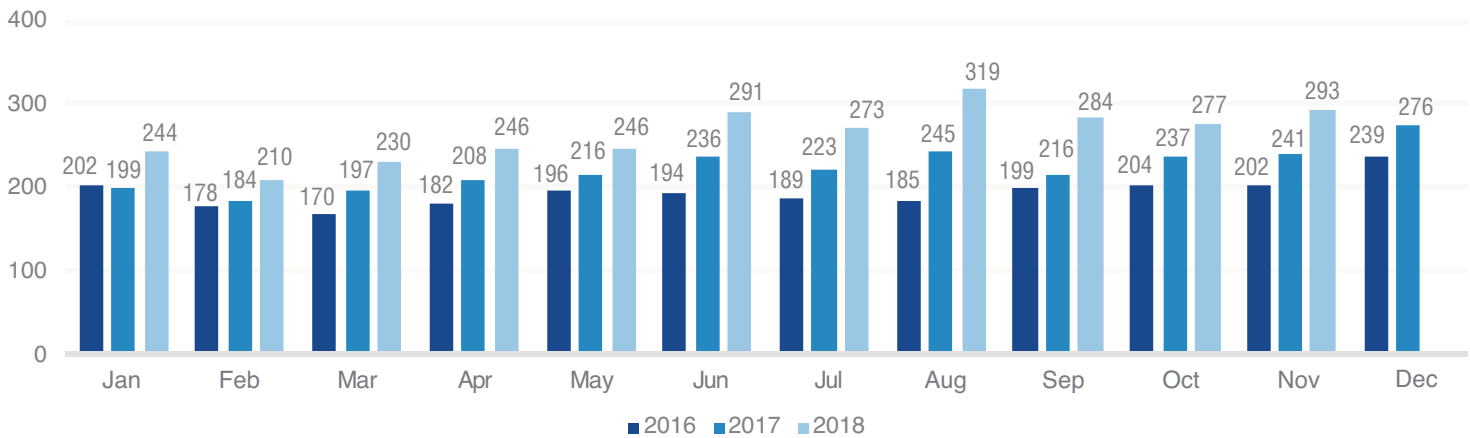
2016	Leasable Area (sqm)	Sqm Range of Shopping Centers That Have Lost Their Functions	Percentage (%)
Istanbul	58.226	5-10 thousand	2%
Ankara	86.037	10-20 thousand	31%
Other	143.924	20 thousand and above	67%
Total	288.187		

The size of the leasable area losing its function decreased nearly by 6% in 2016 compared to the previous year. The large-scale shopping malls having a leasable area size of 20.000 sqm and above constitute 67% of the malls that have lost their functions.

Source: EVA Real Estate Appraisal Consultancy

Shopping Mall Definition: leasable area above 5,000 sqm, at least 15 independent sections, organized shopping areas creating synergy by centralized or joint management mentality.

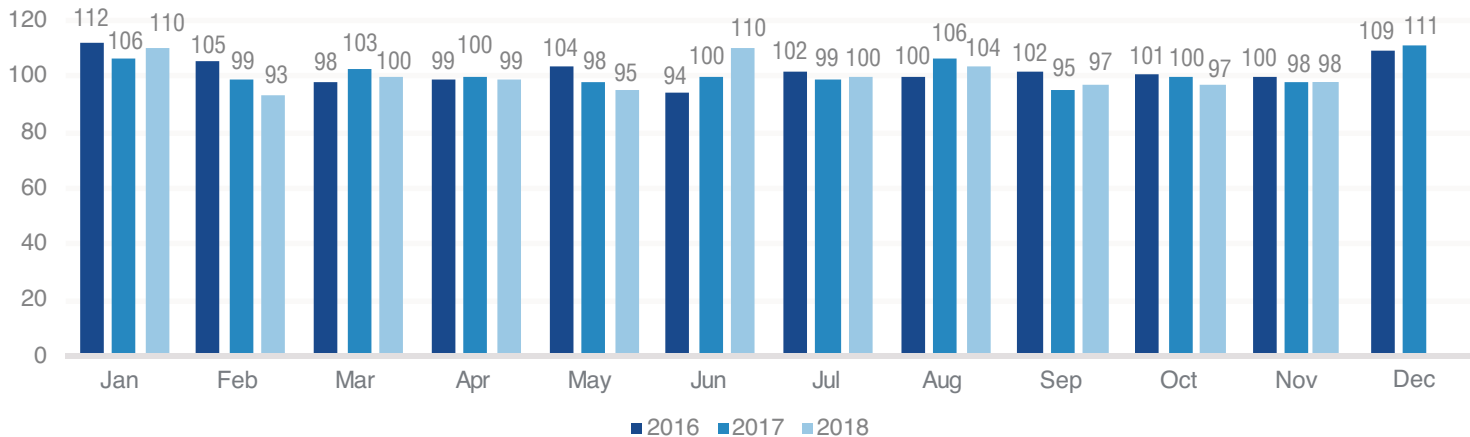
Revenue Index Turkey in General



Turnover Index reached 293 points in November 2018 with an increase of 21.6% (similar with the level of inflation) compared to the same month of the previous year.

