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Çesme-Alacatı Has Been The District That Earned The Most To The Investors In Izmir During The Pandemic

Being the first real estate valuation company in Turkey that has opened a branch abroad, Denge Değerleme announced Izmir Summer Real Estate District Report covering Before and After the Pandemic. According to the report, the demand for the summer-winter living concept in Cesme, Urla Seferihisar, and Foca that are favorite holiday destinations continues to make happy the real estate owners also this year.

Following the pandemic, we began to live in summer houses not only in holidays but also in summer and winter. When the houses that could only be rented for 3-4 months previously started to bring in a considerable amount of rent throughout the year, both the rent and the square meter sales prices of the summer houses, especially in the seaside resorts, largely increased.

We Loved Living both Summer and Winter in Holiday Resorts

Announcing “Denge Değerleme’s Izmir Summer Real Estate District Report covering Before and After the Pandemic”, Latif Aksoy, Deputy General Manager of the Banks and Financial Institutions Department, said that Izmir, which has the most preferred holiday resorts in our country, continues to be favorite of investors and holidaymakers this year. Aksoy said Izmir Cesme which owes its reputation to vibrant nightlife, the bays having an ideal structure for surfing enthusiasts and its rich culture was the town that gained the most value in the region. Sales prices in Alaçatı Port Region increased to 60 thousand TL / sqm after the Pandemic. Underlying that Alacatı and Ilica neighborhoods are the most popular places in Cesme, which is the popular holiday place of many local and foreign celebrities, Latif Aksoy said the sales prices developed in the range between 40.000 TL/sqm and 60.000 TL/sqm with the rising demands in Alacatı-Port region and the region known as Santiye Houses in Ilica Beach. Referring that Dalyan, Çiftlikkoy, and Reisdere neighborhoods are also among the regions that are mostly preferred, Aksoy continued: “the unit prices of the houses that were between 8.000 TL/sqm and 12.000 TL/sqm in Alacatı and Ilica regions before the pandemic are seen to have increased to the range between 18.000 TL/sqm and 23.000 TL/sqm. It is seen that the prices in Dalyan, Çiftlikköy, and Reisdere reached to the range between 15.000 TL/sqm and 20.000 TL/sqm”. Daily rents of the houses that are called as seafront or situated very close to the sea in Cesme are between 2.000 TL and 3.000 TL while the seasonal rental prices are between the range of approx. 200.000 TL and 300.000 TL. The daily rents are between 1.000 TL and 1.500 TL while the seasonal rental prices are between 100.000 TL and 200.000 TL in the regions that are further away from the sea.

Urla, with its suitability for the summer-winter living concept, has become the region that has allowed the most immigrants in recent years. According to the Izmir Summer Real Estate District Report covering Before and After the Pandemic, prepared by Denge Değerleme, which was authorized by CMB and BRSA and accredited by RICS- Royal Institute of Chartered Surveyors, Urla is another town that makes happy the real estate owners in the city.

Urla, which is a summer town that allowed the most immigrants in recent years with a 30-minute distance from the center of Izmir is among the towns that are the most convenient towns for the transition to life in summer and winter concept. The prices of apartments of which the average unit prices were between 4.000 TL/sqm and 8.000 TL/sqm in Urla before the pandemic increased to the range between 7.000 TL/sqm and 10.000 TL/sqm in the summer season of 2021. In this region, there is considerable interest in detached villa-type houses. In Guvenlik Neighborhood that is called as Istanbul Neighborhood by the people of Urla, the sales prices of detached villa-type of houses as a building complex increased to the range between 30.000 TL/sqm and 40.000 TL/sqm.

In Iskele, Icmeler, Zeytinalanı, Kekliktepe, and Kuscular Neighborhoods, the prices vary between 15.000 TL/sqm and 20.000 TL/sqm. These regions are also the focus of interest for field and land investors. Daily rents of summer houses in Urla are between 500-TL/sqm and 1.000-TL/sqm, and seasonal rental prices vary between 75.000 TL/sqm and 150.000 TL/sqm. Seasonal rental prices in Seferihisar are between 50.000 TL/sqm and 100.000 TL/sqm.

