

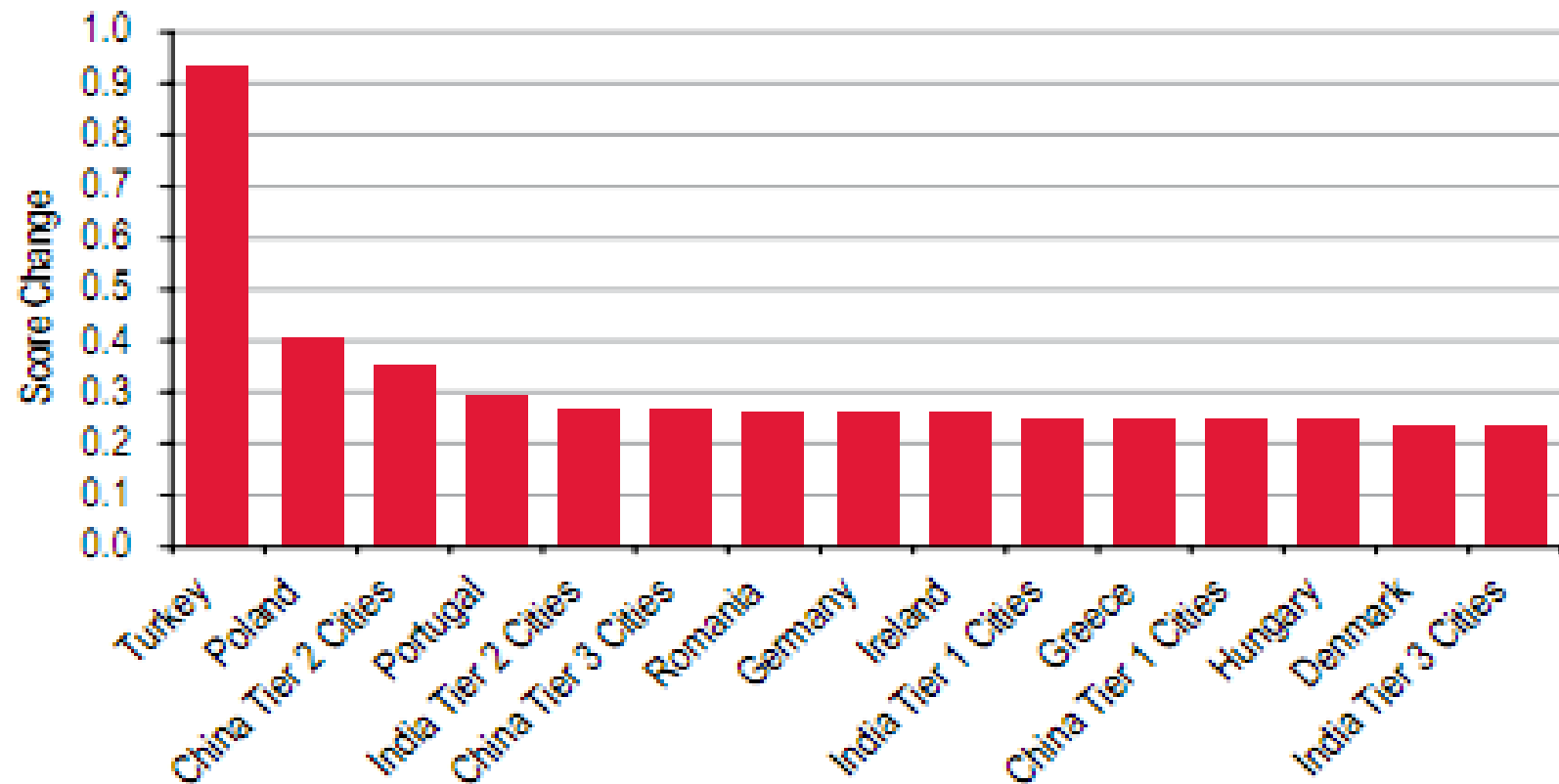
TURKEY – NEW PROJECT INVESTMENTS

GYODER ISTANBUL Restate – May 2011



Key Issues	Possible causes and drivers
Lack of Transparency	<u>Lack of data for underwriting and valuing property loans creates problems at market, property and player levels.</u>
Registration Problems	No registration of title or mortgages on future property Large percentage of properties are unregistered No title insurance- state guarantees restricted to registered properties
Finance Problems	Limited residential construction lending Prepayment culture: purchaser pays before construction commences Lack of construction finance- available credit are mostly business loans
Legal Problems	Unclear developer and ownership rights and responsibilities Poor management of common areas