Source: Council of Shopping Centers Turkey

Number of Visitors Index



Visitor Index was announced as 98 points in November 2018 that remained stable compared to the same month of the previous year.

Source: Council of Shopping Centers Turkey



TOURISM AND HOTEL

37.5 million Foreigners visited our country in the first 11 months of 2018

The expenditures of the 30.6 million foreign tourists visiting Turkey in the first 9 months of 2018 were indicated as an average of 608 USD per person. Considering the fact that the aforesaid figure remained at an average of 615 USD at the end of the first nine months of 2017, a fall is observed in the spending per person.

According to the data obtained from the Ministry of Culture and Tourism, within the first 11 months of 2017, the total number of foreign visitors coming to Turkey was nearly 30.7 million, and within the first 11 months of 2018, this figure increased to 37.5 million.

32.8% of 37.5 million foreign tourists coming to Turkey in the first 11 months of 2018 visited İstanbul, 32.5% came to Antalya and 7.2% preferred Muğla. These three cities were followed by Ankara and İzmir with 1.5% and 2.4%, respectively. When the number of tourists is compared with the first 11 months of 2017, an increase of approximately 22% is observed. This can be interpreted that the tourism sector, which went into a decline in 2016, continued its recovery trend in 2017 without slowing down

When the number of the facilities with Operation Certificates and Investment Certificates are examined, it is seen that there are 3.905 facilities with operation certificates and a room capacity of 463 thousand 763, and 981 facilities with investment certificates with a room capacity of 103 thousand 823 across Turkey. In respect of the breakdown of the facilities with operation certificates, Antalya is at the top of the list with 790 facilities and a room capacity of 209 thousand 715, followed by İstanbul with 575 facilities and room capacity of 57 thousand 536. Muğla has 401 facilities

with operation certificates and the room supply of the city is 52 thousand.

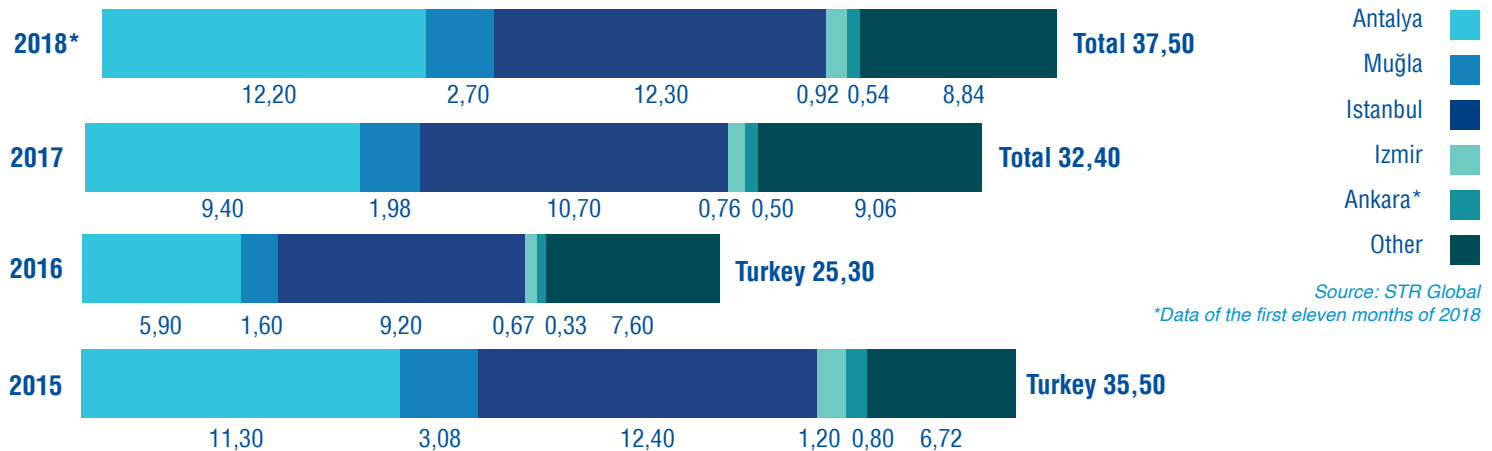
Taking the facilities with investment certificates into consideration, the greatest share is owned by İstanbul with 170 thousand facilities and 14 thousand 357 rooms amongst 981 facilities which will be included in the existing hotel supply in the near future, and Muğla follows İstanbul with 102 facilities and 11 thousand 255 rooms. Antalya remains at the third rank with 93 facilities and 19 thousand 852 rooms.

