

Istanbul, June 03, 2009

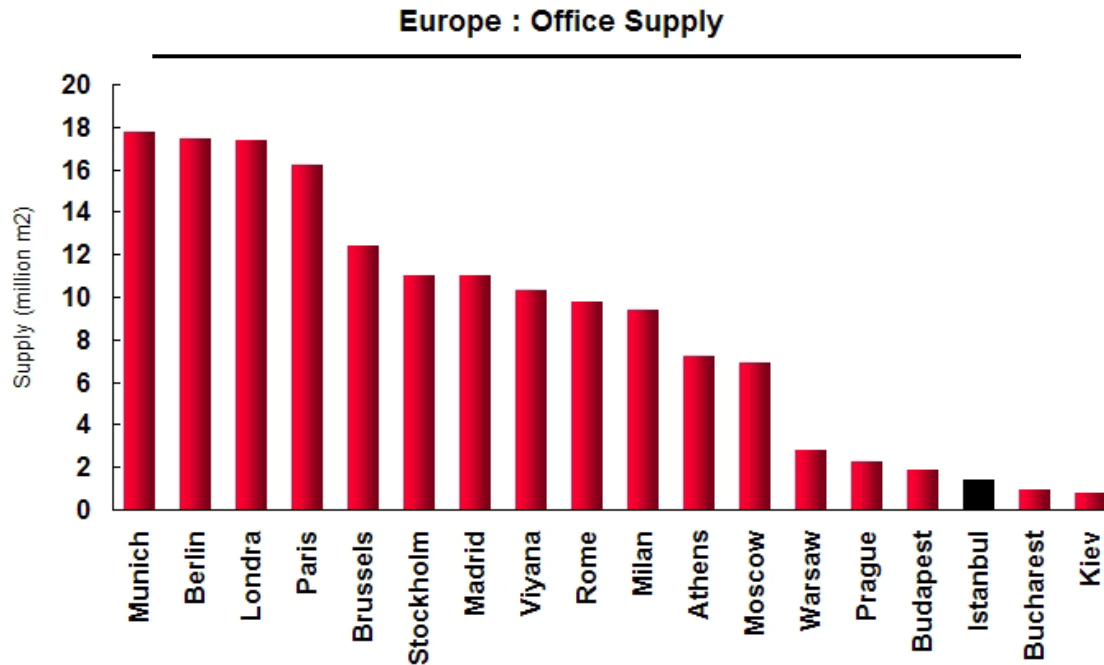


## Office & Logistics Markets

Firuz SOYUER  
Managing Partner

## Office Market : Istanbul

- Relatively small market size, but increasing demand due to proximity to Europe and Middle East.
- Istanbul accommodates 55% of the all FDI firms in Turkey

