



# PROPIN

PROPERTY INVESTMENT CONSULTANCY

## ISTANBUL OFFICE MARKET OVERVIEW

No: 67

FOURTH  
QUARTER  
2023



[www.propin.com.tr](http://www.propin.com.tr)

**INCREASE THE RETURN  
ON YOUR INVESTMENTS**

Call us to buy, sell or develop a property



**FAST and EASY WITH PROPIN**

---

We do our work **diligently,**

---

PROPİN 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. PROPİN's customers can rely on professional assistance in property scouting, advisory services and property marketing. PROPİN is also preparing the most up-to-date Office Market reports for your investment decisions.

---

4

SUMMARY AND FORECASTS

6

ECONOMIC OVERVIEW

10

CHANGES IN OFFICE STOCK

14

VACANCY RATES

18

RENTAL RATES

24

TAKE-UP VOLUME

29

TAKE-UP LIST

# SUMMARY AND FORECASTS

A summary of the latest data from the Istanbul Office Market in Q4 2023 can be found below.

- The vacancy rate for Class A office buildings in the **Central Business District (CBD)** was 13.2% and the vacancy rate for Class B office buildings was at a level of 9.2%. The average rent for Class A office buildings in the CBD was US\$ 24.7 /m<sup>2</sup> /month and US\$ 10.1 /m<sup>2</sup> /month for Class B office buildings.
- The vacancy rate in **Out of CBD-Europe** was 10.5% and the average rent US\$ 12.3 /m<sup>2</sup> /month for Class A office buildings.
- The vacancy rate for Class A office buildings in **Out of CBD-Asia** was 10.6%. The average rent for Class A office buildings was US\$ 18.1 /m<sup>2</sup> /month.
- Levent, which is in the CBD, was the region with the highest rent demand in Q4 2023. The highest rent was US\$ 45 /m<sup>2</sup> /month.

The Istanbul Office Market underwent substantial changes in 2023, highlighting that market dynamics can be impacted by not only economic conditions but also natural disasters. Following the earthquakes centered in Kahramanmaraş, security concerns and the demand for earthquake-resistant offices played a crucial role in shaping the market.

Despite the adverse effects of an inflationary environment and escalating rental costs on various sectors, the office market has witnessed a noteworthy surge in tenants actively seeking office areas. The intensity of tenants' search for offices has drawn attention, with businesses demonstrating an increased demand for modern, secure, and business continuity-focused office areas. This trend reflects a proactive response to the challenges posed by the economic conditions, emphasizing the importance of contemporary, safe, and continuity-oriented work environments.

Due to the rising exchange rate and inflationary market conditions in the Istanbul Office Market, it was observed that list prices for more office buildings were announced in US Dollars. The continuous increase in demand and the absence of new office stock being added to the market led to a further rise in rental figures throughout 2023. Specifically, the average rent for CBD Class A office buildings increased by 19% over the year, reaching US \$ 24.7 /m<sup>2</sup> /month in Q4 2023.

The vacancy rates in 2023 predominantly declined, especially in the last two quarters of the year. The vacancy rate in Class A office buildings in MIA hit an all-time low in the last decade, recording 15.4% in the second half of the year. Moreover, a noteworthy development was the halving of the vacancy rate in Out-of-CBD Asia in the last five years.





The take-ups in Istanbul for 2023 were recorded at approximately 279,000 m<sup>2</sup> of office area. The total area involved in leasing and corporate acquisitions in the Central Business District (CBD) in 2023 was approximately 83,000 m<sup>2</sup> of office area. It was observed that the new office stock in the Emerging Office Districts continued to meet user needs. Kağıthane, one of these regions, remained the focus for users, similar to previous years. As a result of this demand, three of the five largest transactions in 2023 took place in Kağıthane.

Take-ups predominantly occurred in small and medium-sized office areas throughout 2023. The largest transaction during this period reached the level of 22,000 m<sup>2</sup> of office area. One out of every four transactions was completed out of CBD-Asia. The largest volume transaction in out of CBD Asia in 2023 was a corporate acquisition, involving approximately 11,000 m<sup>2</sup> of office space in Umraniye 19. In this significant corporate acquisition in Istanbul in 2023, PROPIN provided agency services during the process.

In 2023, the office stock in Istanbul experienced partial growth, primarily originating from Batı Atasehir. This growth resulted in an approximate increase of 435,000 m<sup>2</sup>, as identified in the stock charts.

