

REAL ESTATE INVESTMENT AND TRENDS

A Review on the Market and Opportunities

Author

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About the Author

He started her professional life first in the accounting and advertising department of a local newspaper and then in the sales department of the pharmaceutical industry.

Between 2003 and 2016, he worked at Hürriyet Newspaper in sectors such as construction, finance, automotive, food, furniture, as well as heading the advertising operation of Hürriyet Europe Newspaper, headquartered in Germany. He took part in many innovations such as the first barter agreements with the media, 360-degree marketing projects including TV and internet, digital projects and special meetings for companies. He took part in the creation of the Sign of the City Real Estate Awards, which was a great success in its first year, and coordinated it for the first 2 years. He took part in projects such as Kırmızı Advertising Awards and Altın Kelebek Awards.

In 2011, foreseeing that real estate sales to foreigners in Türkiye would be opened, he founded and managed the website realestatenewsTürkiye.com, which publishes only for foreigners.

Between 2016 and 2019, he managed and delivered all the processes of a boutique residential project in Istanbul with his own company, from land development to marketing-sales and construction.

Between 2019 and 2024, he played a senior role in the transformation projects of IBB Boğaziçi FM company. He was at the head of a team of over 300 people in the fields of sales, marketing, public relations, corporate communication, field operations. He took an active role in TRFMA Facility Management Association, for 4 years and served as Vice President in 2023,

Currently, he continues to provide consultancy services in Sales, Marketing, Project Development, Corporate Communications and Media.

He speaks fluent English, intermediate Italian, has been involved in music for many years and publishes his own songs.

Presentation

In writing this book, I have tried to examine the change and transformation in the real estate sector in depth, both globally and in Türkiye, with my impressions of nearly 20 years. Throughout its history, the real estate sector has constantly evolved in parallel with economic developments and social changes. In recent years, however, this evolution has become much faster and more complex. Technological innovations, demands for environmental sustainability and demographic changes stand out as the main factors transforming the real estate sector.

In the past, real estate investments focused on more traditional areas, whereas today they range from data centers to healthcare complexes, smart homes to agricultural land. In this book, I have discussed these dynamics of change both in Türkiye and around the world, sharing the developments of the last decade and the expectations for the next decade.

Although it is always difficult to foresee the uncertainties of the future, I believe that strategic investments, supported by the right information and analysis, will provide great gains in the long run. I believe that by focusing on sustainability, using technology effectively and closely following market trends, you can be successful in real estate investments. I will be very pleased if you find some information in this book that can guide you even a little bit.

Yours sincerely

Onur Yilmaz

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1. Introduction - Historical Course of Real Estate Investment

Real estate investment has been recognized as a safe and profitable investment instrument for individuals and societies for centuries. This investment instrument has become an important element of economic growth, social development and social welfare beyond meeting people's housing needs. The real estate sector continues to evolve in response to changing economic, social and technological dynamics over time. In this section, we will examine the historical development and transformation of real estate investment.

Historical Course of Real Estate Investment

Ancient Period

The origins of real estate investment date back to the earliest periods of human history. In ancient Egypt and Mesopotamia, the first settlements and land ownership concepts emerged with the development of agriculture. In ancient Egypt, the fertile lands of the Nile River encouraged agricultural activities and those who owned these lands became important members of society. Similarly, in Mesopotamia, the Sumerians, Babylonians and Assyrians held economic and social power by owning agricultural land.

During the Roman Empire, real estate investment was more systematic and organized. Roman law recognized and protected property rights. During this period, land ownership in cities and rural areas was seen as a symbol of social status and economic power. As the Roman Empire expanded, conquered lands were distributed to soldiers and citizens, thus real estate investment became widespread.

Medieval and Feudal System

During the medieval period, under the dominance of the feudal system, real estate investment became a structure in which land was shared between lords and vassals. Feudal lords held economic and political power by owning large pieces of land. In this period, with the onset of urbanization, trade routes gained importance and real estate investments increased in trade centers.

Industrial Revolution and Modern Era

With the Industrial Revolution, urbanization accelerated and real estate investment gained a new dimension. The industrial revolution encouraged migration from rural areas to urban centers, which increased the demand for residential and commercial real estate in cities. The first modern real estate investment instruments emerged in the form of rental income and the purchase of commercial properties.

20th Century and Globalization

The 20th century is the period when real estate investment became a global phenomenon. In this century, economic and technological developments led to significant changes in real estate markets. Events such as the Great Depression and the Second World War profoundly affected real estate markets and forced investors to develop new strategies.

The Great Depression and the Second World War

The Great Depression was a period that began in 1929 and led to a worldwide economic recession. During this period, the real estate markets were greatly shaken and many investors suffered serious losses. Housing prices fell, construction activities came to a standstill and many real estate projects were canceled. During this period, the

risks of real estate investment and the effects of market fluctuations became more apparent.

Following the end of the Second World War, there was a global economic boom and a housing boom in many countries. In the post-war period, especially in the US and Europe, large-scale housing construction projects were carried out and many people became homeowners. During this period, real estate investments increased rapidly and housing markets boomed.

Globalization and Modern Real Estate Markets

In the 1960s and 1970s, the process of globalization accelerated and real estate markets were also affected. Increased international trade encouraged cross-border investments and real estate investments were part of this trend. Multinational companies began to acquire offices and commercial real estate in different countries and real estate markets expanded on a global scale.

In the 1980s and 1990s, the liberalization of financial markets and the deregulation of capital flows led to the further expansion of real estate investments. Real estate investment funds (REITs) and other financial instruments provided investors with easier access to real estate markets and increased investment opportunities in this sector.

2008 Global Financial Crisis

This crisis, which started in the US and spread across the world in a short period of time, led to serious declines in housing markets and huge losses for many investors. The collapse in the subprime mortgage market led to the bankruptcy of financial institutions and economic recession.

This crisis highlighted the importance of more robust and sustainable strategies in real estate investment. After the crisis, investors started

to pay more attention to risk management and market analysis and developed long-term investment strategies.

21st Century and Technological Transformation

Since the early 21st century, technological advancements have led to significant changes in real estate markets. Technologies such as digitalization, data analytics and artificial intelligence have made real estate investments more effective and efficient. Online real estate platforms, digital marketing strategies and smart building technologies have transformed the real estate industry.

In addition, sustainability and environmentally friendly practices have started to play an important role in real estate investments. Green buildings, energy efficiency and sustainable development goals are becoming a priority in real estate projects and ESG (Environmental, Social, and Governance) criteria are becoming increasingly important in investment decisions.

Real Estate Today

Today, various trends and dynamics stand out in real estate investments. These trends are shaped by many factors such as technological developments, changing demographics, economic factors and sustainability.

Digitalization and Technology-Focused Investments

Digitalization has created a significant transformation in the real estate sector. Online real estate platforms have started to provide investors and buyers with easier access to real estate markets. These platforms accelerate the decision-making process of buyers and investors by providing detailed information, photos and virtual tours of properties.

Data analytics and artificial intelligence have started to be used in areas such as risk analysis, valuation and market forecasts in real estate investments. These technologies enable investors to make more informed decisions and optimize their investment strategies. In addition, the use of smart building technologies to provide energy efficiency, security and comfort makes these buildings attractive to investors.

Sustainability and Green Buildings

Sustainability is at the center of today's real estate investments. Green buildings are constructed using energy efficiency, water conservation and environmentally friendly materials. These buildings provide both environmental and economic benefits. By lowering energy costs and reducing the carbon footprint, these projects can offer long-term gains for investors.

In addition, ESG criteria have become increasingly important in real estate investments. Investment strategies that take into account environmental, social and governance factors contribute to promoting sustainable and responsible investments.

Demographic Changes and New Housing Needs

The aging population is driving demand for real estate types such as retirement living projects and healthcare complexes. These projects meet the elderly population's need for comfortable and safe living spaces and provide access to healthcare services.

On the other hand, the increasing housing needs of the young population and students have increased the importance of projects such as student dormitories and micro apartments. Such projects have attracted attention with their location close to city centers and affordable prices, making them attractive for investors.