With its proximity to Izmir, Seferihisar, the first slow city (Cittaslow) in our country, is also at the forefront of holiday destinations among where holidaymakers and investors buy and rent. In Seferihisar that is in a distance of about 40-45-minute from the center of Izmir, the average unit sales prices of the apartments that are located in the district center were between 3.000 TL/sqm and 5.000 TL/sqm before the pandemic, these prices rose to the range between 5.000 TL/sqm and 8.000 TL/sqm as of the summer season of 2021. In Siğacık that is the most popular neighborhood in the district, the prices of flats rose the range between 8.000 TL/sqm and 12.000 TL/sqm while the prices in detached villa-type houses increased to the range between 13.000 TL/sqm and 18.000 TL/sqm with increasing demand. In Seferihisar that has an important potential in terms of field and land investors, the daily rents of summer houses vary between 300-TL/sqm and 1.000-TL/sqm while the seasonal rental prices are at the range between 50.000 TL and 100.000 TL.

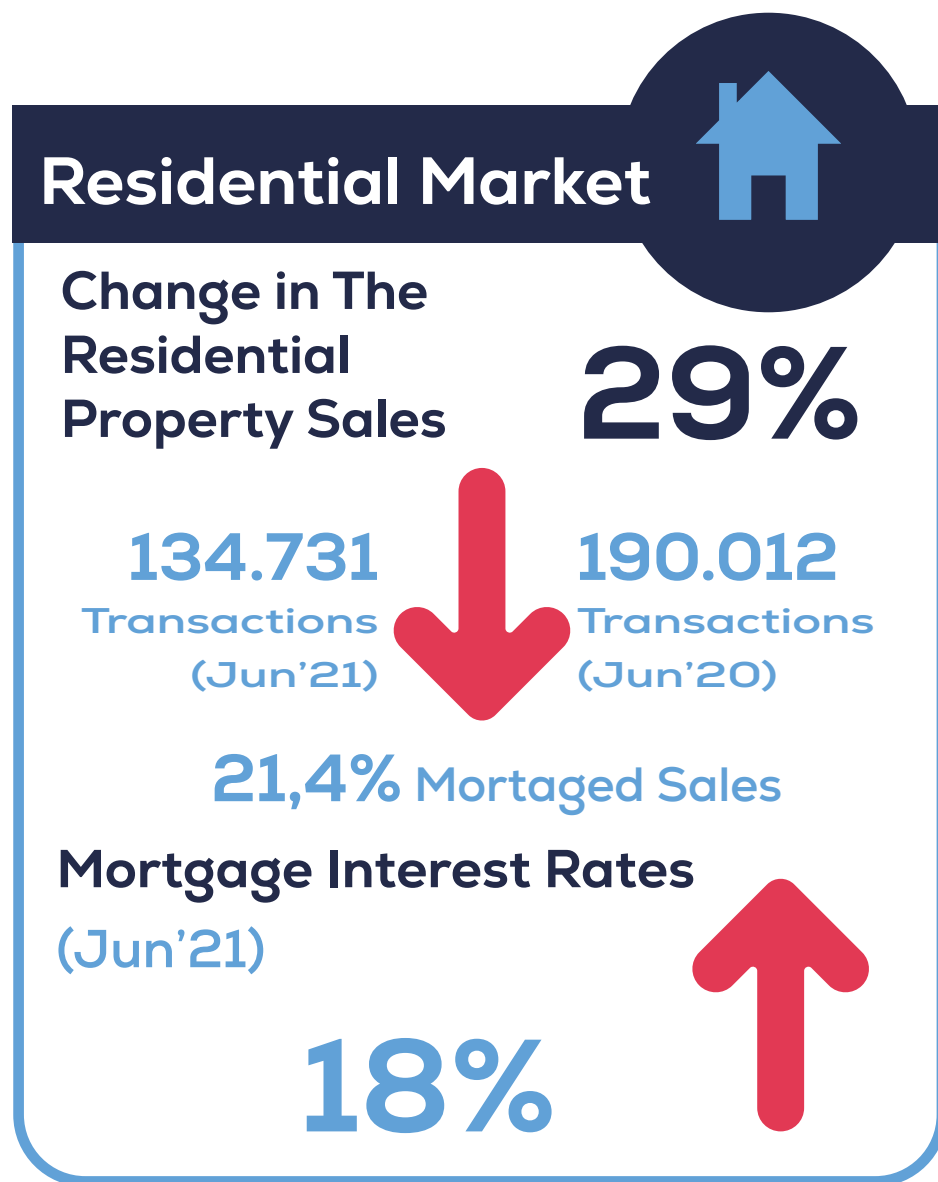
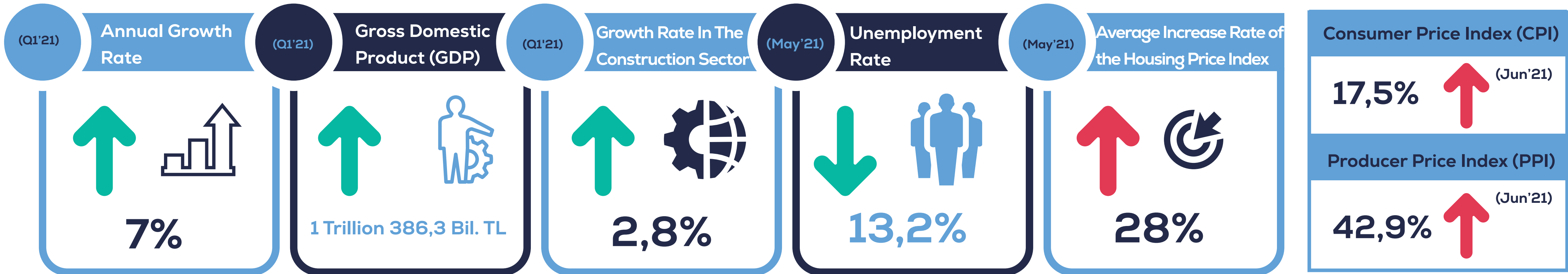
Due to its historical texture, demand for detached villa-type houses increased in Foca