The supply of new offices in the Istanbul Office Market did not experience any growth in Q4 2024. This stagnation can be attributed to various factors, including challenging economic conditions, limited access to funding, the upward trend in exchange rates, and the rise in construction costs. This situation directs investors towards residential and derivative real estate projects where they can apply the build and sell model.

In line with the information shared in the Istanbul Office Market, we anticipate that the Class A office stock will expand to 7.4 million m<sup>2</sup> by the end of 2027.

With the evolving dynamics of the world, the significance of the “sustainability” concept is on the rise. According to the decision of the Turkey Sustainability Reporting Standards (TSRS) Board published in the Official Gazette dated December 29, 2023, specific businesses will be obligated to report on sustainability starting from January 1, 2024. We want to emphasize that this development is particularly relevant to the real estate sector.

During this period, the high demand in the office market and the limited increase in stock create a strong position for landlords. Being able to respond to the expectations of the business world, showing sensitivity to environmental factors, and offering modern office areas play an important role among the determining factors of competition in the market. We suppose that this dynamic environment will encourage players in the office market to focus not only on economic factors but also on social and environmental changes.

# ECONOMIC OVERVIEW

ECONOMIC INDICATORS	2021	2022	January '23	February '23	March '23	April '23	May '23	June '23	July '23	August '23	September '23	October '23	November '23	December '23
GDP(%)****	11.4	5.5	4			3.9			5.9			-		
GDP per Person	9,602	10,659	-											
Population (Million)	84.7	85.3	-											
BIST-100 Index	1,858	5,455	4,977	5,237	4,813	4,618	4,887	5,733	7,232	7,918	8,335	7,514	7,949	7,470
Unemployment Rate (%)*	12.0	10.4	9.7	10.1	10.0	10.0	9.4	9.5	9.3	9.2	9.1	8.6	9.0	-
Exchange Rate** (USD/TRY)	13.33	18.73	18.8	18.9	19.2	19.4	20.7	25.8	26.9	26.7	27.4	28.2	28.8	29.4
Exchange Rate** (EUR/TRY)	15.09	19.97	20.3	20.0	20.8	21.4	22.1	28.2	29.7	29.0	29.0	30.1	31.5	32.6
Policy Rate (%)** (One-week Repo Rate)	14.00	9.00	-	8.50	-	-	-	15.00	17.50	25.00	30.00	35.00	40.00	42.50
Inflation (%)* (End-Year)	36.08	64.27	57.68	55.18	50.51	43.68	39.59	38.21	47.83	58.94	61.53	61.36	61.98	64.77
FDI (Million USD)	14.00	13.00	7.8										-	

TABLE NO.1 SOURCE: \*TSI -\*\*CBRT  
\*\*\*Based on a Chained Volume Index

## MACRO ECONOMY

Turkey's economy grew by 5.9% year-on-year in the third quarter of 2023, according to the chained volume index. Growth at the end of the first two quarters of 2023 was revised from 3.9% to 4.0% and from 3.8% to 3.9%, respectively. With this data, the growth in the first nine months of 2023 was 4.7%. On an annual basis at current prices, the Gross Domestic Product (GDP) exceeded 22.6 trillion TL; it expanded by 79.8% due to high inflation. Thus, the annualized size of GDP at current prices reached US\$ 1.1 trillion.

When the GDP data by production method was examined, it was seen that industrial production grew by 5.7% in the third quarter of 2023. While the contribution of industrial production to growth was 1 point, it was noteworthy that it grew again after four quarters. In the same period, the construction sector achieved its fastest growth since the third quarter of 2017 with 8.1%. The reconstruction activities that started after the earthquake disaster were effective in this accelerated growth. The contribution of the construction sector to growth was 0.4 points.

The BIST-100 index had a relatively weak performance in 2023 due to election uncertainty in the first half of the year and rising deposit rates in the second half. The index, which increased by 35.6% for the year, remained at a lower level than consumer inflation.

Oil prices fell by 7% in December 2023. The barrel price of Brent crude oil, which followed a fluctuating course due to concerns about global demand, concluded the year at US\$ 77.1 per barrel. The rise in oil prices at the end of the year was driven by tensions in the Red Sea, which increased supply-side risks. Steps have been taken to accelerate China's economic recovery. These measures had a positive impact on the expectations of the manufacturing and real estate sectors, and iron ore prices rose rapidly in December.