E-commerce and Logistics Facilities

The rise of e-commerce has increased the demand for warehouse and logistics facilities in real estate investments. With the widespread use of online shopping, warehouse and distribution centers in strategic locations have gained great importance for fast and effective supply chain management. These facilities offer high return potential for investors, providing a secure income stream with long-term lease agreements.

2. Developing Trends in Real Estate in the World in Recent Years

Over the last decade, the real estate sector has undergone a major transformation under the influence of many dynamic and innovative trends. In this section, let's consider why individual clients, investors, companies and funds have started to invest in which areas of real estate and why.

Individual Customers

1. Smart Homes and IoT Technology

Technological advancements have significantly influenced the real estate preferences of individual customers. Smart homes have gained popularity by offering energy efficiency, security and comfort thanks to Internet of Things (IoT) technology. Smart thermostats, security systems and home automation have become factors that improve the quality of life of individual customers.

Smart Homes and IoT technology has made significant progress in Türkiye in recent years. These developments have accelerated thanks to both the increasing demands of users and the investments made in technology. Here are some highlights of the development of Smart Homes and IoT technology in Türkiye in recent years:

Market Expansion and User Demands

- **Growing Market** The growth of the smart home market in Türkiye has started to be supported by smart apartment buildings and housing projects that have become widespread, especially in big cities. The use of products such as smart lighting, heating-cooling systems, security cameras and smart locks has increased.
- **Consumer Awareness:** Consumers' quest for energy efficiency, security and comfort has begun to drive demand

for smart home technologies. IoT devices are gaining popularity by offering users the ability to remotely control systems in their homes.

Technological Developments and Domestic Production

- **Domestic Production and Brands:** There has been an increase in the number of local brands producing smart home devices in Türkiye. These brands have started to offer products at a level to compete with international technology companies. For example, products such as smart lighting, sensors, thermostats and security systems have started to be offered to the market with domestic production.
- **Innovation and Entrepreneurship:** The rise of technology-oriented startups in Türkiye has led to the emergence of innovative products in smart home solutions. These startups have started to focus on IoT solutions that integrate with mobile applications.

Major Construction Projects and Smart City Applications

- **Smart City Projects:** Large-scale smart city projects in Türkiye have contributed to the proliferation of smart home technologies. While these projects include IoT applications such as smart traffic management, energy management, environmental monitoring, etc., they have also enabled smart homes to become a part of these projects.
- **Smart Technologies in Housing Projects:** Smart home technologies are becoming a standard in new housing projects. In these projects, energy-efficient smart heating and cooling systems, security systems and smart lighting solutions have started to be offered.

Regulations and Standards

- **Legislation and Standards:** While Türkiye does not yet have comprehensive legislation on smart homes and IoT

technologies, steps are being taken towards energy efficiency and safety standards. This paves the way for stricter regulations and standards to be implemented in the future.

IoT and Data Security

- **Data Security Concerns:** With the proliferation of IoT devices, data security has become an important issue. Users in Türkiye are becoming more aware of the protection of personal data and the security of IoT devices.
- **Cyber Security Solutions:** The number of companies developing cyber security solutions for smart home devices and IoT technologies is increasing. These companies have started to offer various software and hardware solutions to ensure data security.

Future Potential

- **Expanding IoT Ecosystem:** IoT technology in Türkiye is not only limited to smart homes, but is also expanding to different sectors such as agriculture, healthcare, industry and logistics. This supports the growth of the smart home market.
- **Impact of 5G Technology:** With the establishment of 5G infrastructure in Türkiye, IoT devices are expected to operate faster and more reliably. This will contribute to smart home technologies becoming more widespread and advanced.

Smart homes and IoT technology in Türkiye have made significant progress in recent years. Increasing user demands, domestic production and innovation, large construction projects and smart city applications have started to support this growth. However, further developments are expected in areas such as data security and regulations. Türkiye has the potential to become a regional leader in this field.

2. Small and Functional Living Spaces

The acceleration of urbanization and the increase in population density in many parts of the world has led individual customers to seek smaller and more functional living spaces. Micro apartments and studio apartments are favored by young professionals and students, especially in big cities. These types of housing offer affordable and practical solutions, driving demand.

In Türkiye, small and functional living spaces, especially small apartments (such as 1+1, studio apartments), have experienced a significant increase in demand in major cities over the last 10 years. This trend has become especially popular among young professionals, students, singles, investors and nuclear families. Below, let's look at the reasons behind this trend and information on sales volumes:

Reasons for Increasing Demand for Small Apartments

- **Urban Population Growth:** The rapidly growing population in Türkiye's big cities has started to increase the demand for housing and small apartments have become more attractive due to limited land stock.
- **Changing Demographics:** An increase in the number of singles, small families and young professionals has increased the demand for small apartments.
- **Economic Factors:** Economic uncertainties and high housing prices have encouraged a shift towards smaller and more affordable apartments. Young people in particular prefer smaller apartments to avoid high rents in big cities.
- **Investment Purchases:** Small apartments have become popular with investors as they offer high rental yields at a lower cost. Such apartments usually appreciate faster due to high demand. Especially the recent cost increases also support this.
- **Functional Designs and Modern Living:** When small apartments are equipped with functional and modern

designs, they can offer a practical living space for users. The adoption of a minimalist lifestyle also supports this trend.

Sales and Market Trends

- **2010-2015 Period:** During this period, demand for small apartments started to increase, especially in big cities such as Istanbul, Ankara and Izmir. Economic growth and increasing urbanization during this period increased the attractiveness of small apartments.
- **2016-2020 Period:** Economic uncertainties and fluctuations in exchange rates led to a greater preference for small apartments as investment instruments. In addition, after the economic contraction in 2018, small apartments became more in demand than large apartments.
- **2020-2023 Period:** During the pandemic period, changing living conditions and the widespread culture of working from home affected the demand for small apartments both positively and negatively. While the need to spend more time at home led some buyers to larger spaces, economic uncertainties and the advantage of living close to the city center continued to make small apartments attractive.
- **Housing Sales Statistics:** According to data from the Turkish Statistical Institute (TurkStat), there has been a steady increase in sales of 1+1 and studio apartments since 2010, particularly in large cities such as Istanbul, Ankara and Izmir. Sales of these apartments accounted for 15-20% of total housing sales.
- **Price Increase:** The square meter prices of small apartments have also increased significantly over the years. Especially small apartments in central locations have gained value due to the demand for investment purposes.

Future Prospects

- **Continued Demand:** Demand for small apartments is expected to continue, especially in city centers and areas

close to transportation networks. The growing population and limited land stock may further increase this demand.

- **New Housing Projects:** Real estate developers will continue to build smaller and functional apartments to respond to this trend. In addition, smart home technologies and sustainable designs can make these apartments more attractive.
- **Impact of Economic Factors:** Economic conditions and loan interest rates in Türkiye will directly affect the sales of small apartments. Low interest rates and favorable credit conditions to support more minimal living may increase the sales of these apartments.

In conclusion, small and functional living spaces in Türkiye, especially small apartments, have seen a significant increase in both demand and value in recent years. This trend is expected to continue in the coming years.

Investors

1. Rental Income and Comprehensive Real Estate Investment Funds (REITs)

Real estate investments that provide rental income have gained popularity among investors around the world, especially in recent years. Such investments are preferred because they provide a regular and secure income stream. Residential and commercial real estate, especially in big cities, offer high rental income potential.

Real estate investment funds (REITs) offer investors easy access to the real estate sector and diversified investment opportunities. REITs distribute rental income from commercial real estate to investors, making real estate investments more liquid and accessible.

□ **What is a REIT?:** REITs (Real Estate Investment Trusts, REITs), also known as Real Estate Investment Trusts (REITs), are companies that offer investors the opportunity to profit from the real estate market without owning real estate. REITs can invest in various types of real estate such as commercial, residential, industrial and retail.

□ **Advantages for Investors:** REITs provide the opportunity for individual investors to invest in a broad real estate portfolio. By trading REIT shares on the stock exchange, investors can benefit from fluctuations in the real estate market. In addition, REITs offer regular dividend payments, providing investors with a steady stream of income.