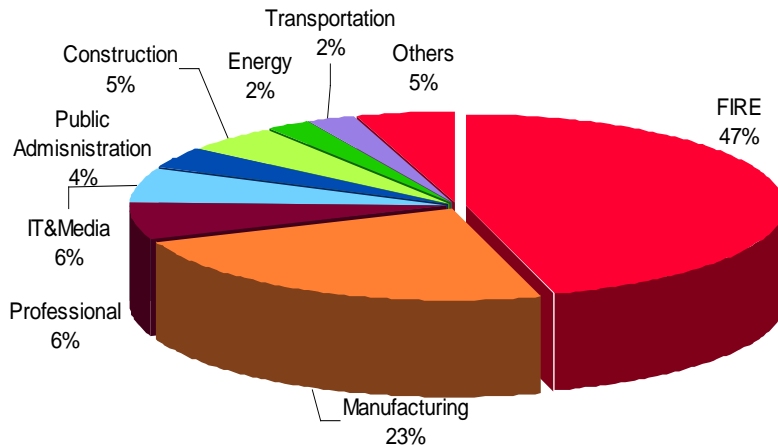


Source: DTZ Research

## Office : Demand

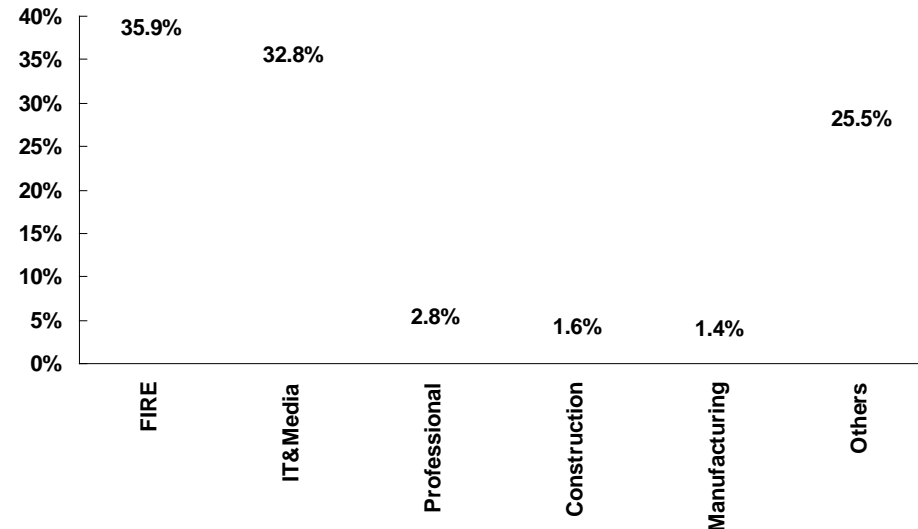
- Main office users; FIRE, manufacturing and professionals
- Employment growth to support new office space requirements?

Employment Structure by Sectors (by office space)



Source: DTZ Pamir & Soyuer

Grade A Office Employment/Total Employment (by sectors)