## INFLATION

In December 2023, it was announced that the Consumer Price Index (CPI) increased by 2.93% monthly. The monthly CPI recorded the lowest increase in the last 7 months, falling below the market expectation of 3.13%. On an annual basis, CPI inflation was reported at 64.77%, a rate close to the year-end forecast announced by the CBRT.

Domestic Producer Price Index (D-PPI) rose by 1.14% in December 2023 compared to the previous month, marking its lowest level since May 2023. Consequently, the annual increase in D-PPI was 44.22%.

## MONETARY POLICY

At the December 2023 meeting, the Monetary Policy Committee announced a policy rate of 42.50%, marking a 250-point increase from the previous meeting. This brought the interest rate to 42.50%, reflecting a total increase of 34 points throughout the year, starting from 8.5% at the first meeting of 2023.

## EXCHANGE RATES [January 2022 - December 2023]

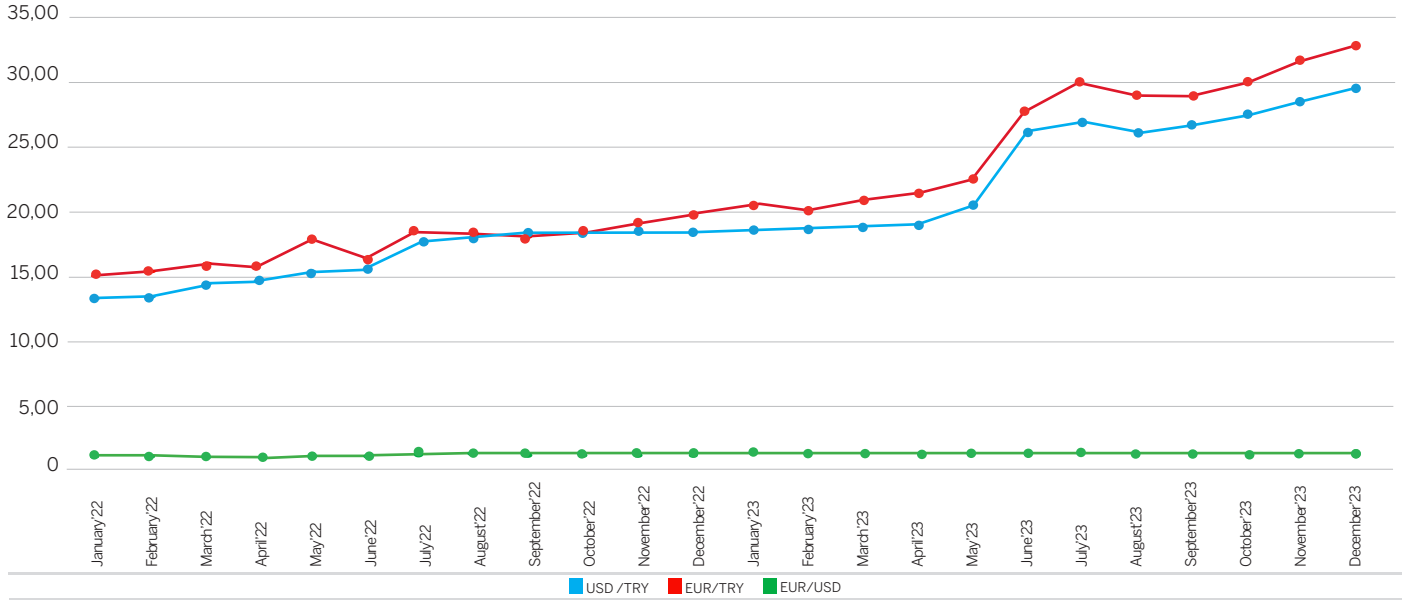


FIGURE NO.1 Source: TC MERKEZ BANKASI

Turkish Lira (TL) has experienced a significant depreciation against the US\$ and the Euro over the past two years. Exchange rates, which were below 15 TL at the beginning of 2022, gradually increased throughout the year. By the start of 2023, it had reached the limit of 20 TL. Although exchange rates were relatively stable until the elections in May, they saw a marked rise in June. In July 2023, the Euro surpassed 30 TL, and the US\$ reached 27 TL. The upward trend in exchange rates persisted in the last four months of 2023, with the year concluding at 1 US\$ = 29.44 TL and 1 Euro = 32.57 TL