Foça, one of the oldest settled towns in Izmir, draws attention because of its historical texture and being an hour away from the center. In the town that was divided into two as Old and New Foca, while the average unit sales prices of flats in the district center varied between 4.000 TL/sqm and 8.000 TL/sqm before the pandemic, the flats began to be sold between 7.000 TL/sqm and 12.000 TL/sqm as of 2021's summer season.

With increasing demands In Old Foca and New Foca, the average unit prices rose to the range between 12.000 TL/sqm and 20.000 TL/sqm. The daily rents of the summer houses vary between 250 TL/sqm and 750 TL/sqm while seasonal rents vary between 40.000 TL and 80.000 TL.



Economical Data



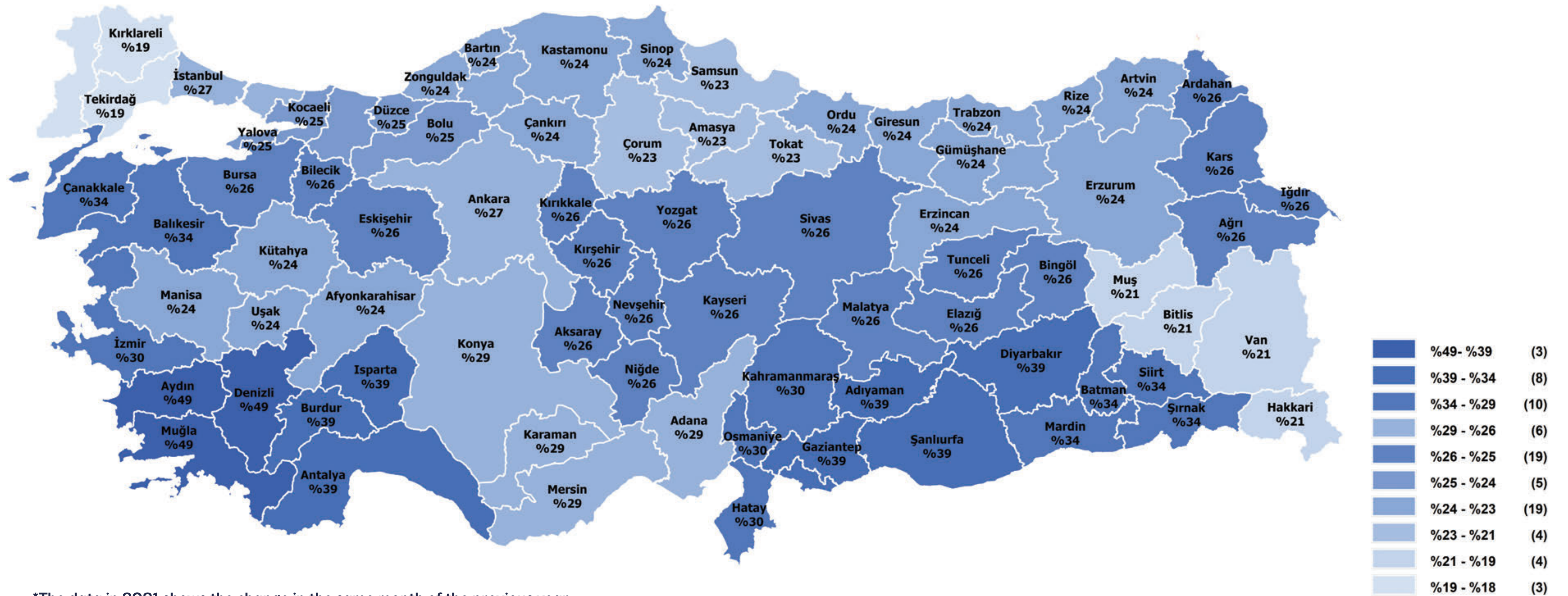
Exchange Rate (June'21) USD %26,9 Euro %34,0