The occupancy rate of the facilities across Turkey with operation certificates in 2017 was recorded as 51%. The first city with the highest rate of occupancy was Antalya with 61.64%, followed by Muğla and İstanbul with 52.34% and 51.12%, respectively. İzmir and Ankara's occupancy rates were approximately 45% and 38%. The occupancy rate in the first 11 months of 2018 was 57.91% across Turkey.

A severe fall was experienced in 2016 due to the regression in tourism and the occupancy rates and prices of the hotels across Turkey and İstanbul were affected. On account of the effects of the devaluation, occupancy rates increased despite the fact that the already decreased prices remained at the same level. This indicated that the tourism influenced negatively by the factors such as terrorist incidents, foreign affairs, etc. started to recover in 2017. The occupancy rate for the first 11 months of 2018 across Turkey was 66.7%, continuing its increase in 2017, and the occupancy rate of İstanbul was 71.5%. The average room price in the same period across Turkey was EUR 70.89 and EUR 82.80 in İstanbul.

Tourism and Hotel Performance

Total Number of Foreign Visitors (million people)



In the first 11 months of 2018, 32.8% of 37.5 million foreign tourists visiting Turkey came to İstanbul, 32.5% to Antalya and 7.2% to Muğla. These three cities were followed by Ankara with 1.5% and İzmir with 2.4%. When the number of

Number of Facilities with Investment and Operating Permits 2016

	With Operating Permit		With Investment z	
	Facility	Room	Facility	Room
Antalya	790	209.715	93	19.852
Muğla	401	51.981	102	11.255
Istanbul	575	57.536	170	14.357
Izmir	206	19.133	63	4.737
Ankara	183	14.113	29	2.074
Turkey	3.905	463.763	981	103.823

tourists in the first 11 months of 2018 is compared with the same period of year 2017, it is seen that there is nearly a 22.0% increase. This can be interpreted that the tourism sector, which went into a decline in 2016, continued its recovery trend in 2017 without slowing down.

There are 3.905 facilities having operational certificates with a total capacity of 463.763 rooms and 981 facilities having investment certificates with 103.823 room capacity in overall Turkey.

Source: Republic of Turkey Ministry of Culture and Tourism

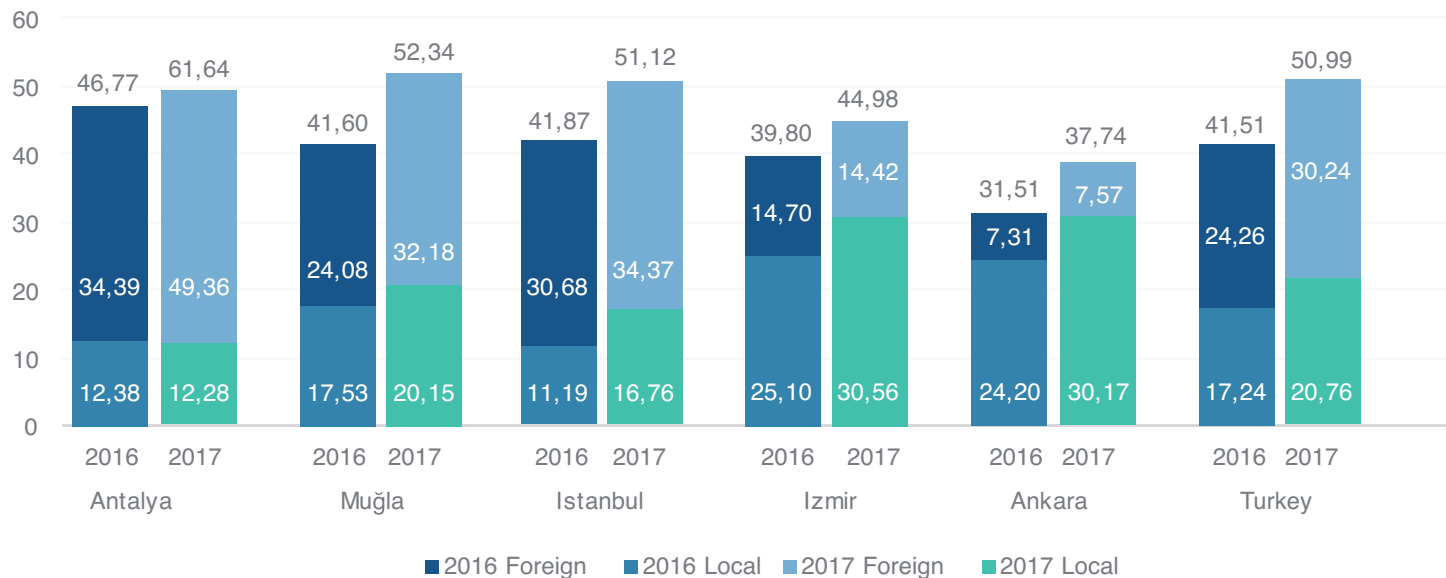
Total Tourists & Expenditures (2016)