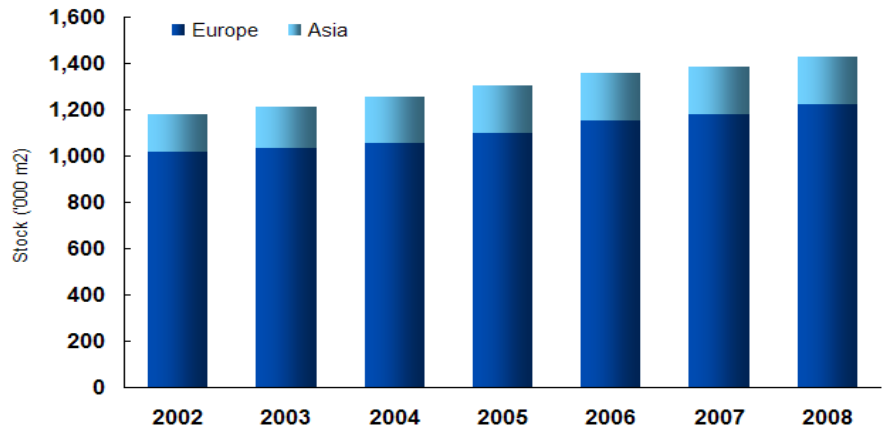


Source: DTZ Pamir & Soyuer

## Office : Demand and Supply

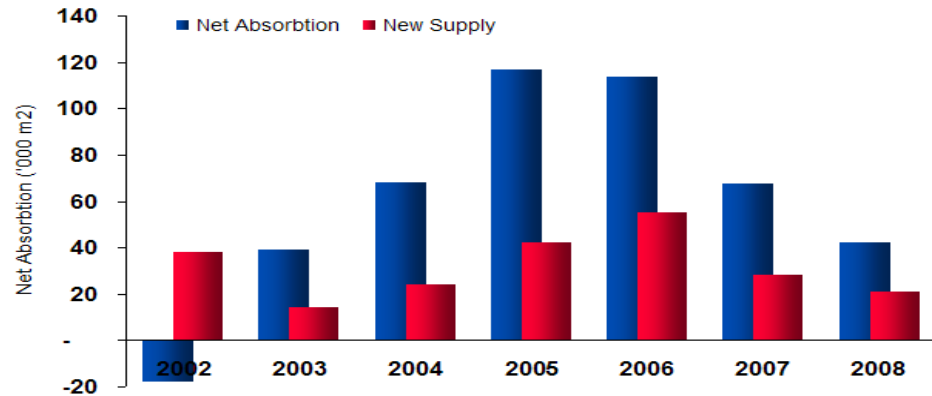
- Shortage in office supply; ~ 3% annual supply growth
- Limited office space absorption; ~ 60,000 - 100,000 m<sup>2</sup> annual take-up