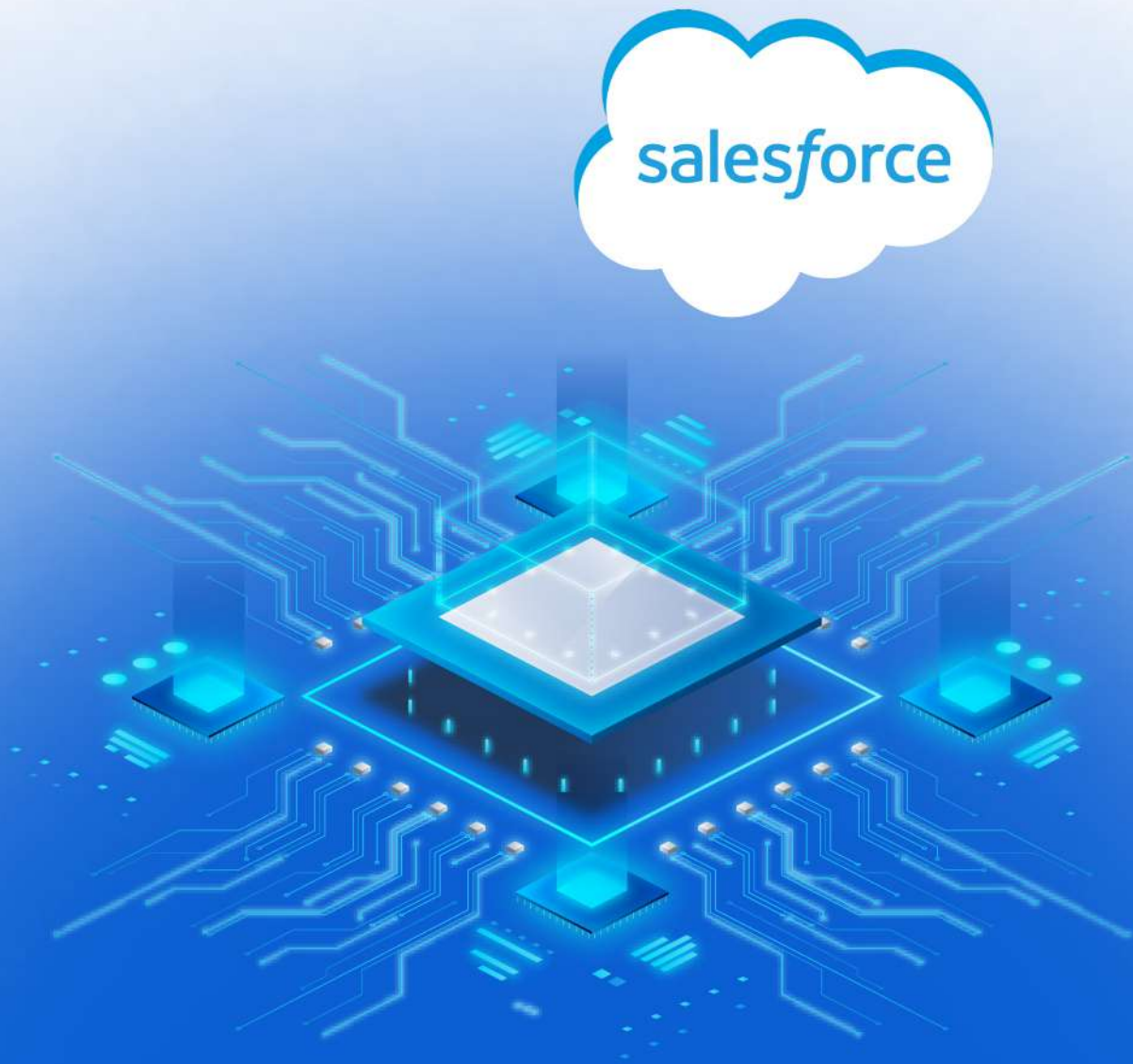
## GROSS DOMESTIC PRODUCT (GDP)



FIGURE NO.2 Source: TÜİK

GDP had a bumpy period between Q1 2019 and Q3 2023. The most dramatic contraction in the said period was in the second quarter of 2020 at 10.3%, caused by pandemic conditions. In the following quarter, GDP started moving towards growth. In the second quarter of 2021, there was a growth of 22.2% due to the base effect. As of 2022, the momentum in GDP growth has slowed down, falling below the 5% level in the third quarter. After four slow quarters, growth rose above 5% again in the third quarter of 2023.