Real Estate Investment Funds in Türkiye have seen significant growth in recent years and have great potential for the future. REITs in Türkiye offer an attractive way to participate in real estate investments for both individual and institutional investors.

Historical Development of REITs in Türkiye

- **Start in 1995:** The history of REITs in Türkiye dates back to 1995. On this date, the first REIT regulations were published by the Turkish Capital Markets Board (CMB) and the first REITs began to be established.
- **First REITs:** In the late 1990s and early 2000s, the first REITs in Türkiye began trading on Borsa Istanbul. During this period, large construction companies and holdings began to finance real estate projects through REITs.
- **2000s and After:** The growth of the Turkish economy and the rapid expansion of the real estate sector in the 2000s led to an increase in the number of REITs. Following the 2008 global financial crisis, REITs in Türkiye played an important role in the post-crisis recovery.

Current Situation and Market Analysis

Turkiye currently has a large number of REITs listed on Borsa Istanbul. These REITs typically invest in real estate types such as large-scale residential projects, shopping malls, office buildings, hotels and logistics centers, often providing investors with a stable return. In particular, REITs investing in projects in major cities can benefit from high rental yields and property value increases.

REITs have also become an attractive investment instrument for institutional investors. In particular, pension funds, insurance companies and asset management companies are including REITs in their portfolios.

REITs' Potential and Future Prospects

- **Residential and Commercial Real Estate Demand:** Türkiye's growing population, urban transformation projects and interest from foreign investors are boosting the future growth potential of REITs. Demand for residential and commercial real estate projects, especially in major cities, offers great opportunities for REITs.
- **Foreign Investor Interest:** REITs in Türkiye are also an attractive investment vehicle for foreign investors. In particular, Türkiye's strategic location and growing economy attract foreign investors to the Turkish real estate market.
- **Legal Regulations and Incentives:** Legal regulations and tax incentives for REITs in Türkiye should contribute to the further popularization of these investment vehicles. While policies to incentivize REITs are expected to continue to be implemented, the recently announced tax exemptions and new regulations on dividend distributions have raised questions.
- **Diversification and Innovation:** REITs in Türkiye have the potential to diversify their portfolios and enter new investment areas. In particular, new investment areas such as healthcare complexes, data centers and energy infrastructures can be included in REITs' portfolios.

Challenges and Risks

- **Economic Uncertainties:** Economic fluctuations, exchange rates and interest rates in Türkiye may directly affect the performance of REITs. Economic uncertainties may cause REITs to lose value and lower rates of return.
- **Market Risks:** REITs generally focus on a specific type of real estate or geographic region. Therefore, adverse developments in the market may adversely affect the performance of REITs.
- **Legal and Regulatory Risks:** Changes in legal regulations in Türkiye may affect REITs' operations and investment strategies. In particular, changes in tax regulations may reduce the attractiveness of REITs.

Real Estate Investment Trusts in Türkiye have made significant progress in the last 10 years and have become an attractive investment vehicle for both individual and institutional investors. With a growing real estate market, increasing foreign investor interest and encouraging government policies, REITs have great potential in the future. However, factors such as economic uncertainties and market risks may affect the performance of these investment instruments.

By choosing the right REITs, investors can generate regular income and benefit from the growth in the real estate market. However, it is important to conduct good research, understand the risks and set a long-term strategy before investing.

Real Estate Investment Funds (REIFs) in Türkiye offer a variety of investment opportunities for both asset management companies and individuals.

Investment Process for Asset Management Companies

Fund Establishment and Management

- **Fund Establishment:** Asset management companies establish Real Estate Investment Funds and invest the funds they collect from investors in various real estate assets. Funds are generally established with the approval of the Capital Markets Board (CMB) and are managed according to a specific investment strategy.
- **Fund Investment Strategy:** Companies determine a strategy on what types of real estate (residential, commercial, industrial, etc.) and in which geographical regions the fund will invest. According to this strategy, appropriate real estate assets are included in the portfolio.

Real Estate Selection and Valuation

- **Asset Selection:** Portfolio managers select real estate assets in line with the fund's investment strategy. These assets may be commercial buildings, shopping centers, offices, residential projects, logistics facilities, etc.
- **Valuation:** Selected real estate assets are subject to valuation by experts. This process is necessary to determine the real market value of the property and analyze the return potential of the investment.

Managing the Fund and Creating Value for Investors

- **Portfolio Management:** Once the fund is established, portfolio managers are responsible for managing the properties, collecting rental income and growing the fund. Regular maintenance of the properties and relationships with tenants are also important in this process.
- **Dividend Payments:** Rental income and real estate appreciation generated by the Fund are distributed to investors as regular dividend payments. This provides investors with a continuous income stream.

Investment Process for Individuals

Fund Selection and Research

- **Choosing the Right Fund:** Individual investors should first select Real Estate Investment Funds that meet their investment objectives. These funds can invest in various types of real estate; therefore, it is important for investors to find a fund that matches their risk tolerance and return expectations.
- **Research:** Individual investors should examine the fund's performance history, investment strategy, management team and the real estate assets in which the fund invests.

Opening an Investment Account

- **Investment Account:** Individual investors should open an investment account with a brokerage firm (broker), bank or online investment platform. Through this account, they can invest in Real Estate Investment Funds.
- **Fund Purchase:** Investors can purchase shares of the Real Estate Investment Fund of their choice by transferring funds to their accounts.

Investment Management and Monitoring

- **Monitoring the Investment:** Once invested, individual investors should monitor the performance of the fund. Factors such as the fund's rental income, dividend payments and increases in the value of the real estate portfolio should be monitored regularly.
- **Long Term Strategy:** Real Estate Investment Funds are generally considered long-term investments. Therefore, individual investors should focus on long-term returns without worrying about short-term fluctuations.

Dividend Income and Reinvestment

- **Dividend Payments:** The Fund periodically distributes earnings from rental income and other income to investors as dividends. Investors may reinvest these dividends or direct them to different investments.

Portfolio management companies and individuals can generate regular income from the real estate market by investing in Real Estate Investment Funds in Türkiye. While portfolio companies usually make larger-scale and strategic investments, individuals can benefit from the dividend payments and potential capital gains offered by the funds. For both types of investors, choosing the right fund, good research, regular performance monitoring and long-term strategizing are key to success. For individuals, there is the opportunity to invest more risk-free, secure and convenient through fund companies.

2. Urban Transformation Projects

Urban transformation projects offer attractive opportunities for investors by renovating old and outdated buildings and transforming them into modern residences. These projects not only change the face of cities but also provide investors with high return potential. Especially in developing countries, urban regeneration projects attract great interest.

Urban regeneration projects in Türkiye offer both attractive opportunities and various risks for investors. Urban regeneration involves the process of renovating old and risky buildings, making them earthquake-resistant and transforming them into modern living

spaces. These projects are intensively implemented especially in big cities.

Advantages

High Return Potential:

- **Value Increase:** New projects in urban regeneration areas are often offered to the market at higher valuations. This increases the potential for investors to sell or rent their real estate at a high profit.
- **Tax Incentives:** Various tax benefits and incentives are provided to urban regeneration projects in Türkiye. This can help investors reduce costs and increase profit margins.

Demand Growth:

- **Modern Living Spaces:** Renovated areas offer more modern and safe living spaces, making them attractive to both local and foreign investors. Demand for housing in these areas is generally high.
- **Good Locations:** Urban regeneration projects are usually located in central or developing areas. Properties in these areas can appreciate faster due to their location advantage.

Earthquake Risk Reduction:

- **Safety** Urban transformation projects ensure that old and risky structures are replaced by more robust and earthquake-resistant buildings. This is an important advantage, especially for Türkiye, which is located in an earthquake zone.

Risks

Project Delays and Management Issues:

- **Delays** Urban regeneration projects may be delayed due to legal processes, financing issues or disputes with property owners. This may prolong the time it takes for investors to realize the expected return.
- **Management Challenges:** In many urban regeneration projects, disputes can arise between property owners and investors. This can make it difficult to complete projects and increase costs.