- ### Urban Transformation
- The Number of Independent Units Subject to Urban Transformation **760.158**
 - The Number of Building Subject to Renovation **655.913**
 - The Number of Buildings Acquired Energy Efficiency Certificate **1.185.657**
 - The Number of Registered Monumental Trees **9.174**

* Source: TURKSTAT, Republic of Turkey Ministry of Culture And Tourism, Republic of Turkey Ministry of Environment and Urban Planning, GYODER, AYD

Value Change Rate

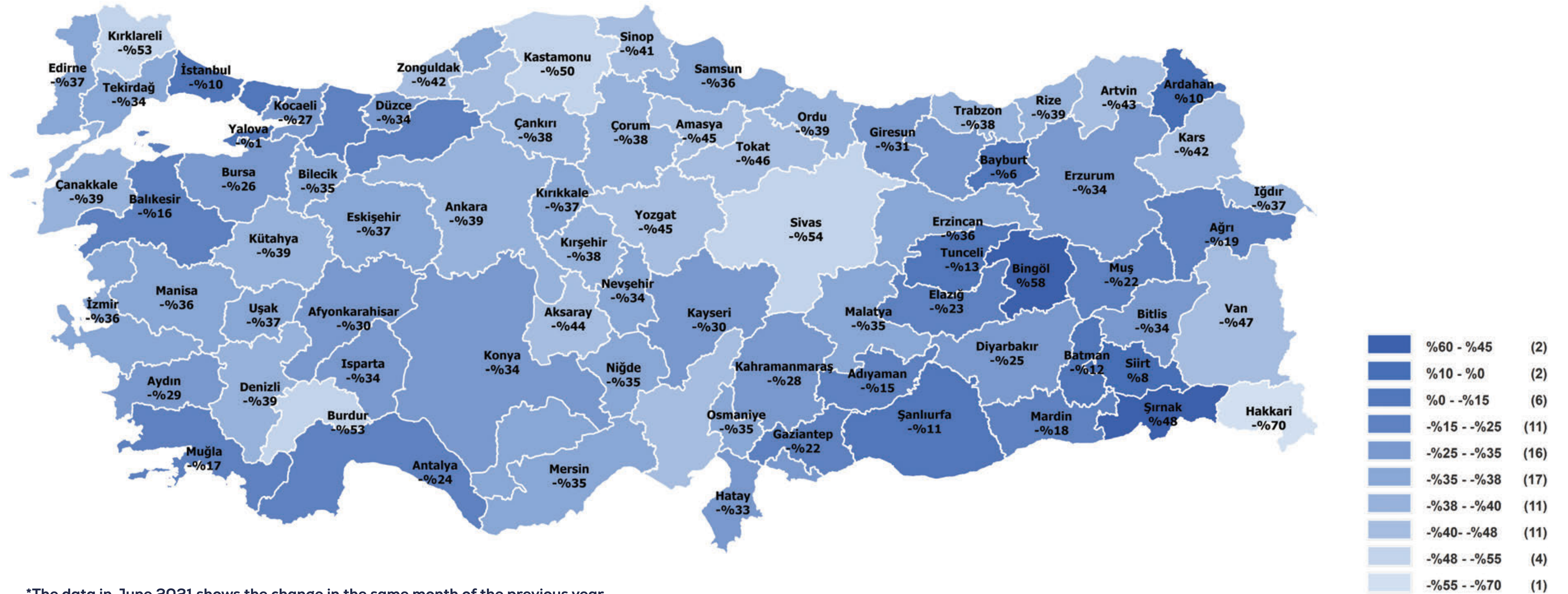
Considering the May data that was updated with the year 2020, it is seen that there was an increase of **28%** in Turkey's average as it was in the previous month. Despite the decrease in the number of real property sales, the fact that the values are increasing above inflation indicates that construction of new houses decreases and deferred construction costs are reflected on the value.