	Total Foreign Tourist	Per Capita Expenditure (\$)		Total Foreign Tourist	Per Capita Expenditure (\$)		Total Foreign Tourist	Per Capita Expenditure (\$)		Total Foreign Tourist	Per Capita Expenditure (\$)
Q1'15	4.314.332	884	Q1'16	4.014.546	717	Q1'17	3.772.293	637	Q1'18	4.908.831	682
Q2'15	9.637.458	691	Q2'16	6.330.571	602	Q2'17	7.675.032	570	Q2'18	9.855.102	602
Q3'15	14.761.540	670	Q3'16	9.466.509	622	Q3'17	13.770.308	634	Q3'18	15.904.734	589
Q4'15	6.878.830	737	Q4'16	5.453.780	626	Q4'17	6.861.894	687			
2015	35.592.160	715	2016	25.265.406	633	2017	32.079.527	630			

Spending made by foreign tourists coming to Turkey in the third quarter of 2018 per person was recorded as USD 589. Given that this figure was USD 634 in the same period of 2017, it is seen that there was a decrease in per capita spending. Turkey's tourism revenue in 2018 Q3 increased approximately to USD 9.4 billion. If we look as of the end of 2018 Q3, tourism revenue was USD 18.7 billion and per capita expenditure was USD 608.

Source: TurkStat

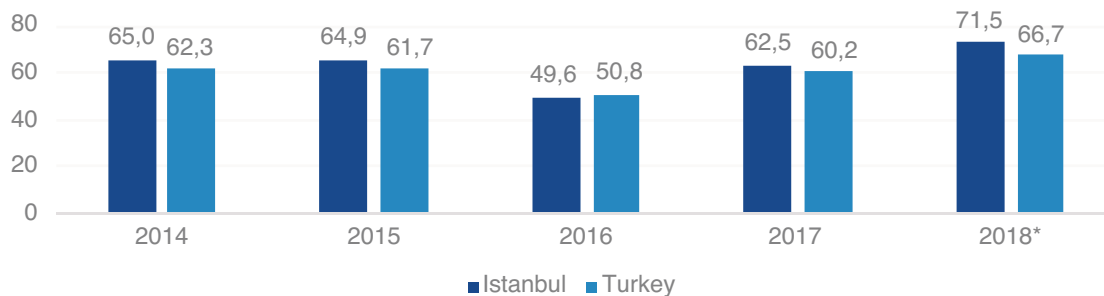
Hotel Occupancy Rate (%)* and Average Daily Rate (ADR)



In 2017 in overall Turkey, bed occupancy rates of facilities with operation certificates were determined as 50.99%. The city with the highest occupancy rate was Antalya with 61.64% followed by Muğla and İstanbul with 52.34% and 51.12%. Bed occupancy rates of İzmir and Ankara were nearly 44.98% and 37.74% respectively. The bed occupancy rate in overall Turkey in the first 11 months of 2018 was 57.91%.

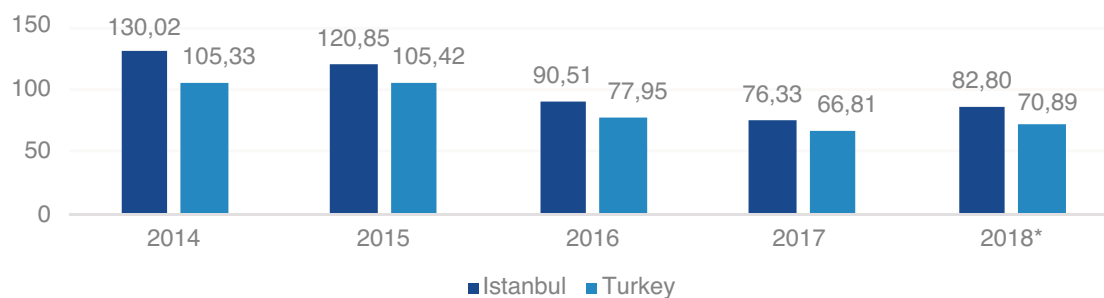
Source: Republic of Turkey Ministry of Culture and Tourism
*Occupancy values published by Ministry of Tourism show bed occupancy instead of room occupancy.

