**Office Rents Fell Down**

**One – Third of Offices Stayed Empty**

The results of the second quarter of 2018 “Istanbul Office Market General Overview” report that includes analysis about the changes in Istanbul office market and the predictions of the future period is published. According to the report prepared by PROPIN Property Investment Consultancy in every three months, while the average rental rates of Class A office buildings in Central Business District (CBD) regressing to 12% according to the second quarter of 2017, the vacancy rate was 30,4%. Top prime rents in the second quarter of this year are Levent in the European side with $ US 44 / m² / month and Kozyatagi in the Anatolian side with $ US 28 / m² / month.

**Office Rents Decreased Approximately 12% in Istanbul**

Propin which offers agency and advisory services about “offices” in commercial real estate sector announced that the metre square prices of Class A office buildings in the Central Business District (CBD) decreased. In the second quarter of 2017, metre square price was $ US 25,9, and with receded by 12% in the second quarter of 2018, this price became $ US 22,7. Price slump in Class B office buildings reached 20%, and metre square price was $ US 11,7. In the Out of Central Business District (CBD) – Europe, average metre square price was $ US 15,3 and in the Out of CBD – Asia was $ US 16,6.

**The Highest Office Price Is in Levent**

Levent was the highest rent asked in district with $ US 44 in the Central Business District in the second quarter of 2018. The lowest demanded rent prices in the CBD in the last decade was observed in Taksim – Nişantaşı and Zincirlikuyu – Esentepe – Gayrettepe districts with $ US 30. In 2018, Etiler faced with the biggest decrease in value. From the last quarter of 2017 to today, the metre square price in Etiler slumped to $ US 25 by losing value approximately 36%. Kozyatagi, which has a decrease of $ US 2 according to the first quarter, was the highest price district in the Anatolian Side with $ 28.

**Economic Reasons Slow the Office Growth Rate**

According to the total stock growth reached in the second quarter of 2018; stock shares announced as 34% in the CBD, 19% in the Out of CBD – Europe, 25% in the Out of CBD – Asia, and 22% in the Developing Office Districts (Kagithane, Bomonti – Piyalepasa, Kartal – Maltepe, West Atasehir). While the office stock partially increase in Kozyatagi and Umraniye districts, the completion of the constructions in the Developing Office District will increase the office stock in upcoming days.

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***About PROPIN Property Investment Consultancy***

*PROPIN, specialized about “offices” in commercial real estate sector, has been providing highly – specialized agency and consulting services with a focus on Turkey’s Office Market to office users, investors, developers and property owners, with a comprehensive range of real estate services since 2005. Operating in major cities – especially in Istanbul - where the office market is developing, PROPIN has been publishing “Istanbul Office Market General Overview” report every quarter since 2008 as the leading company in the sector.*

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***Classification of the Districts Subject to the Report***

***CBD:*** *Central Business District*

***CBD*** *(Levent, Etiler, Maslak, Zincirlikuyu – Esentepe - Gayrettepe, Besiktas - Balmumcu)*

***Out of CBD - Europe*** *(Taksim-Nisantasi, Sisli – Fulya - Otim, Airport District)*

***Out of CBD - Asia*** *(Kozyatagi, Altunizade, Kavacik, Umraniye)*

***Developing Office Districts*** *(Kagithane, Bomonti - Piyalepaşa, Maltepe - Kartal, West Atasehir)*

***Office Building Groups***

***Class A Office Buildings:*** *These buildings have a modern technical and mechanical infrastructure, fire safety, generators, parking areas and professional building management. They have the best location and the highest rent value in the city’s office market.*

***Class B Office Buildings:*** *When compared to Class A office buildings, Class B office buildings have a lower rent and sale value within the same market. If this type of building is new, it possesses an ordinary design; if the building is old, it has been enhanced to look better.*