Financing and Cost Risk:

- **High Costs:** Urban regeneration projects can result in high costs, especially in big cities. Land prices, construction costs and infrastructure expenses may pose a significant risk for investors.
- **Financing Challenges:** Failure to secure the necessary resources to finance projects can lead to incomplete projects or lower expected returns.

Market Risk:

- **Fall in Demand:** Economic fluctuations or recessions in the housing market can negatively affect the returns of urban regeneration projects. If demand falls, it may be difficult for investors to sell or rent out their properties.
- **Oversupply Risk:** The simultaneous completion of many urban transformation projects in the same region may create oversupply. This may cause prices

to fall and investors may not realize the expected return.

While urban regeneration projects in Türkiye offer advantages such as high return potential and increased demand, they can also face challenges such as project delays, high costs and market risk. Investors should carefully assess the benefits and risks and set a long-term strategy when investing in these projects.

Companies and Funds

Technology Parks and Office Spaces

The increasing number and growth of technology companies has increased the demand for technology parks and modern office spaces. Such spaces stand out with their high-tech infrastructure, flexible workspaces and modern designs. Companies have started to prefer such office spaces to increase employee productivity and satisfaction.

Industrial and Logistics Facilities

The rapid rise of e-commerce has increased the demand for industrial and logistics facilities. Warehousing and distribution centers are critical for effective supply chain management. By investing in strategically located logistics facilities, companies aim to establish a fast and efficient distribution network.

Health Complexes and Pension Projects

Increasing demand for healthcare services and an aging population are driving interest in healthcare complexes and retirement projects. Healthcare real estate such as hospitals, clinics and elderly care homes offer long-term and secure investment opportunities. Such

projects respond to demographic changes and the constant demand for healthcare services.

Sustainability and Green Buildings

Increasing environmental awareness has started to increase the importance of sustainability and green buildings. Buildings with high energy efficiency and environmentally friendly materials are becoming attractive for both individual customers and investors. Such projects not only reduce environmental impact but also provide long-term cost savings.

Economic Uncertainties and the Search for Safe Harbor

The economic uncertainties of the last decade have led investors to seek a safe haven. Throughout its history, real estate has been considered a safe and profitable investment instrument. Especially in times of crisis, investors prefer real estate investments as an opportunity to protect and add value to their assets.

3. Which types of real estate will be more attractive to invest in the coming period? Turkiye Perspective

Over the next decade, certain types of real estate in Turkiye may come to the fore and offer attractive investment opportunities. If you are a real estate investor, it is worth keeping a close eye on the development and potential of various types of real estate in Turkiye, from data centers to agricultural areas, healthcare complexes to logistics facilities.

Data Centers

Global and Turkish Developments

- **Increasing Demand and Technological Needs:** Digital transformation and the widespread use of the internet have increased the demand for data centers. Technologies such as big data, artificial intelligence and cloud computing continuously increase the need for data processing and storage.
- **Google and Microsoft** are emphasizing the need for global data processing with their data center investments.
- **Investments in Istanbul:** In Turkiye, organizations such as **Turkcell** and the **Istanbul Advanced Technology Center** are investing heavily in data centers.
- **Investment Growth in Turkiye:** Turkiye is experiencing a significant increase in data center investments. New data center projects are being implemented in Istanbul and the surrounding regions. Turkiye's geographical location offers an attractive market as a bridge between Europe and the Middle East.

- **Energy Efficiency and Costs:** Energy costs are a critical factor for data centers in Türkiye. Investments in renewable energy projects have the potential to reduce energy costs.

Potential in Türkiye

- **Strategic Location:** Türkiye's location connecting Asia and Europe offers a strategic advantage for data centers. This location will be particularly attractive to investors looking to meet regional data processing and storage needs.
- **High Demand:** Increasing digitalization and internet usage, as well as technologies such as cloud computing and big data, will drive demand for data centers in Türkiye.

Agriculture Areas

Global and Turkish Developments

- **Food Security and Sustainability:** A growing world population and food security concerns are driving demand for agricultural land. Farmland is critical to meet this growing demand.
- Reports such as **The Land Report** show that farmland in the US and Europe is attractive for investment.
- In Türkiye, practices such as **Renewable Agricultural Technologies** and **Organic Agriculture Projects** point to significant developments in the agricultural sector.
- **Modernization of Agriculture in Türkiye:** Türkiye is making efforts to modernize and increase productivity in the agricultural sector. Smart agricultural technologies and sustainable agricultural practices increase the potential in this area.
- **State Supports:** Government subsidies, incentives and some municipal subsidies for the agricultural sector make agricultural land attractive for investors.

Potential in Türkiye

- **Food Security and Long-Term Value Increase:** Türkiye has vast potential in terms of agricultural land. Growing food demand and food security concerns encourage investments in agricultural land. Moreover, agricultural land generally has the potential for long-term value appreciation.
- **Sustainable Agriculture:** Interest in organic farming and sustainable practices can make agricultural land attractive to investors. These investments in Türkiye's rural areas will support regional development.

Health Complexes

Global and Turkish Developments

- **Aging Population and Increasing Health Needs:** The growing elderly population is increasing the demand for healthcare services. Individuals reaching retirement age need health complexes and elderly care homes.
- Globally recognized healthcare complexes such as **Cleveland Clinic** and **Mayo Clinic** highlight the investment opportunities in this area.
- **Health Investments in Türkiye:** **Acıbadem Health Group** and **Memorial Health Group** are investing heavily in health complexes and modern hospital projects in Türkiye.
- **Health Investments in Türkiye:** Türkiye is investing heavily in the health sector and building modern health complexes. These investments offer attractive opportunities for both domestic and foreign investors.

Potential in Türkiye:

- **High Demand and Long-Term Income:** The growing elderly population and demand for healthcare services have started to increase the attractiveness of healthcare complexes. The quality services Türkiye offers in the healthcare sector have become attractive to international investors. Modern healthcare complexes include a variety of services such as hospitals, clinics and elderly care centers and offer long-term and secure income opportunities for investors.

Energy Infrastructures

Global and Turkish Developments

- **Renewable Energy and the Need for Infrastructure:** Solar, wind and other renewable energy projects promote environmental sustainability. They diversify energy production and offer attractive opportunities for investors.
- **Tesla's Solar Power Projects and Vestas Wind Turbine Projects** demonstrate the importance of renewable energy investments globally.
- **Renewable Energy Projects in Türkiye:** Companies such as **Zorlu Enerji** and **Çalık Enerji** are investing heavily in solar and wind energy projects in Türkiye.
- **Renewable Energy Projects in Türkiye:** Türkiye has started to invest heavily in renewable energy projects in recent years. The Solar Power Plant in Konya is one of the largest in Europe. Solar and wind energy projects play an important role in modernizing energy infrastructures.
- **Energy Strategies:** Türkiye's energy strategies are focused on enhancing energy security and promoting sustainable energy solutions. This increases the attractiveness of investments in energy infrastructure.

Potential in Turkiye

- **Sustainability and Government Incentives:** Renewable energy projects offer long-term investment opportunities by increasing environmental sustainability. Turkiye's solar and wind energy potential makes investments in this field attractive. In addition, Turkiye offers various incentives and support for renewable energy investments, providing additional advantages for investors.

Student Dormitories

Global and Turkish Developments

- **Increasing Education Demand and Housing Need:** The growing number of students and demand for higher education is driving the need for student housing. Such housing is generally concentrated around universities and colleges.
- International student dormitories such as **Campus Living Villages** and **Unilodge** are examples of successful projects in this field.
- **Student Dormitories in Turkiye:** Projects such as **the Credit and Dormitories Institution (KYK), University Student Dormitories, Private Dormitories** and **Municipal Dormitories** point to the development of student dormitory investments in Turkiye.
- **Educational Institutions and Investment Projects in Turkiye:** The number of educational institutions in Turkiye is increasing and student dormitory projects are developing rapidly. Modern and comfortable student dormitory projects are being realized in areas close to educational institutions.

Potential in Turkiye

- **High Occupancy Rate and Strategic Locations:** Student dormitories located near educational institutions provide high occupancy rates and regular rental income. Investments in locations close to educational institutions meet the demand for student dormitories and offer high return potential for investors.