Turkey - İstanbul Yearly Room Occupancy (%)



Source: STR Global
*2018 January-November data used.

Turkey - İstanbul Yearly ADR (EUR)



Source: STR Global
*2018 January-November data used.

As of the end of November 2018, the occupancy rate of the hotels in Turkey was 66.7%, while the occupancy rate was 71.5% for İstanbul. During the same period, the average room price in Turkey was EUR 70.89, while in İstanbul it was EUR 82.80.



LOGISTICS

Nearly 63% of the Total Logistics Stock in Istanbul-Kocaeli Region for Commercial Use

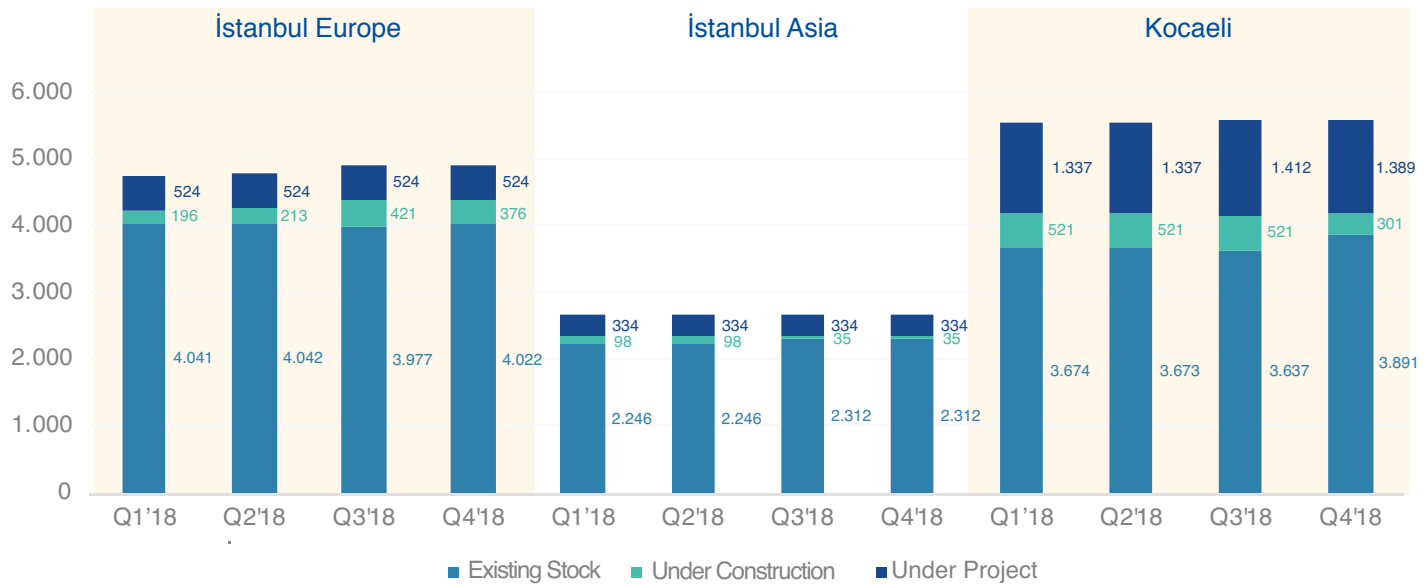
According to the available data, there is a logistic supply for commercial use of 6.44 million sqm in the total warehouse stock of 10.22 million sqm in the İstanbul-Kocaeli region, which is the primary logistics market. As of 2018 year-end, there is a vacancy of 12%. The volume of projects under construction was recorded as approximately 712 thousand sqm and almost all of these projects appear to be the logistics supply for commercial use.

The TRY-based leasing transactions that started to apply in the last period of 2017 and continued to become widespread in the first half of 2018 were enacted by the Presidential Decree. In the fourth quarter of 2018, the

rental levels, which remained steady on TRY and US\$ basis, were recorded as TRY 27.50 and US\$ 5.75.

In addition to the election atmosphere in the first half of the year, there was no recovery in the rental transactions due to the increase in inflation and interest rates triggered by the rapid appreciation of the US Dollar and Euro against TRY in the second half of the year. In this context, while there was a significant decrease in the demand of leasing industrial and logistic facilities, the leasing transaction volume decreased by 63% compared to the previous year. On the other hand, it is observed that sales operations started to gain prominence in the market.