*The data in 2021 shows the change in the same month of the previous year.

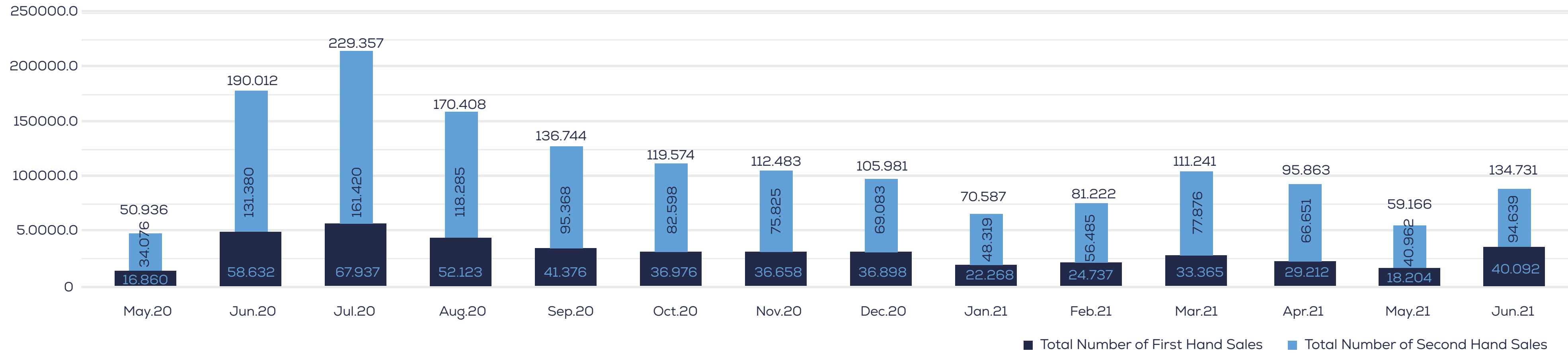
Rate of Change in Housing Sales

Considering the June data that was updated with June 2020, it is observed that there was a **29%** increase in Turkey's average despite the lockdown and restrictions. The fact that the housing supply is below the needs of the market indicates the negative reflection of the lockdown on the number of housing sales.