We have been data driving since the beginning  
We have been using **Salesforce** since 2009



**Data-driven and Digital**



# BOUNDARIES OF ISTANBUL CENTRAL BUSINESS DISTRICT

When analyzing the office areas with respect to international standards, the city is divided into a "Central Business District" (CBD) and "Out of Central Business Districts" (Out of CBD). The CBD is a district category densely populated with office buildings and a service sector, where pedestrian-vehicle traffic is hectic, and the demand is the highest.

In Istanbul, there are twelve main districts with a high office building density. In this report, these office districts are delineated and determined by taking the location and user profiles into account.

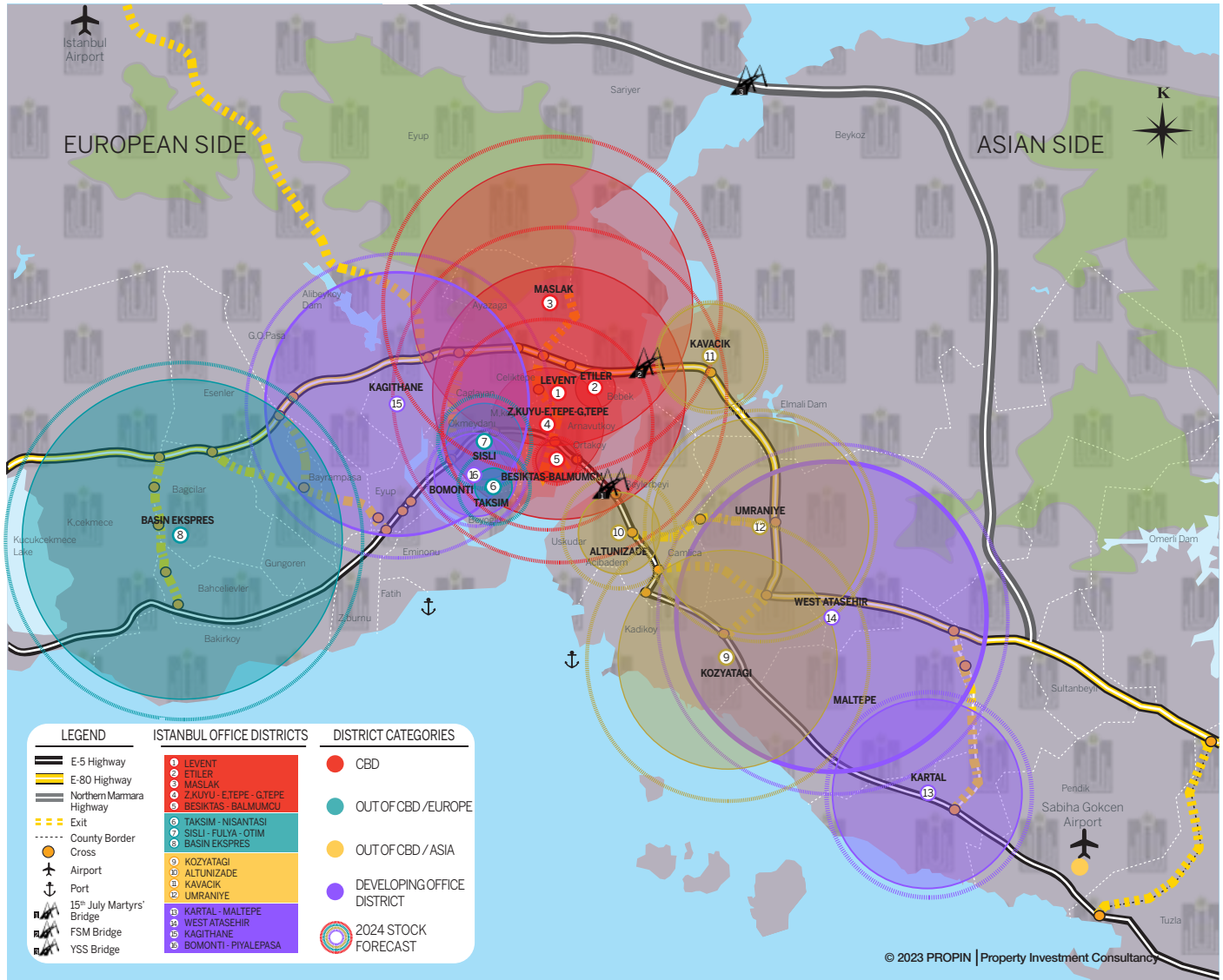
Istanbul's CBD starts at Barbaros Boulevard, continues along Buyukdere Avenue and finishes in the Maslak district. This axis, named the CBD, includes Levent, Etiler, Maslak, Zincirlikuyu-Esentepe-Gayrettepe and Besiktas-Balmumcu.