Chart 2: Largest Improvements, 2008–2010

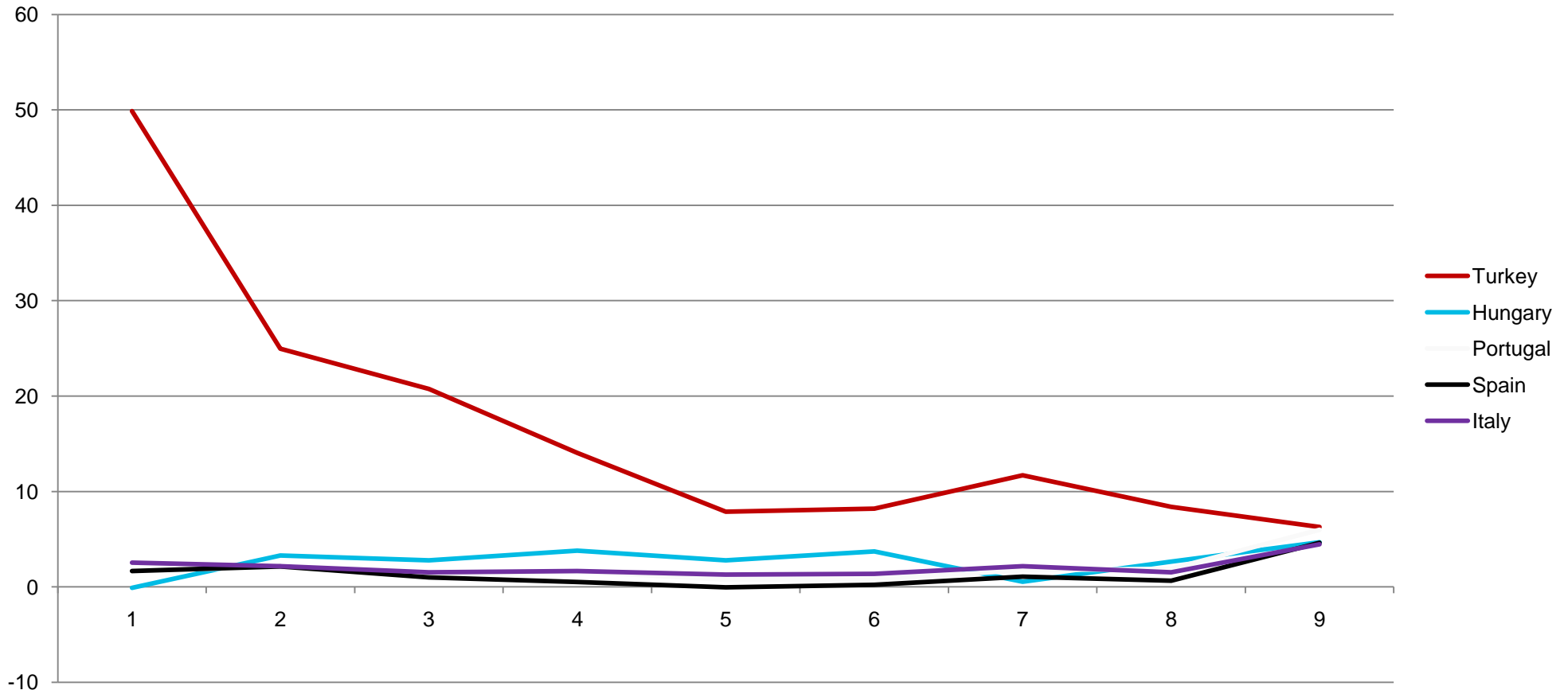


Sources: Jones Lang LaSalle, LaSalle Investment Management

Turkey has made the strongest improvement in transparency of any market globally in b/w 2008-2010.