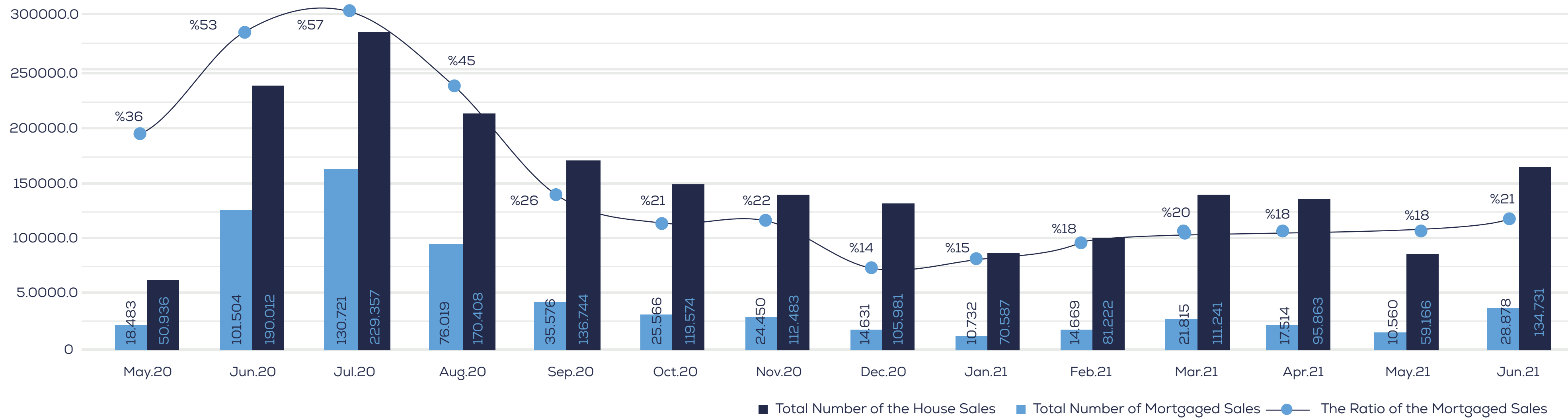
*The data in June 2021 shows the change in the same month of the previous year.

Residential Property Sale Figures



Compared to the same month last year, the number of first hand house sales decreased by **32%** in June 2021 in Turkey.

Compared to the same month last year, the number of second hand house sales decreased by **28%** the same in June 2021.



Compared to the same month last year, the number of the mortgaged house sales decreased **72%** in June 2021 in Turkey.

The ratio of the mortgaged house sales is **21,4%** in June 2021.

Source: TUIK

Houses Sold to the Foreign Investors



Compared to the same month last year, the number of total foreign sales increased by **185%** in May 2021.

The ratio of the foreign sales in total sales was calculated as **3,5%** in May 2021.

Top 5 Cities in Terms of Foreign Investor Transactions

İstanbul

Antalya

Ankara

Mersin

Sakarya

The Top 5 Countries in Residential Property Transactions

Iran

Iraq

Russian Federation

Afghanistan

Germany

*Kaynak: TÜİK



Firuz BAĞLIKAYA
TÜRSAB
Chairman of the Board



How Will The Tourism Industry Be Impacted In The Post-Pandemic Period?

COVID-19 pandemic which broke out at the end of 2019 had a serious impact on many sectors of the world economy, mainly including health. The world economy has faced one of the biggest crises of the world due to the pandemic. The fight against the pandemic brought along restrictions, which resulted in travel bans and closure of the border crossings. The United Nations World Tourism Association announced that the decline in international tourism movements caused a \$ 2.4 trillion loss in GDP in 2020. With the acceleration of the vaccination process, some action started in tourism, yet loss of income caused by the regression of tourism in the global economy is expected to continue. Under these circumstances, the UNWTO projects another 1.8 trillion US Dollar loss in the global GDP by the end of 2021. As suggested by these data, tourism is among the leading sectors impacted by the pandemic.

The pandemic has brought along very fundamental and structural changes in tourism apart from the experienced financial losses. The pandemic has broken the molds of routine life with a deep impact on every aspect of our lives. From the modes of business to consumers' expectations, a radical changeover has been experienced in many fields, and the concept of the "new normal" has become a piece of our lives.

Changing consumer preferences have started to put forward different types of tourism. People's tendency to stay away from the crowd has increased their interest in eco-tourism, nature tours, and camping-caravan and villa tourism. The ratio of those who prefer closer places by their own vehicles, regions where they would stay alone in nature, and small and boutique hotels for accommodation has increased. During this period, instead of large hotels; boutique hotels, accommodation at houses, renting villas, and yacht and caravan tours with small groups have begun to receive a dramatic interest. In tour and transfer organizations, tours with smaller vehicles and narrower groups have come forward.

These changes experienced with the pandemic are expected to have permanent impacts on the consumers. Cleaning and hygiene, which rank first among consumer preferences, will also maintain their importance after the pandemic. On the other hand, people's interest in the domestic holiday will continue to increase gradually.

In this process, the consumers' demand for destination and corporate-based transparency and quick feedback has seriously increased. This expectation will further increase in the forthcoming period. Consumers' sensitivity to the environment and sustainability has increased in the pandemic. In this framework, during the forthcoming period, the social responsibility projects, green technology, and environmental projects to reduce the carbon footprint will be taken into consideration further by the consumers.