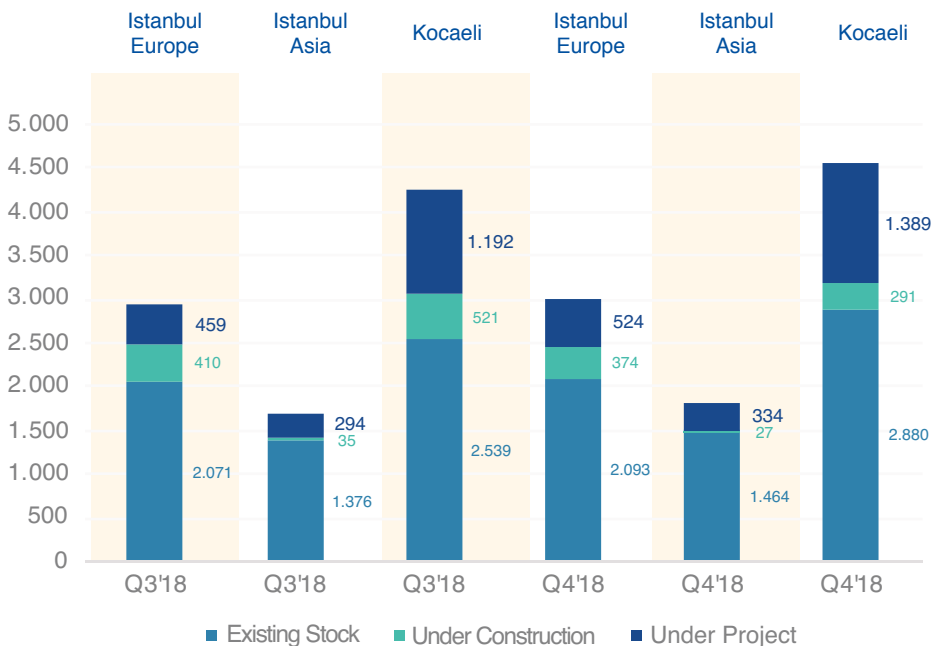
Logistics Total Area (A, B, C Class (thousand sqm))



As of the fourth quarter of 2018, the current stock reached 10 million 224.851 sqm. While the project stock was recorded as 2 million 246.109 sqm, the stock under construction was 711.916 sqm.

Source: Logistics data were prepared by Jones Lang Laselle specifically for GYODER.

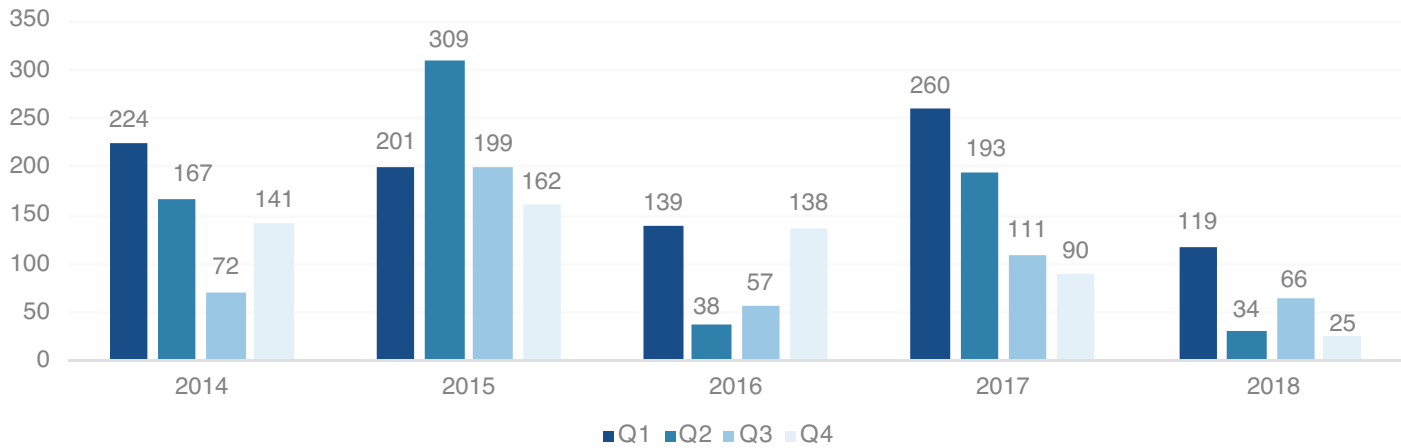
Commercial Logistics Total Stock (A, B, C Class (thousand sqm))



As of the fourth quarter of 2018, the current commercial logistics stock was 6 million 436.579 sqm. While the project stock was recorded as 2 million 246.109 sqm, the stock under construction was 691.916 sqm.

Source: Logistics data were prepared by Jones Lang Laselle specifically for GYODER.

