

# GLOBAL SPOTLIGHT

## Istanbul, Turkey



**Istanbul has been called the capital of “Euro-Asia” and acts as an international gateway for several regions.**

- Rapid improvement in the Turkish economy has had a positive impact on the commercial real estate market. Buy ratings for office, industrial /warehouse and retail put Istanbul in the top three for all three property types. Istanbul is also Turkey’s top-ranked development market.
- Rental rates for Grade A prime office space reached US\$30 per M<sup>2</sup> per month while yields were in the 11%-12% range. Total Grade A stock in the CBD is around 1.3 million M<sup>2</sup>, of which 1.05 million M<sup>2</sup> is located in the European CBD and 250,000 M<sup>2</sup> in the Asian CBD. The 3.7% growth rate in office inventory in 2006 is the highest level seen in the last three years.
- Logistics has been on the rise over the past five years and is one of the fastest growing sectors in Turkey. Total inventory of logistics facilities in Istanbul is approximately 1.1 million M<sup>2</sup>, of which 60% is located on the Asian side and 40% on the European side.
- Rental rates for industrial property in Istanbul vary according to location, access opportunities and building quality. Rents for good quality industrial space stand at US\$ 3-5 per M<sup>2</sup> per month on the Asian side and range between US\$4-6 per M<sup>2</sup> per month on the European side. Demand for warehouse space is high and supply is tight in Turkey’s main distribution hubs–Istanbul, Izmit, Izmir, Mersin and Iskenderun.
- The retail market represents 20% of Turkey’s GNP, and has been experiencing high demand and increasing investment opportunities. There are 51 new malls expected to open in the near term and 81 currently in the project stage. Shopping centers under-construction in Istanbul have a total gross leasable area of approximately 400,000 M<sup>2</sup>.
- Attractive returns are drawing foreign investors to Istanbul’s urban regeneration, residential, retail and hotel investments.

## Istanbul At A Glance

City Population	10,291,102 (2007)
Location	Northwest Marmara Region of Turkey
GDP	\$300 billion (2006)
Inflation	8% (2006)
Interest	19.37% (Annual)
Unemployment	9.7%
Exchange Rate	1 Turkish Lira = \$US .7692

Property	NetRent/M <sup>2</sup> /Month	
	Low	High
City Centre Office Class A (Prime)	\$12.00	\$30.00
Suburban Office Class A (Prime)	\$9.00	\$18.00
Industrial Bulk Warehouse	\$3.00	\$6.00
Retail City Centre	\$40.00	\$160.00

NAI Treas offers investment opportunities and local market expertise in Turkey.

## About NAI Global:

NAI Global is one of the world's leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

### At A Glance

350	Offices
45	Countries
5,000	Professionals
\$40 billion	Annual Transaction Volume
200	MSF of Property Management

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