Life Projects for Retirees

Global and Turkish Developments

- **Aging Population and Comfortable Living Spaces:** Individuals reaching retirement age need comfortable and safe living spaces. Retirement living projects are designed to meet these needs.
- Projects for retirees around the world, such as **Sun City** and **The Villages**, are examples of success in this area.
- **Turkiye** has started to invest heavily in **Retirement Living Projects**. These projects are equipped with services such as health care and social activities.

Potential in Turkiye

- **Increasing Demand and High Standards:** An aging population and increasing demands for quality of life are driving interest in projects for retirees. These projects are attractive to investors due to their high living standards and comprehensive services. They also offer long-term and secure investment opportunities.

Storage Areas and Logistics Facilities

Global and Turkish Developments

- **E-commerce and the Global Supply Chain:** The rise of online shopping has significantly increased the demand for warehousing and logistics facilities. These facilities are critical for effective supply chain management.
- Global e-commerce giants such as **Amazon** and **Alibaba** are investing in large-scale logistics and warehousing facilities.
- **E-commerce Growth and Logistics Projects in Türkiye:** E-commerce platforms such as **Hepsiburada** and **Trendyol** are investing in large logistics projects and warehousing in Türkiye.
- **Growth of E-commerce in Türkiye:** The rapid growth of e-commerce in Türkiye is driving demand for warehousing and logistics facilities. Major logistics projects capitalize on Türkiye's strategic location. These facilities provide high occupancy rates and secure revenue opportunities. Moreover, Türkiye's location connecting Asia and Europe offers a strategic advantage for logistics facilities and creates attractive opportunities for investors.

4. ESG and its Impact on the Real Estate Sector

ESG (Environmental, Social and Governance) criteria are of increasing importance in the real estate sector. In this section, we will discuss in detail the impact of ESG criteria on real estate projects, the challenges and financial risks of non-compliance, the policies of major investor organizations and funds, legal regulations and the situation in Türkiye.

Environmental Impacts (Environmental)

- **Sustainability and Green Buildings:** Environmental sustainability includes criteria such as energy efficiency, use of renewable energy and low carbon emissions in real estate projects. Green building certifications help to meet these criteria.
- Global projects such as **One World Trade Center** and **The Edge** are pioneers in complying with environmental sustainability standards.
- **Sustainable Buildings in Türkiye:** **Zorlu Center** and **Sapphire Istanbul** stand out as examples of projects that meet environmental sustainability criteria.
- **Developments in Türkiye:** Environmental sustainability is at the forefront in Türkiye. Regulations such as the Environmental Law and the Energy Efficiency Law ensure that important steps are taken in this area.
- **Potential and Investor Attractiveness:** Environmental sustainability offers long-term value enhancement and lower operating costs. In addition, projects that comply with ESG criteria offer attractive opportunities for investors.

Social Impacts (Social)

- **Social Impacts and Social Responsibility:** Social factors are real estate projects that meet the needs of society and

include social responsibility projects. These projects increase social benefit and improve quality of life.

- **The High Line** is a successful urban regeneration project in New York with social impacts.
- **Social Investments in Türkiye:** Social housing projects by organizations such as **the Red Crescent** and **Istanbul Metropolitan Municipality** meet social needs.
- **Developments in Türkiye:** Social responsibility projects are developing in areas such as education, health and social services. By increasing their social impact, these projects become attractive to investors.
- **Potential and Investor Attractiveness:** Social impact projects generate long-term value growth and social support. Investors should be encouraged to invest in social responsibility projects.

Governance Factors

- **Transparency and Ethical Governance:** Governance factors include transparency, ethical management and corporate governance practices. Good governance practices increase investor confidence and support project success.
- **Unilever** and **Johnson & Johnson** are global companies with high governance standards.
- **Governance Practices in Türkiye:** **Koç Holding** and **Sabancı Holding** are Turkish companies with high governance standards.
- **Developments in Türkiye:** Governance factors in Türkiye are improving with transparency and ethical management practices. Compliance with corporate governance standards increases investor confidence.
- **Potential and Investor Attractiveness:** Good governance practices increase investor confidence and support long-term success. Projects that comply with ESG criteria offer attractive opportunities for investors.

Challenges for Projects Not Meeting ESG Criteria

1. Government Policies and Regulations:

- **Legal Regulations:** Projects that do not comply with ESG criteria may face penalties and additional costs for non-compliance with environmental, social and governance regulations.
- **European Union:** EU Taxonomy and sustainable finance regulations may impose penalties on projects that fail to ensure ESG compliance.
- **US:** The SEC can take regulatory action for projects that do not comply with ESG reporting standards.
- **Situation in Türkiye:** Environmental and social regulations in Türkiye provide for penalties and legal issues for non-compliance with ESG criteria. Regulations such as the Environmental Law and the Energy Efficiency Law promote environmental sustainability.

2. Large Investor Organizations and Funds:

- **Investor Policies:** Projects that do not comply with ESG criteria may have difficulty obtaining financing from major investors and funds. ESG compliance increases investor confidence and enhances the value of projects.
- Large investors such as **BlackRock** and **Goldman Sachs** tend to invest in projects that comply with ESG criteria.
- **Situation in Türkiye:** In Türkiye, major investor organizations and funds prioritize projects that comply with ESG criteria. ESG non-compliant projects may have difficulty finding investor support.

3. Financial Risks:

- **Increased Costs:** Non-compliance with ESG criteria can result in additional costs, such as environmental cleanup and remediation costs.
- **Loss of Investor Confidence:** Non-compliance with ESG criteria can lead to loss of investor confidence and difficulty in obtaining financing.
- **Legal and Criminal Risks:** Non-compliance with legal regulations may adversely affect the financial status of projects and result in penalties.

Legal Arrangements and Preparations in Turkiye

1. Legal Regulations:

- **Environmental Law:** Includes regulations and penalties to promote environmental sustainability.
- **Energy Efficiency Law:** Provides regulations and incentives to increase energy efficiency.
- **Social and Governance Regulations:** There are various regulations and incentives on social responsibility and governance.

2. Preparations and Developments:

- Legal regulations and incentives for ESG criteria are increasing in Turkiye. New regulations on environmental sustainability, social responsibility and good governance practices are planned.

5. Artificial Intelligence and its Impact on the Real Estate Sector

Artificial intelligence (AI) technologies are revolutionizing the real estate industry and optimizing various processes in the sector. In this section, we will elaborate on the uses and advantages of AI in the real estate sector and the benefits for developers and investors who are pioneers in this field.

Artificial Intelligence and Its Uses in the Real Estate Sector

1. Market Analysis and Forecasts:

- **Data Analytics:** Artificial intelligence analyzes real estate markets and predicts future trends using big data analytics. Investors and developers can make strategic decisions using these analytics.
- AI-based analysis tools are used to identify market dynamics and investment opportunities. **PropTech** companies improve market forecasts with AI.

2. User Experience and Personalization:

- **Personalized Recommendations:** AI provides personalized housing recommendations based on users' preferences. This can increase customer satisfaction and speed up the sales process.
- **Examples:** **Zillow** and **Redfin** are AI-based platforms that provide customized recommendations based on users' search preferences.

3. **Automation and Productivity:**

- **Management and Maintenance:** AI enables automation in building management systems. Energy management, maintenance processes and security systems can be optimized with AI.
- **Johnson Controls** and **Honeywell** offer AI-based solutions in building management systems.

4. **Investment and Development Decisions:**

- **Risk Assessment:** AI analyzes investment risks and estimates potential rates of return. This helps investors make more informed decisions.
- **AiREAS** and **Real Estate Tech** companies use AI to analyze risk and evaluate investment opportunities.

Leading Developers and Investors Taking Advantage with AI

1. **Leading Companies and Practices:**

- **Amazon** and **Google:** These tech giants are optimizing their real estate investments using artificial intelligence and data analytics.
- **Prologis** and **CBRE:** These major real estate developers are improving efficiency in logistics and office buildings with AI.
- **Amazon Web Services (AWS)** provides AI-powered data analytics solutions, enabling informed decisions in the real estate market.
- **Google Cloud** and **Microsoft Azure** provide strategic advantages for the real estate industry by offering AI and data analytics solutions.