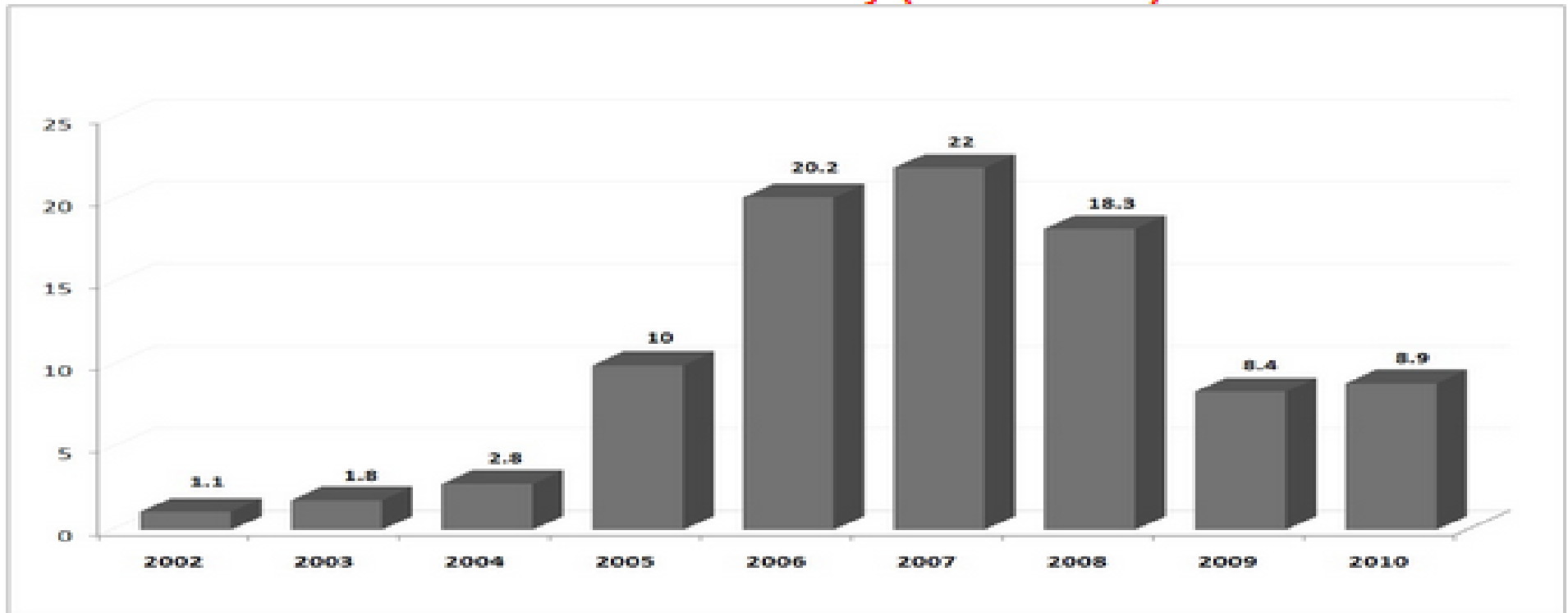
- DOWN>
 - 2008 - a Constitutional Court ruling which temporarily halted foreign real estate investment
- UP>
 - New Legislation - EU accession process,> legal and regulatory systems in line w/ developed countries.
 - A number of private initiatives to improve data in the real estate sector have also boosted transparency levels
 - GYODER
 - AYD
 - REIDIN Indices

Real long-term interest rates in selected countries



Source: OECD, OECD Economic Outlook Database.