Together with the pandemic, an impatient mass of consumers who do not like long narrations and promotions, and demand concise information instead has emerged. Therefore, target-oriented, clear, and illegible messages containing promotions to meet these new expectations have gradually gained further importance.

Another field that gained importance with the pandemic has been digitalization. In digitalization, we have experienced the development of normally 10 years in only one year. As many organizations and institutions have decided to work from home during this period, the interest in online programs increased. Meetings and workshops have been organized online. The concerts have been organized online and museums have been traveled online. Investments in this field have been increasing. Therefore, we predict that digitalization-related practices will become even more prominent in our industry in the forthcoming period. The use of the technologies such as mobile integration, messaging platforms, and chatbots, virtual intelligence, the Internet of Things, and virtual reality is expected to increase. The investigations show that chatbot services have increased customer satisfaction by 85%. Also, the research has shown that "live stream" videos have been influential by up to 80% in purchases.

With the gradually increasing number of devices that become online and the higher prominence of the concepts such as the Internet of Things, tourism companies have found the opportunity to observe real-time customer experiences and expand their customer bases. As a result, in the forthcoming period, the means of measuring customer satisfaction and expectations in the field of tourism will further expand. So, the potential for the utterly original product and package presentations will be realized in the tourism market.

The Augmented reality and similar practices have a tremendous contribution to the marketing and promotion of destinations. The augmented reality is implemented for facilitating tourism travels, enrich travel experiences, accelerate the decision-making process and increase their satisfaction. Many destinations can promote the landmarks of the city by showing their old and new forms with special information in augmented reality.

These rapid changes in the pandemic have created the ground for a competitive environment that would become even fiercer in the forthcoming period. For the tourism industry to make a ready and strong entrance to the new period, the changes and developments are required to be analyzed very well, the strategies and policies to shape the tourism industry are required to be determined in this framework. While doing that, all stakeholders of the tourism should work with the team spirit as if they were in a relay race, and act with common sense and vision.

The winners of the new era will be those who adapt to this great change in the quickest way.





Fethah TAMİNCE
Rixos Hotels
Chairman of the Board

RIXOS
HOTELS

How Has The Tourism Sector Been Impacted By The Coronavirus Pandemic?

Tourism is undoubtedly one of the most affected sectors during the coronavirus pandemic that has been continuing all over the world for almost two years. In particular, with the closure of borders, the cease of air transportation between countries and the restriction of intercity travels do not enable people to travel. In this period, many hotels remain closed; several sectors that are stakeholders in tourism, such as airline companies, travel agencies, transportation services are also struggling with serious economic difficulties. We have also experienced crises before, however, this is the first time we are facing such a big crisis.

I consider the "Safe Tourism Certificate" which is rapidly being implemented in Turkey by the Ministry of Culture and Tourism, as significant. Certified hotels are frequently inspected for measures and regulations against the pandemic. It provides considerable assurance for those who want to take a vacation. The Turkish tourism sector has favorable hotels that are sensitive about hygiene. At the same time, the rapid vaccination of tourism workers has taken us one step forward in terms of safe tourism. We, as Rixos Hotels, benefited from the advantages of operating in different countries during this process. Implementing the precautions taken in different countries, we rapidly succeeded in bringing successful practices and experiences to our other hotels.

It is our top priority to protect both our employees and our guests within this period. We think about what kind of commitment we will offer to our employees and guest who have faithfully chosen us and how we will protect them from the negative effects. We continue to develop new concepts, products, and services for our guests staying at our facilities. We have developed and continue to develop new areas and activities so that they can eat healthily and naturally during their holidays, do sports in the areas we have created in open areas, and live together with nature.

Despair is more dangerous than crisis and pandemic. Therefore, instead of closing the facilities and sitting and waiting during the pandemic, we encourage and support our employees for training that will enable them to improve themselves; we renew our facilities and update our services and products in accordance with the newly formed conditions and the situations after the pandemic. The tourism facilities and hotels in Turkey have a major advantage with their green areas, large gardens, and locations close to the sea. After the pandemic, Turkish tourism will quickly return to its old days and will begin to heal the wounds of this crisis.



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