2. Advantages of Artificial Intelligence:

- **Speed and Precision:** AI speeds up data analysis and forecasting processes and enables higher precision. This allows investment decisions to be made more accurately and quickly.
- **Increased Efficiency:** The use of AI in building management systems and maintenance processes increases operational efficiency and reduces costs.
- **Personalized Services:** The ability to personalize the user experience increases customer satisfaction and improves the sales process.

3. Future Investments and Strategies:

- **Investment Strategies:** AI will be used to analyze future investment opportunities and predict trends. This enables investors to make strategic decisions.
- **Investors' Investment Choices:** The information provided by AI helps investors make better and more efficient investment choices. Investors can gain a competitive advantage by using this technology.

Artificial Intelligence in Decision Making Processes

1. Data Analysis and Forecasting:

- Platforms such as **Compass** and **Zillow** predict house prices using big data and AI analytics. These forecasts enable investors and buyers to make more informed decisions. These platforms create price forecasts by analyzing market trends, economic data and regional developments. AI processes this data to predict future market movements.

2. **Investment Decisions:**

- **AiREAS** evaluates investment opportunities by analyzing air quality and other environmental factors in cities. AI processes information from various data sources to perform risk assessments and identify potential investment opportunities. This enables investors to make better strategic decisions.

Operation Efficiency and Artificial Intelligence

1. **Building Management Systems:**

- Companies such as **Johnson Controls** and **Honeywell** offer AI-powered building management systems. These systems optimize energy consumption and automate maintenance processes. AI monitors energy use in real time and makes adjustments as needed. It also predicts maintenance needs, reducing response time and increasing operational efficiency.

2. **Construction Processes:**

- Technologies such as **Built Robotics** and **Doxel** use automation and data analytics in construction projects. This enables projects to be completed faster and more efficiently. AI monitors construction processes and optimizes project management. This shortens project duration and reduces costs.

Cost Management and Artificial Intelligence

1. **Energy Efficiency:**

- Platforms such as **Enertiv** and **Lucid** offer AI-based energy management solutions. These solutions monitor and

optimize energy consumption. AI analyzes energy consumption data and makes recommendations to save energy. This reduces energy costs and minimizes environmental impacts.

2. **Maintenance and Repair:**

- Solutions such as **Spacewell** and **ServiceChannel** manage maintenance and repair processes using AI. These systems predict maintenance needs and provide timely intervention. By analyzing maintenance data, AI predicts failure risks and optimizes maintenance schedules. This reduces maintenance costs and improves building performance.

Strategic Advantages and Artificial Intelligence

1. **Market Positioning:**

- Companies like **Real Estate Tech** and **Rex** develop market positioning strategies using AI-based analytics. AI provides competitive advantages by analyzing market data. This helps investors and developers understand market demands and make strategic decisions.

2. **Customer Relations and Sales:**

- CRM platforms such as **Salesforce** and **HubSpot** offer AI-based customer relationship management solutions. These solutions analyze customer preferences and offer personalized services. AI optimizes sales strategies by analyzing customer data. This increases customer satisfaction and accelerates the sales process.

Applications and Potential of AI in Türkiye

1. Developments in Türkiye:

- **PropTech Solutions:** Many PropTech start-ups in Türkiye are providing innovative solutions in the real estate sector using AI and data analytics. Examples include **Sahibinden.com**, **Emlakjet**, and **HangiKredi**. PropTech companies in Türkiye optimize residential and commercial real estate searches using AI. This speeds up users' search processes and enables them to get better results.
- **Corporate Investments:** Large organizations such as **Koç Holding** and **Sabancı Holding** invest in AI and data analytics technologies, increasing efficiency in the industry. Large investors and developers in Türkiye gain strategic advantages and optimize their operational processes by using AI technologies.

2. Potential and Opportunities:

- **Data Management and Analytics:** AI adoption in Türkiye offers significant opportunities for data management and analysis. Investors and developers can gain strategic advantage by using this technology.
- **Emerging Technology Ecosystem:** Türkiye's thriving technology ecosystem provides a favorable environment for AI-based solutions. Investors and developers can capitalize on this environment to gain a competitive advantage.

Benefits of Artificial Intelligence for Developers and Investors

Artificial intelligence offers significant advantages in the real estate sector, transforming the strategic decisions of both developers and investors. First, AI enables more informed investment decisions by providing high precision in data analysis and forecasting. This increases the ability to better assess investment opportunities and minimize risks. Secondly, AI enables automation in building

management systems, increasing operational efficiency and optimizing energy consumption, which contributes to reducing costs. It also reduces maintenance costs and improves building performance through predictive analytics in maintenance and repair processes. Third, AI accelerates sales processes and increases customer satisfaction by delivering personalized customer experiences. Strategically, AI-based analytics play an important role in identifying market trends and competitive advantages. As a result, AI is enabling a significant transformation in the real estate industry, supporting significant gains at both operational and strategic levels.

6. What kind of regulations are needed as a state policy for the development of new types of real estate in Türkiye?

Energy Infrastructures

1. **Incentives and Supports:** Government incentives and support should be increased for the development of energy infrastructures. Energy efficiency can be increased by providing special incentives for renewable energy projects. Tax reductions and low-interest loans can be provided for solar and wind energy projects.
2. **Regulatory Framework and Legal Infrastructure:** Legal arrangements need to be strengthened for the development of energy infrastructures. Transparency and reliability in the energy market should be ensured. Regulations incentivizing renewable energy investments and bureaucratic obstacles in this area should be reduced.

Student Dormitories/Houses

1. **Public-Private Partnerships:** Public-private partnerships for the development of student dormitories and houses should be encouraged. This allows for greater investment by combining the resources and expertise of both the state and the private sector. There is a need to collaborate with universities to develop new dormitory projects on and around campuses.
2. **Financial Support and Tax Incentives:** Financial support and tax incentives should be provided for student dormitories and houses. This will encourage investors to show more interest in this area. Low-interest loans and long-term

financing opportunities can be offered for dormitory constructions.

Life Projects for Retirees

1. **Integration of Social Security and Health Services:** Retirement living projects should integrate social security and healthcare services. This improves the quality of life of retirees and increases demand for such projects. Retirement villages can be developed that offer living spaces and social activities integrated with health services.
2. **Housing Loans and Financing Models:** Appropriate housing loans and financing models should be developed for projects for retirees. This will make it easier for retirees to access such projects. Special housing loans and low-interest financing options can be offered to retirees.

Storage Areas and Logistics Facilities

1. **Development of Logistics Centers:** In order to develop logistics facilities, the government should increase infrastructure investments. The establishment of logistics centers in strategic locations should be encouraged. The development of logistics centers in areas close to ports and transportation networks can be supported.
2. **Customs and Trade Policies:** For warehousing and logistics facilities to work effectively, customs and trade policies need to be improved. This will speed up trade and logistics activities. Regulations that speed up and simplify customs procedures should also be made.

Importance and Application Areas of State Policies

1. **Coordination and Harmonization:** Successful implementation of government policies requires coordination and harmonization between relevant ministries and local governments. This increases the effectiveness of policy implementation. It would be beneficial for the Ministry of Environment and Urbanization, Ministry of Energy and Natural Resources and local governments to develop joint projects.
2. **Transparency and Accountability:** Transparency and accountability of government policies increases investor confidence. This increases the interest of both domestic and foreign investors in the Turkish real estate market. Incentive and support programs should be announced transparently and implementation processes should be traceable.

The development of new types of real estate will make the Turkish real estate market more dynamic and sustainable. Government regulations in these areas will attract both local and foreign investors and support growth in the sector. Incentives and regulations in areas such as energy infrastructures, student dormitories, retirement living projects and logistics facilities will create new opportunities in Türkiye's real estate market.

7th Istanbul: Risks, Opportunities and Investment Strategies

General Outlook of Istanbul Real Estate Market

Istanbul has the largest and most dynamic real estate market in Turkiye. It offers attractive opportunities for both local and foreign investors. However, there are also risks and opportunities to be aware of in this market.