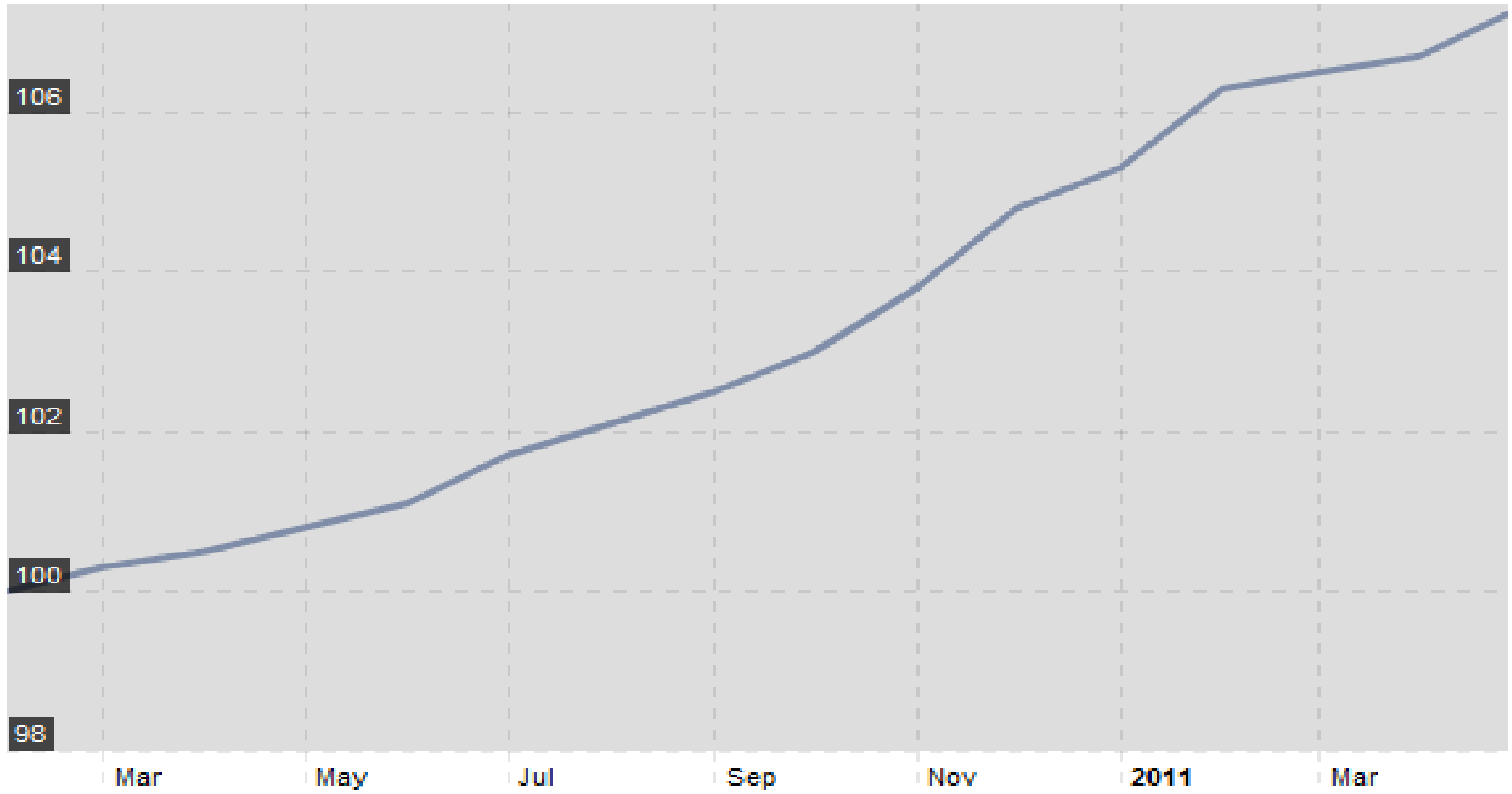
FDI Inflow to Turkey (USD billion)