Istanbul CBD Grade A Office Supply



Source: DTZ Pamir & Soyuer

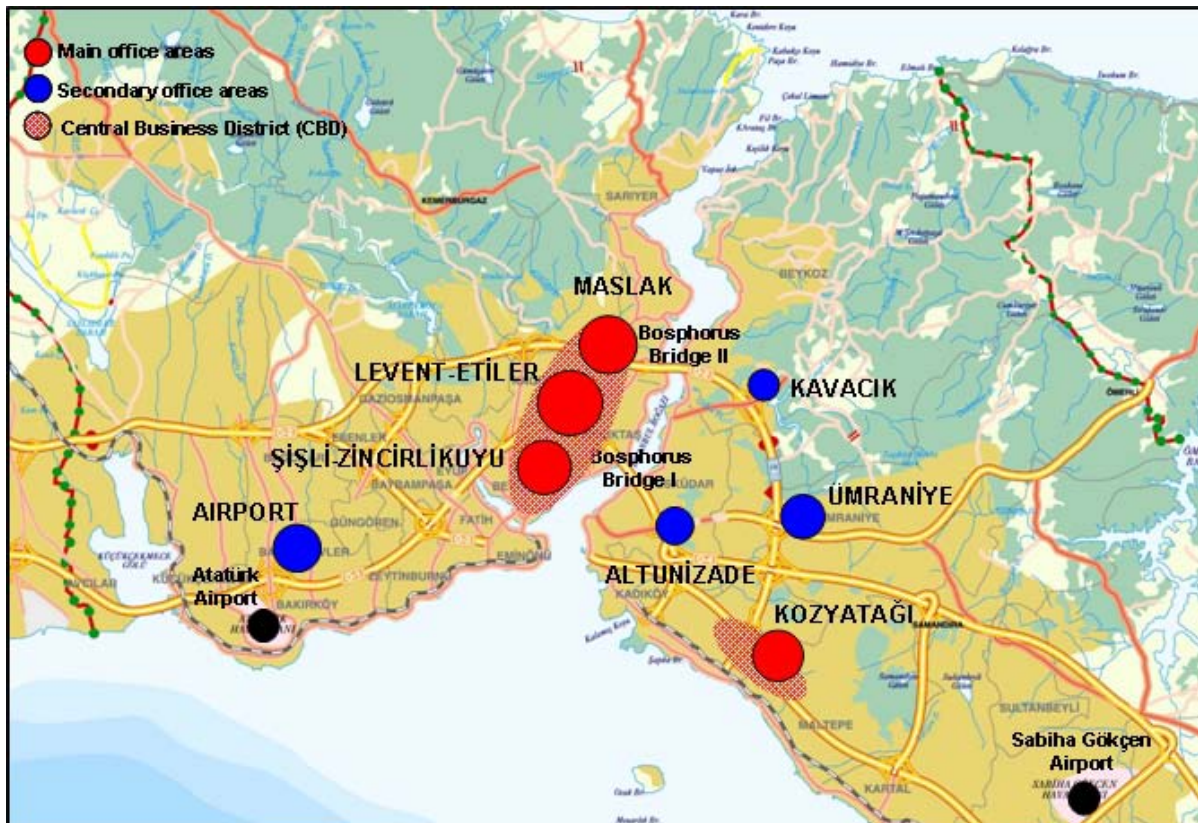
Demand vs Supply



Source: DTZ Pamir & Soyuer

## Office: Grade A Office Supply

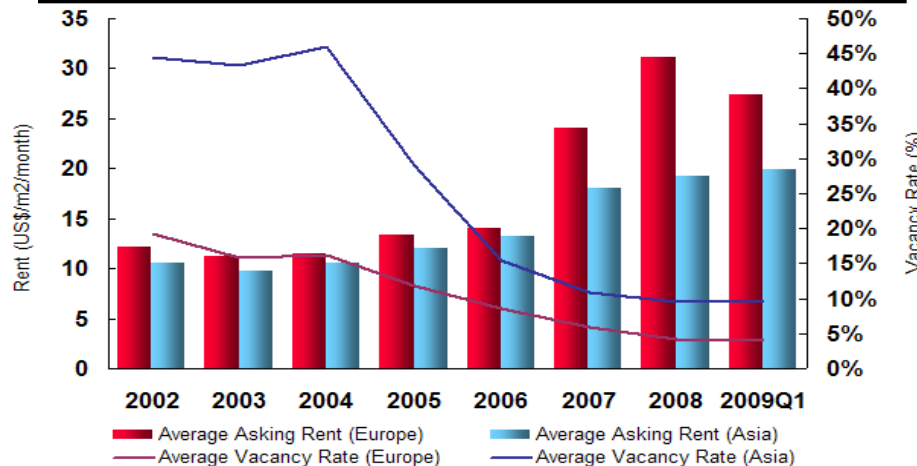
- Total office supply in the main areas; ~ **1.5 million m<sup>2</sup>**
- Estimated total supply including secondary areas; ~ **2 million m<sup>2</sup>**



## Office : Rental Growth & Yields

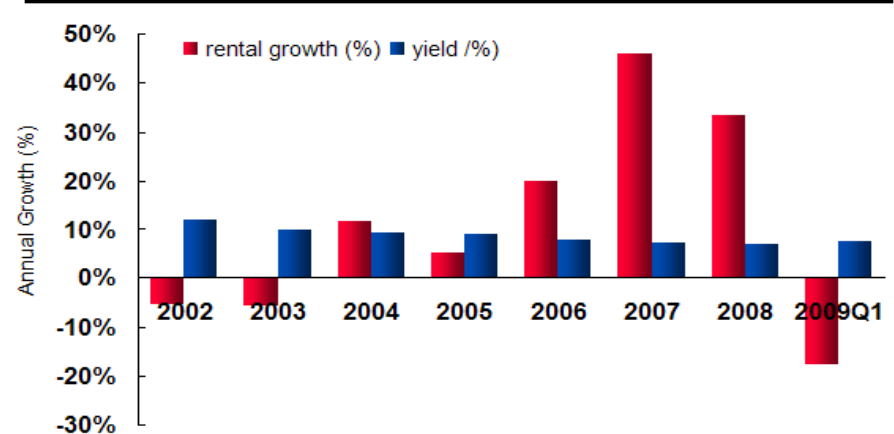
- Significant rental growth in the last two years
- Declining trends in rentals as a result of the negative impact of global financial crisis in 2008Q4
- Prime rent down from US\$ 40/m<sup>2</sup>/month to US\$ 33/m<sup>2</sup>/month