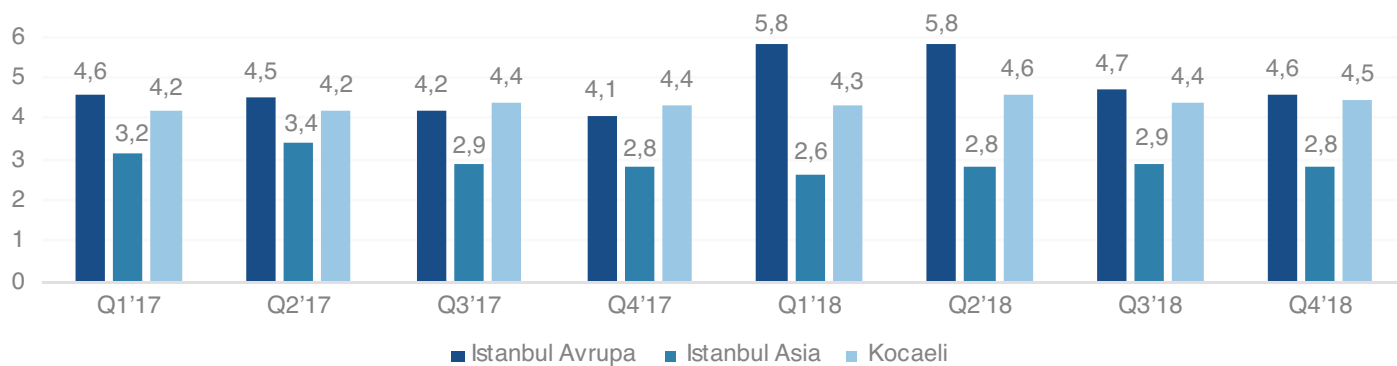
Total Leasing Transactions (thousand sqm)



The leasing transaction volume as of the end of 2018 fell by 62.82% compared to the end of the previous year and decreased to 243.091 sqm.

Source: Logistics data were prepared by Jones Lang Laselle specifically for GYODER.

Free Space Ratio (%)



As of the fourth quarter of 2018, 88.1% of the total stock is used. In the same period of the previous year, this rate was 88.7%.

Source: Logistics data were prepared by Jones Lang Laselle specifically for GYODER.