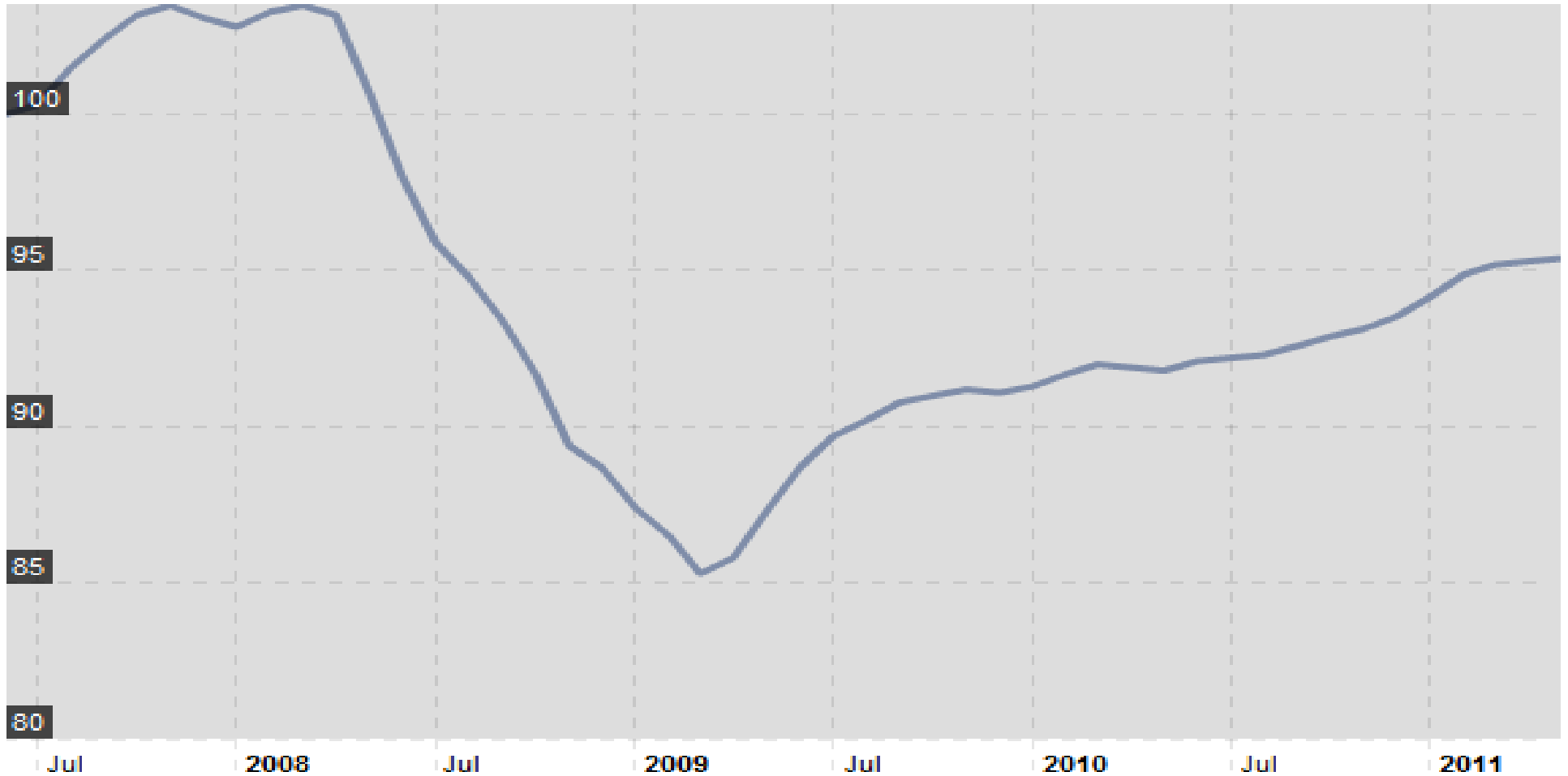
Source: Central Bank of the Republic of Turkey