Office districts located outside of these areas are defined as Out of CBD. Due to the geographic layout of Istanbul, Out of CBD is divided into two main categories: Asia and Europe.

In this context, Out of CBD-Europe includes the districts of Taksim-Nisantasi, Sisli-Fulya-Otim and the vicinity surrounding Basın Ekspres. Out of CBD-Asia consists of Kozyatagi, Altunizade, Kavacik and Umraniye.

There are Developing Office Districts found on both the Asian and European sides of the city. While Kagithane and Bomonti-Piyalepasa are located in Europe, Kartal-Maltepe and Atasehir are located in Asia.

Four districts, shown in green circles on the map below, are the 'Developing Office Districts' in the Istanbul Office Market. The data related to these four districts will be illustrated with figures in the coming reports.



## CLASS A STOCK COMPARISON OF THE ISTANBUL OFFICE DISTRICTS

### CLASS A OFFICE STOCK DISTRIBUTION BY DISTRICT CATEGORIES

Q4 2023

'The Distribution of Class A Office Stock by District Categories' for Q4 2023 is illustrated in Figure 3.

**The CBD** [Levent, Etiler, Maslak, Zincirlikuyu-Esentepe-Gayrettepe, Besiktas-Balmumcu]: The stock share of the CBD was determined as 27%.

**Out Of CBD-Europe** [Taksim-Apriltasi, Sisli-Fulya-Otim, Basın Ekspres]: The stock share of Out of CBD-Europe was 17%.

**Out Of CBD-Asia** [Kozyatagi, Altunizade, Kavacik, Umraniye]: The stock share of Out of CBD-Asia was 21%.

**Developing Office Districts** [Kagithane, Bomonti-Piyalepasa, Maltepe-Kartal, West Atasehir]: The stock in Developing Office Districts particularly in Bati Atasehir, has experienced significant growth. By the end of the fourth 2023, the stock share had reached 35%, marking a substantial increase.

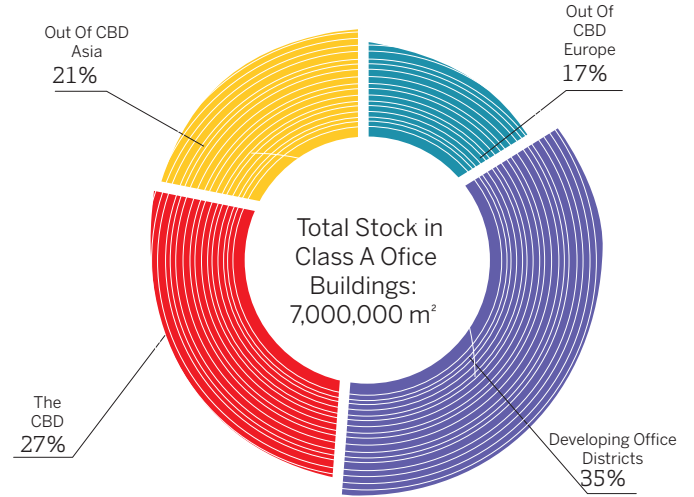


FIGURE NO.3 Source: PROPİN

### CLASS A OFFICE STOCK DISTRIBUTION BY DISTRICTS

Q4 2023

\* Areas remarked with dark colour indicate the increase in stock compared to previous year,