Istanbul CBD Grade A Office Trends



Source: DTZ Pamir & Soyuer

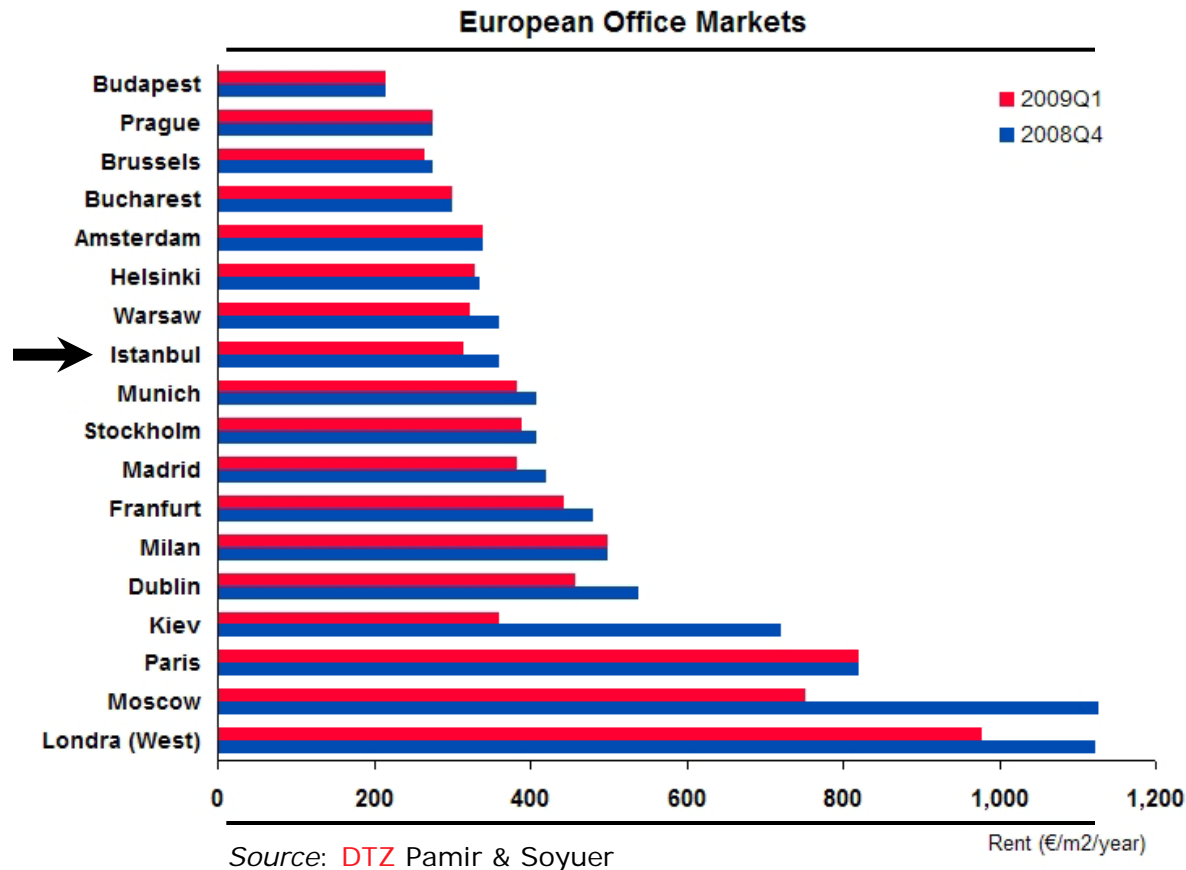
Istanbul : Office Rental Growth & Yields



Source: DTZ Pamir & Soyuer

## Office: Europe

- Clear signs of the negative impact of global financial crisis



## Office: Outlook

- Prefinancing requirements of developers
- Lack of investment products

### Opportunities

- ✓ Increasing built-to-suit demand
- ✓ Attractiveness of secondary centres
- ✓ Suburbanization of office areas, office parks
- ✓ Rehabilitation / Regeneration of old areas in the CBD