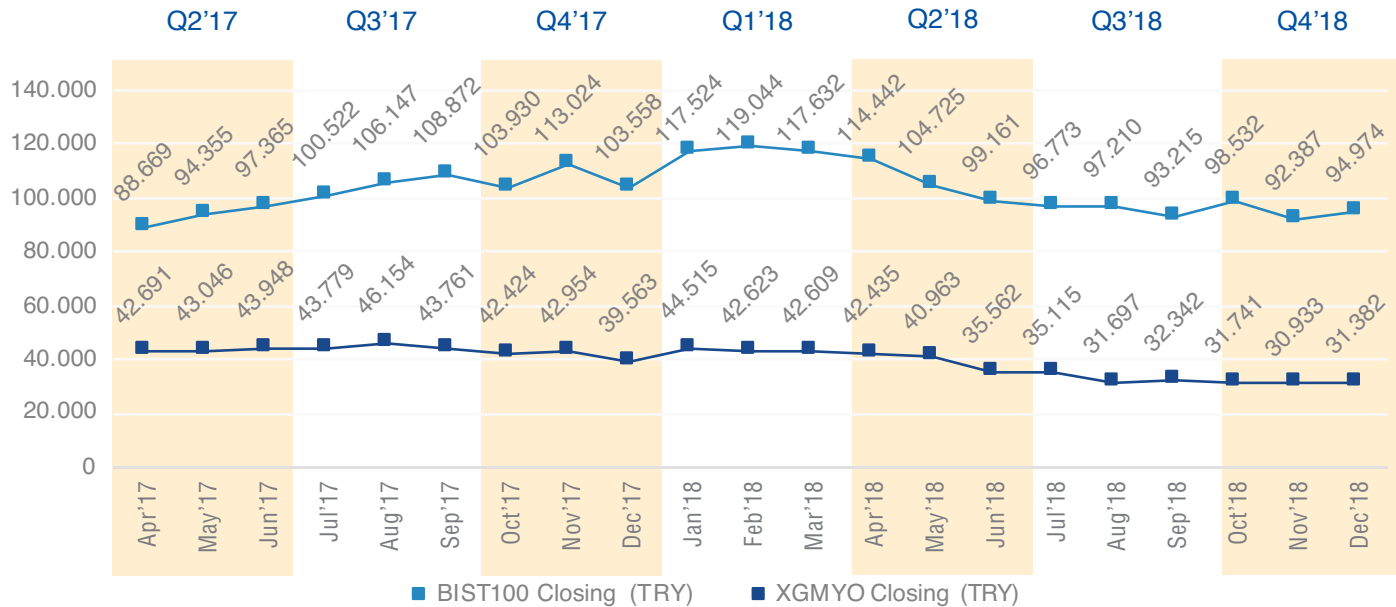
REIT's

2018 Q4 BIST- REIT Market Value - Consumer Expectation and Confidence Indices

When the performance of the Istanbul Stock Exchange is examined, it is seen that it closed 2018 Q4 with 94.974 points. REIT index also started from 31.741 in the fourth quarter and closed at 31.382 at the end of the quarter. REIT Market value data was announced on 2018 Q3 basis. The number of REIT is 33, Turkish Lira based value is 20.3 billion, Dollar based value is 3.4 billion. According to the same period of the previous year, 21% depreciation in TRY terms and 53% depreciation in dollar terms were recorded. When we look at the

Expectation and Confidence indices, the Expectation Index declined to 91.5 at the end of the quarter and the Confidence Index fell to the level of 50.2. Expectation and Confidence Indices decreased by 11% and 23% compared to the same period of the previous year. It is seen that the REIT value decreases on dollar basis were due to the fact that the fluctuations during summer and these values are expected to be updated in the year-end figures positively.

BIST REIT Index Performance*



The REIT index closed its course starting at 31.741 in the fourth quarter at 31.382 at the end of the quarter. The BIST Index started its course at 98.532 in the fourth quarter of 2018.

Source: BIST

*Index closing prices for the first day of every month were taken into consideration.

REIT Market Value

	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
REIT Number	31	31	31	31	31	31	31	31	31	31	31	31	33	33	33
Million TRY	23.073	22.326	20.515	21.279	23.531	23.704	24.446	24.962	25.096	26.077	25.818	26.924	26.512	22.729	20.304
Million USD	8.813	8.393	7.025	7.279	8.315	8.202	8.133	7.080	6.889	7.402	7.255	7.125	6.702	4.975	3.383

As of the third quarter of 2018, REIT Market Value was recorded as TRY 20.3 billion. The dollar-based value of USD 3.38 billion declined in dollar terms compared to the same quarter of the previous year.

Source: Capital Markets Board of Turkey

The USD rate was taken as the exchange rate of the first trading day of the next quarter. In the report announced by the CMB, Q4 data has not been published as of January 24, 2019. Only Q3 2018 data has been published.

General Informations of REITs in Company Basis

	Name of Company	Total Assets (TRY)	Market Value (TRY)
1	AKFEN REIT	1.422.246.058	366.160.000
2	AKİŞ REIT	5.929.428.046	1.075.229.625
3	AKMERKEZ REIT	284.400.966	693.110.400
4	ALARKO REIT	1.195.526.847	501.226.366
5	ATA REIT	93.522.571	97.850.000
6	ATAKULE REIT	432.893.305	375.760.000
7	AVRASYA REIT	162.009.334	81.360.000
8	DENİZ REIT	515.694.700	171.500.000
9	DOĞUŞ REIT	1.128.107.006	737.057.285
10	EMLAK KONUT REIT	22.950.990.000	6.802.000.000
11	HALK REIT	2.296.957.316	549.120.000
12	İDEALİST REIT	9.958.085	16.800.000
13	İŞ REIT	5.158.250.717	872.462.500
14	KİLER REIT	2.029.882.206	209.560.000
15	KÖRFEZ REIT	110.978.300	75.900.000
16	MARTI REIT	695.017.788	71.500.000
17	MİSTRAL REIT	238.518.016	170.040.000
18	NUROL REIT	1.818.250.647	244.800.000
19	ÖZAK REIT	3.064.309.803	607.500.000
20	ÖZDERİCİ REIT	633.789.512	1.382.500.000
21	PANORA REIT	925.598.258	362.790.000
22	PEKER REIT	706.631.292	336.000.000
23	PERA REIT	150.997.499	47.223.000
24	REYSAŞ REIT	2.087.529.980	184.500.001
25	SERVET REIT	507.241.573	137.800.000
26	SİNPAŞ REIT	5.225.185.957	375.473.175
27	TORUNLAR REIT	11.195.471.000	1.770.000.000
28	TREND REIT	104.400.350	49.087.500
29	TSKB REIT	453.844.650	96.000.000
30	VAKIF REIT	1.422.299.366	400.500.000
31	YAPI KREDİ KORAYREIT	78.360.145	58.800.000
32	YENİ GİMAT REIT	1.990.411.238	1.325.721.600
33	YEŞİL REIT	2.107.699.153	58.778.927
	TOTAL	77.126.401.684	20.304.110.378

Source: CMB
*Q3'18 data

NOTES

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