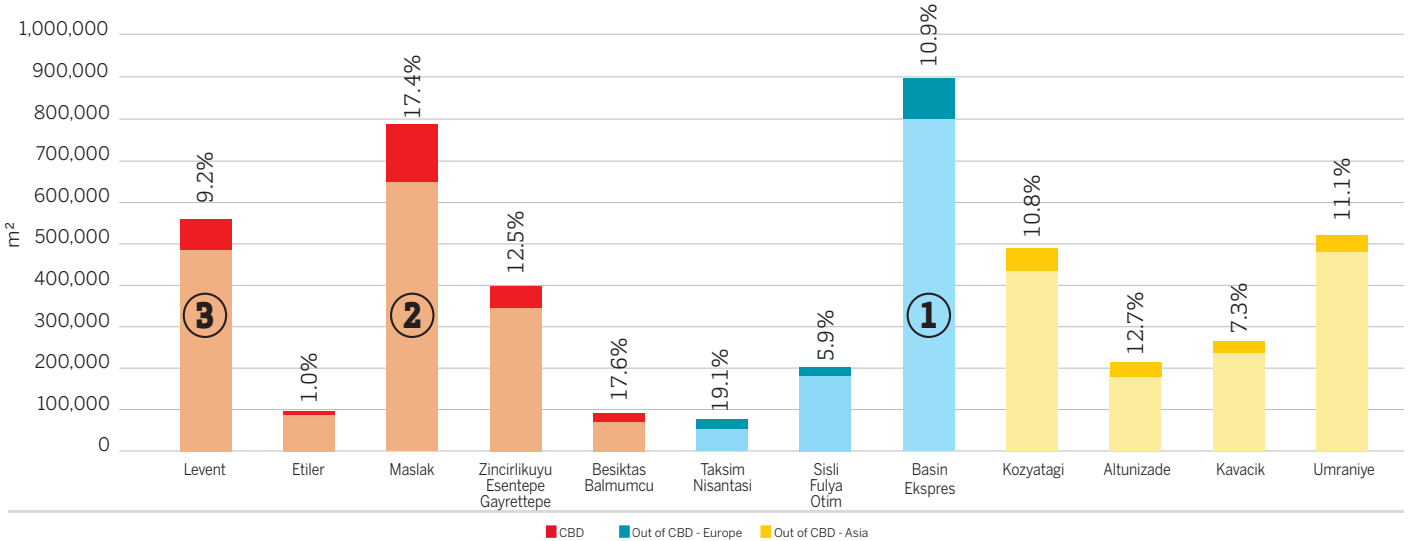


FIGURE NO.4 Source: PROPİN

The 'Class A Office Stock Distribution by District' in Q4 2023 is given in Figure 4.

The supply of new offices in the Istanbul Office Market did not experience any growth in Q4 2023. This stagnation can be attributed to various factors, including challenging economic conditions, limited access to funding, the upward trend in exchange rates, and the rise in construction costs. This situation directs investors towards residential and derivative real estate projects where they can apply the build-sell model. Landlords have been converting their existing office buildings for different uses. Some office buildings are being transformed into residential, hotel, or mixed-use projects, resulting in a reduction of office stock.

In the office market where contraction was observed, the only region showing stock growth was Bati Atasehir within the Developing Office Districts. Office areas, under construction for a while, were put into operation, contributing to the overall stock.

At the end of 2023, there were no changes in the ranking of regions based on stock size. Basın Ekspres (formerly known as the Airport District) maintained its position as the region with the largest stock in the market, boasting approximately 902,000 m² of office area. Following Basın Ekspres, Maslak with 786,000 m² and Levent with 585,000 m² were ranked according to their sizes.