Risks

1. Interest Rate and Exchange Rate Fluctuations:

- Interest rates and exchange rate fluctuations in Turkiye can affect the costs of real estate investments. High interest rates can increase financing costs, while exchange rate changes can affect foreign investors' decisions. The interest rate policies of the Central Bank of the Republic of Turkiye and the depreciation of the Turkish Lira may affect investors' cost calculations and return expectations.

2. Supply and Demand Imbalances:

- The increasing supply of housing in Istanbul may lead to problems such as oversupply in some areas and a corresponding fall in prices. Demand fluctuations may affect the pace of sales, especially in new projects. High supply in city centers and central business districts may cause price competition and affect rental rates.

3. Investment Security and Legal Risks:

- There may be risks for investors in terms of legal and bureaucratic obstacles, property rights and construction

permits. This can affect project timelines and costs. Zoning plan changes and construction permit delays can extend the completion time of projects and lead to cost increases.

Opportunities

1. Attractive Opportunities for Foreign Investors:

- Istanbul offers an attractive market for foreign investors. Foreign investors can find advantageous opportunities especially in residential and commercial real estate investments. Türkiye's property acquisition policies for foreigners may increase foreign interest in the real estate market in Istanbul.

2. Urbanization and Infrastructure Investments:

- Ongoing urbanization and infrastructure projects in Istanbul could boost real estate values. New transportation projects and urban transformation efforts may encourage value growth in some areas. Major projects such as Canal Istanbul and Istanbul Airport may increase real estate values in their surroundings.

3. Increasing Demand and Rental Potential:

- Increasing population and migration movements may increase rental demand, especially in central areas. Rental income can provide attractive opportunities for investors. Housing projects located near universities and business centers may offer opportunities in areas with high rental demand.

Investment Strategies

1. Local Market Research and Analysis:

- It is important to conduct detailed market research to evaluate investment opportunities in Istanbul. Analyzing local trends and changes in demand can help identify investment strategies. Conduct regional analysis to target high-demand areas and areas with development potential.

2. Long Term Investments:

- Long-term strategies can be preferred for real estate investments in Istanbul. This provides a secure return without being affected by short-term fluctuations. Making long-term investments in urban transformation areas can increase value in the future.

3. Diversification and Risk Management:

- Diversifying the investment portfolio and managing risks is an important strategy for investors. Diversify risks by investing in different regions and sectors. Diversified investments in residential, commercial real estate and logistics can reduce overall risks.

Istanbul's real estate market offers significant opportunities with its dynamic structure and growth potential. However, factors such as interest rate and exchange rate fluctuations, supply-demand imbalances and legal risks should also be taken into consideration. For investors, local market analysis, long-term strategies and risk management are key to successful investments. Istanbul's developing infrastructure projects and increasing foreign investment interest make future investment opportunities more attractive.

8. How should investors act in the coming years?

Monitoring Global and Local Economic Indicators

1. **Monitoring Economic Data:** Investors should regularly monitor global and local economic indicators. These indicators are critical in understanding market trends and potential investment opportunities. Economic data such as inflation rates, interest rates, exchange rates and unemployment rates should be monitored regularly.
2. **Market Research and Analysis:** Conducting detailed market research and analysis supports investment decisions. These researches help to understand the dynamics of the sector and future trends. Reports and market analyses of real estate consultancy firms should be followed.

Developing Diversified Investment Strategies

1. **Portfolio Diversification:** Investors should diversify their portfolios to minimize risks. Investing in different types of real estate and geographical regions is effective in spreading risks. Investing in different types of real estate such as housing, commercial real estate, logistics facilities and agricultural land will minimize risks.
2. **Long Term Investments:** Adopting long-term investment strategies ensures stable returns regardless of market fluctuations. Real estate investments generally offer long-term returns. Long-term investments in urban transformation projects and developing regions can be considered in this context.

Alignment with New Technologies and Trends

1. **Use of Artificial Intelligence and Data Analytics:** Artificial intelligence and data analytics enable more accurate predictions and analysis in investment decisions. Using these technologies gives investors a competitive advantage. It will be useful to determine the most profitable investment areas and conduct risk analyses with AI-based analyses.
2. **Compliance with ESG Criteria:** Investing in projects that comply with ESG criteria supports sustainable and responsible investment strategies. This creates positive impacts both environmentally and socially. Investing in energy efficient buildings and green certified projects supports these strategies.

Following Legislation and Policies

1. **Legal Regulations and Incentives:** Investors should follow the incentives and support programs offered by the government. These incentives can reduce investment costs and increase profitability. Tax reductions and incentives for renewable energy projects can be counted in this context.
2. **Local Regulations and Zoning Plans:** Local regulations and zoning plans play an important role in determining the future of real estate projects. Following these regulations closely minimizes risks. New zoning plans and urban transformation projects of metropolitan municipalities should be followed.

Adopting Flexible and Adaptive Investment Approaches

1. **Adapt to Changing Market Conditions:** Market conditions can change rapidly, so investors should develop flexible and adaptive strategies. This allows them to respond quickly to

sudden changes and opportunities. An example of this is adapting quickly to changing housing demand and seizing new opportunities after the pandemic.

2. **Consultancy and Utilization of Expert Opinions:** Making use of expert opinions in real estate investments enables more informed and reliable investment decisions. Professional consultancy services minimize risks. It is necessary to benefit from the opinions of real estate consultancy firms and market experts.

In the next 10 years, it is important for real estate investors to act strategically and consciously. Closely monitoring economic indicators and market trends, creating diversified investment portfolios, adapting to new technologies and paying attention to ESG criteria are the keys to successful investments. In addition, following legal regulations and adopting flexible investment approaches will help investors maximize their gains by minimizing their risks. Developing proactive and adaptive strategies to seize opportunities in the Turkish and global real estate markets will ensure future success.

Strategies for Individual Investors

Identify Your Financial Situation and Goals

1. **Comprehensive Financial Analysis:** Individual investors should comprehensively analyze their current financial situation. A clear understanding of income, expenses, savings and debts is essential. Budgeting tools and financial advisory services can be useful to clarify your financial situation.
2. **Set Investment Goals:** Identify your short, medium and long-term investment goals. Your goals will shape your investment strategies and risk tolerance. Examples include saving for retirement, paying for children's education or earning additional income.

Risk Management and Portfolio Diversification

1. **Determine Your Risk Tolerance:** Determine how much risk you can take in your investments. This affects which types of real estate you will invest in and in which regions. Determine whether you prefer investments with higher risk but high return potential or investments with lower risk and stable returns.
2. **Diversify Your Portfolio:** Spread your investments across a variety of real estate types and regions to spread the risks. This protects against market fluctuations. Invest in different areas such as residential real estate, commercial real estate, agricultural land and overseas real estate.

Market Research and Professional Consulting

1. **Conduct Market Research:** Conduct extensive market research in the regions where you intend to invest. This will help you understand local market dynamics and future trends. Researching factors such as real estate price trends, rental yields and demand in the area will be effective.
2. **Get Professional Consultancy:** Take advantage of expert opinions and consultancy services in real estate investments. This will help you make more informed and secure investment decisions. Get professional help from real estate consulting firms and financial advisors.

Adapting to Innovations and Technologies

1. **Technological Investments:** Use technology effectively in real estate investments. Innovations such as artificial intelligence, big data analytics and smart home technologies support your investment decisions. You can use AI-based tools to analyze the value and future return potential of the properties you are considering investing in.
2. **Sustainability and ESG Criteria:** You can create long-term value by investing in sustainable and environmentally

friendly projects. Compliance with ESG criteria reduces future risks and increases value gains. You can invest in energy efficient buildings and green certified projects. This can multiply the advantage of your investments with the new regulations that are likely to emerge.

Following Legal Regulations and Economic Indicators

1. **Legal Regulations:** Keep a close eye on legal regulations and changes affecting the real estate market. This will make your investment decisions more informed. Monitor issues such as zoning plans, rental laws and tax regulations.
2. **Economic Indicators:** Monitor economic indicators such as interest rates, inflation and exchange rates. These indicators directly affect the return on your real estate investments. It will be healthy to evaluate the impact of high interest rates on rental yields, to evaluate the effects on the supply-demand balance in the sector and to make a purchase-sale decision accordingly.