Real Estate (Net)	1,841	2,922	2,926	2,937	1,782	2,494
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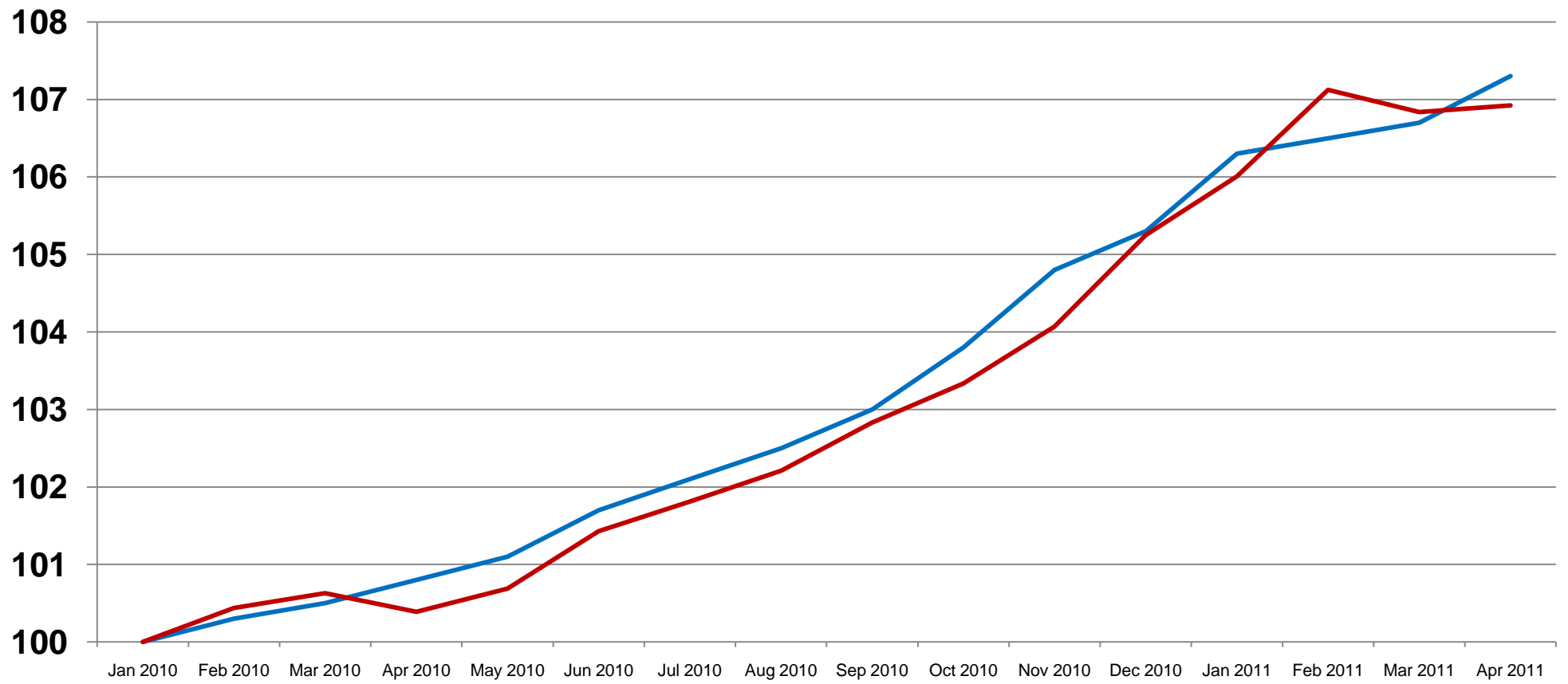
REIDIN-GYODER New Home Index



REIDIN Emlakİndeks (Secondary Market)



New Homes vs. Secondary Market since Jan 2010



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Private

1. RIGHT MARKET?
2. RIGHT TIME?
3. RIGHT PROPERTY?
4. BEST PRICE?
5. MORTGAGE vs CASH?

Corporate

1. RIGHT MARKET?
2. RIGHT PARTNER?
3. RIGHT TIME?
4. RIGHT PROJECT?
5. BEST PRICE?
6. FINANCE?

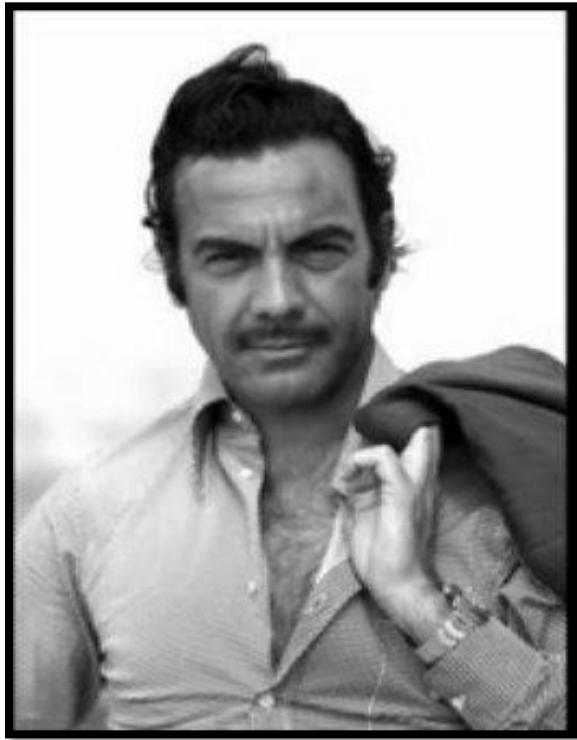
Pros

1. Young/Growing Population
2. Robust Economy
3. Political Stability
4. Supply/Demand Gap
5. Arab Revolution

Cons

1. Emerging Market Dynamics
2. Transparency
3. Project Finance
4. Partnership Issues

From West



From East



Thank you



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