## Logistics Market : Istanbul

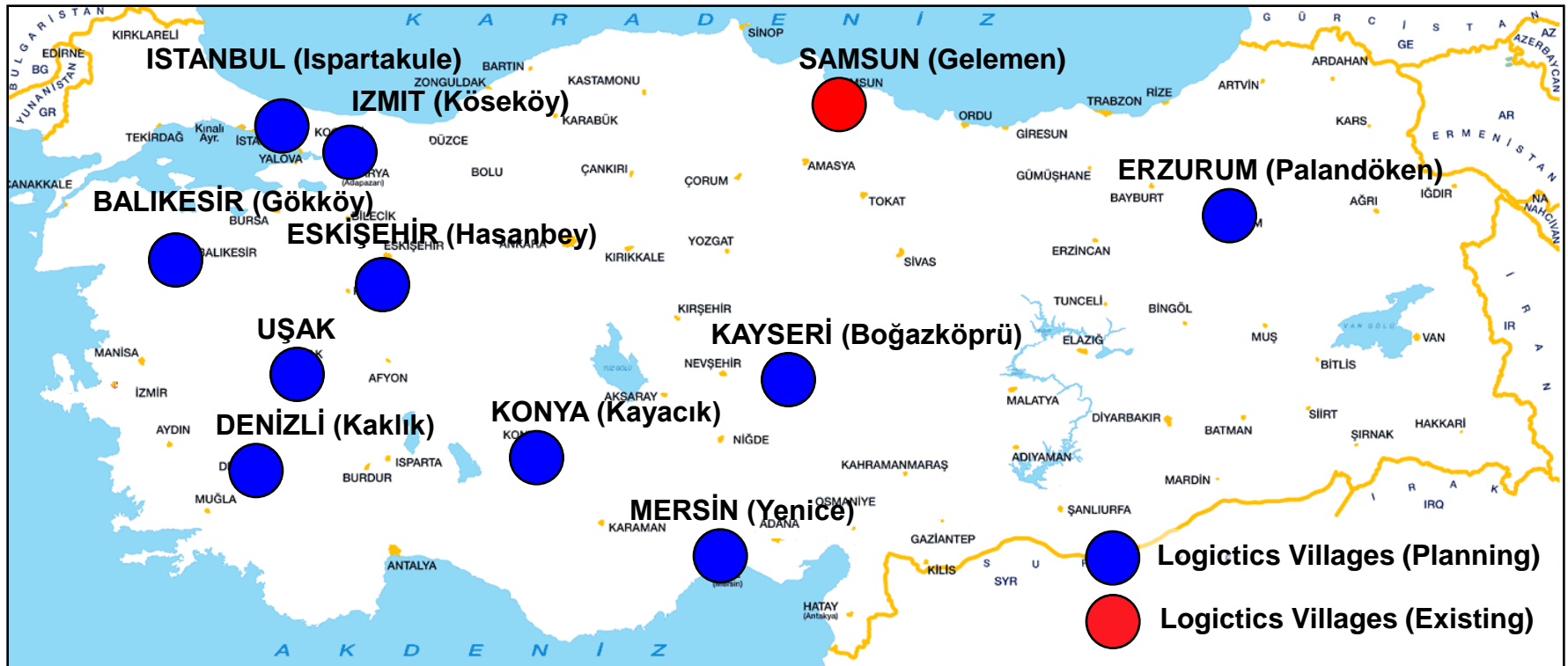


## **Logistics: Strategic Plan for Istanbul**

- Allocation of new logistics areas, 700 ha
- New logistics centers:
  - Tuzla (Asian side)
  - Hadımköy (European side)
  - Silivri (an alternative logistics center in long term)
- Relocation of port facilities (Gümüşyaka)
- New distribution centers and terminals
  - Gebze (Asian side)
  - Halkalı (European side)
  - Strength of Ro-Ro for freight transportation by sea

## Logistics: Logistics Villages

- 11 logistics village by Turkish State Railways (TCDD)



## Logistics:

- Lack of investment products
- High owner-occupancy
- Zoning regulations

## Opportunities

- ✓ Alternative areas on eastern and western boundaries of Istanbul
- ✓ Lower land prices for speculative investments for unzoned areas