Flexible and Adaptive Investment Approaches

1. **Rapid Adaptation to Market Conditions:** Develop flexible strategies that can quickly adapt to changes in market conditions. This ensures you don't miss opportunities and minimize risks. You can update your investment strategies by being prepared or reacting quickly to sudden economic changes, such as a pandemic.
2. **Long Term and Patient Approach:** Real estate investments are generally long-term investments. Be patient and aim for long-term gains. You can make long-term investments in areas with potential for value increase and rental income.

For individual investors, it is of great importance to act strategically and consciously in the next 10 years. They can start by clarifying their financial situation and setting their goals. Risk management, portfolio diversification, market research and utilizing professional

consultancy services are critical steps on the road to success. Adapting to technological innovations plays an important role in creating long-term value. Adopting flexible and adaptive investment approaches by closely following legal regulations and economic indicators will enable individual investors to be successful in the real estate market.

The smartest real estate investments for individual investors in Türkiye in the medium and long term should be determined by future demand and market trends. Some investment areas that should be considered in this context are as follows:

1. Urban Transformation Projects:

- Renovation of old buildings in high earthquake risk areas in Türkiye offers the opportunity to invest in safe and modern living spaces in the long term. Urban transformation projects can be attractive both in terms of value increase and rental income.

2. Smart Homes and IoT Technology:

- Smart home technologies will see increasing demand for energy efficiency, security and comfort. Investing in such projects not only improves quality of life but also offers the potential for value growth in the future due to high demand.

3. Small and Functional Living Spaces:

- Increasing population and changing lifestyles, especially in big cities, increase the demand for small and functional living spaces. 1+1 and studio apartments can be a lucrative investment in the long term with their high rental income and potential for value increase.

4. Logistics and Storage Areas:

- The growth of e-commerce is increasing the demand for logistics and warehousing spaces. Investing in such properties can be a safe option that provides steady income in the long run.

5. Vacation and Cottage Areas:

- In the post-pandemic period, vacation homes and cottage properties located in natural areas away from the city have become popular. Properties in these areas can be attractive both in terms of value appreciation and short-term rental income.

6. Agricultural Lands and Rural Investments:

- Growing interest in global food security and sustainability has made investments in farmland and rural areas attractive. Such investments can have the potential to appreciate in value over the long term.

7. Health Complexes and Living Spaces:

- An aging population and increasing demand for healthcare services make healthcare complexes and senior living projects important investment opportunities. Investing in these areas offers the opportunity to capitalize on future needs.

8. Developing City Environments:

- Developing regions around major cities can generate high returns in the medium and long term. Real estates in these regions, which have easy access to city centers, have the potential to gain value.

Individual investors can diversify their portfolios by choosing one or more of these areas according to their risk tolerance and return expectations, taking into account both current market conditions and future demographic and economic changes.

Land-Land

In terms of land and land investment, which is one of the most popular investment types for individuals in Türkiye, land and land investment is an investment type that offers both advantages and opportunities. Although this type of investment has different dynamics compared to real estate investments, it can provide high returns in the long term with the right strategy.

Advantages

1. **Value Increase Potential:**

- **Developing Regions:** Buying land and land in developing regions can provide a high value increase over time as these regions develop. Especially in city expansion areas, the value of land can increase rapidly with the formation of infrastructure projects and new residential areas.
- **Limited Supply:** As land is a finite resource, it always has the potential to increase in value in the long term. Population growth and urbanization further increase this demand.

2. **Tax Advantages:**

- **Low Taxation:** Land in Türkiye is generally subject to lower taxes compared to other types of real estate. This provides a significant cost advantage for investors.
- **Property Tax Exemptions:** Landowners may be exempt from paying property tax on land with no structures on it, which reduces the cost of ownership.

3. **Various Usage Options:**

- **Development Potential:** Plots and lands can be developed for different purposes such as housing, commerce and industry. This flexibility gives investors the opportunity to utilize their properties in the most profitable way.
- **Agriculture and Natural Resources:** Land suitable for agriculture can be utilized for farming or the exploitation of natural resources (e.g. water resources), providing additional sources of income for investors.

4. **Inflation Protection:**

- **Value Retention:** Land and land investments tend to hold their value during periods of inflation. Landowners are less affected by fluctuations in the real estate market, especially during periods of economic uncertainty.

Opportunities

1. **New Infrastructure Projects:**

- **Bridges, Roads and Metro Lines:** New infrastructure projects can rapidly increase land and land prices in certain areas. For example, land near a new highway or subway line can experience a huge increase in value once the project is completed.
- **Urban Development Projects:** Lands located in the expansion areas of cities or new settlement areas may gain value with the introduction of zoning plans.

2. **Urban Transformation:**

- **Transformation Zones:** Within the scope of urban transformation projects, the demolition and renovation of old buildings may increase the value of the surrounding land.

Investing in land in these regions can provide high returns in the future.

3. **Tourism and Natural Beauties:**

- **Touristic Regions:** Investing in land in areas popular for tourism offers great opportunities both in terms of the potential to develop tourism facilities and in terms of value appreciation. In particular, land near coastal areas, mountains and natural parks can increase in value.
- **Eco-Tourism and Agriculture:** Eco-tourism facilities or organic agriculture projects can be developed on land close to natural beauties, providing both income and value for investors.

4. **Foreign Investor Demand:**

- **Foreign Buyers:** Land and land investments in Türkiye, especially in coastal areas and around major cities, are popular with foreign investors. Interest from foreign investors may contribute to rising land prices.

When combined with the right location and strategy, land investment in Türkiye offers great opportunities for individual investors. Advantages such as the potential for value growth, low taxation, diverse use options and protection against inflation make this type of investment attractive. However, researching the future development plans and infrastructure projects of the area to be invested in is critical to the success of the investment.

9. Conclusion

The real estate sector is in a period of dynamic change at both global and local levels. Investments in this sector in Türkiye and around the world are evolving with the impact of economic developments, demographic changes and technological innovations. The trends observed in this sector over the last decade and future investment opportunities require important strategic decisions for investors.

Historically, real estate investments have gained value in parallel with economic growth and urbanization. Since the mid-20th century, the rise of corporate structures and large-scale projects has led to the diversification of the real estate sector. Today, investments in this field are not only limited to residential and commercial areas, but are also shaped by factors such as technological innovations and sustainability.

Over the last decade, the real estate sector has seen significant changes in the areas preferred by individual clients, investors and large funds. In particular, the spread of digitalization and remote working has changed the demand for office space. However, data centers have become one of the prominent investment areas with the rise of e-commerce. Environmental sustainability and green building trends have led major investors to environmentally friendly projects. It will be possible to see the reflections of these trends in Türkiye; the demand for small and functional living spaces, student dormitories, and living projects for retirees will increase.

In the future, technological and sustainable projects such as data centers, agricultural lands, healthcare complexes and smart homes will be among the attractive investment areas for the real estate sector. In Türkiye, investment opportunities such as urban regeneration projects, small and functional living spaces, logistics facilities and vacation areas are particularly attractive. In addition, land and land investments also offer significant opportunities with the potential for value growth and a variety of use options.

Compliance with ESG (Environmental, Social and Governance) criteria has become of great importance in the world, both in terms of government policies and major investors. Projects that do not comply with these criteria may face financial risks and investor apathy, while ESG-compliant projects can provide long-term sustainability and value growth. In Türkiye, legal regulations and preparations for ESG criteria are becoming increasingly important.

Artificial intelligence will offer strategic advantages to investors by accelerating decision-making processes, increasing operational efficiency and reducing costs in the real estate sector. Through data analytics and automation, this technology can optimize property management and make investment decisions more informed.

As a result, the real estate sector still offers ample opportunities for investors. For medium and long-term investments, following market trends, taking technological developments into account and focusing on sustainable projects are the keys to a successful investment strategy. Taking into account the developments in Türkiye and globally, investors can minimize risks by diversifying their portfolios and invest in areas with high potential for value growth.