# PLANNED GROWTH OF CLASS A OFFICE STOCK

## ANNUAL GROWTH IN STOCK OF CLASS A OFFICE BUILDING BY YEAR 2010 - 2026

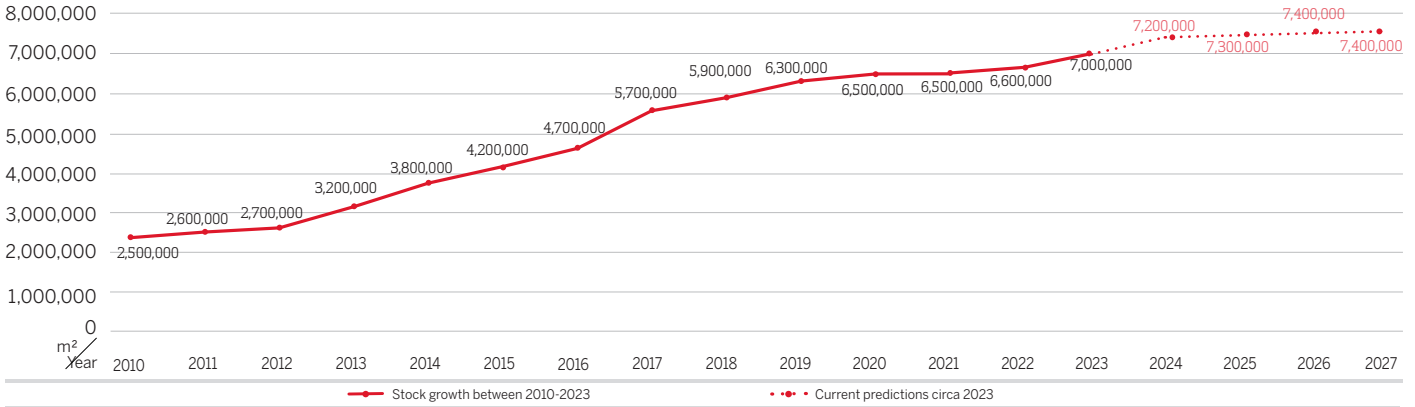


FIGURE NO.5 Source: PROPIN

The 'Annual and Predicted Growth in Stock of Class A Buildings Istanbul Office Market' between 2008-2027 is included in Figure 5. Based on the stock increase Figure compiled using information from office developers, the stock Figure of the Istanbul Office Market, which remained almost constant after 2019, saw a partial increase in 2023. The rise in office areas in 2023 amounted to approximately 435,000 m², marking a 6.6% increase compared to the previous year. The growth in inventory was primarily observed in Developing Office Districts, contributing to the overall increase in 2023. The opening of the Istanbul Financial Center in Bati Atasehir, one of the mentioned regions, played a significant role in the rapid ascent of office stock.

Istanbul Financial Center (IFC) is a project planned in line with the goal of providing a global financial ecosystem and becoming an international financial center of Turkey, and its construction has reached the final stage. IFC includes 1.3 million m² of office area in a total of 21 office buildings. 760,000 m² of this area will be used by the stakeholders who make up the project. These stakeholders include the Central Bank of the Republic of Turkey (CBRT), Ziraat Bank, Vakıfbank, Halkbank, Is REIT and Stock Exchange Office. The remaining 540,000 m² will be leased to other institutions and organizations from the finance and related sectors and they are expected to operate. Within the framework of the Istanbul Financial Center Law and Regulation No. 7412 dated 22.06.2022, the applications of users who want to take part in the office areas in the IFC for the participant certificate have started to be accepted by the Finance Office of the Presidency of the Republic of Turkey. The Finance Office will evaluate the applications and determine the users who are entitled to receive the participant certificate. The management of the IFC will be provided by IFM Real Estate Construction and Management Inc., which operates under the Turkish Wealth Fund (TWF). This organization will undertake the overall management, maintenance, security, and other operational activities related to the project. IFC, which includes various functions such as shopping malls, hotels, and congress centers in addition to office areas, is aimed to be fully operational by the end of 2025.

In the period between 2008 and 2023, the Class A office stock in Istanbul grew more than threefold, increasing from 2.2 million m² to 7 million m² of office area. During the rapid growth period from 2012 to 2017, the office areas opened for operation in the new office clusters (Kagithane, Bomonti-Piyalepasa, Kartal-Maltepe, and Bati Atasehir), which gradually became established regions, played a leading role.

In line with the information shared in the Istanbul Office Market, we anticipate that the Class A office stock will expand to 7.4 million m² by the end of 2027. This estimation does not include new office projects in individual locations (off-location) that are not part of existing office clusters.

Due to the local elections in 2024 and the market conditions that may arise thereafter, there is a possibility that the new office openings planned for the upcoming period in stock will be postponed. For this reason, the stock size and timing estimates given for the upcoming periods may vary.

FOR LEASE

Decorated

MASLAK SQUARE  
A BLOK  
MASLAK

- 1,200 m² floor area
- 26,550 m² total office area
- Decorated delivery
- Standalone lease options

Click for more information.

No.1

FOR LEASE

Decorated

BALANCE GUNESLI  
BAGCILAR

- 700 m² floor area
- Standalone blocks with decorated or shell&core delivery
- Easy access to TEM Highway

Click for more information.

No.2

## **RELOCATION ASSESSMENT CONSULTANCY**

Time to decide between moving or staying,  
**PROPIN** provides a holistic perspective  
on all possibilities.



**FAST and EASY WITH PROPIN**

# PLANNED GROWTH OF CLASS A OFFICE STOCK

## ANNUAL VOLUME OF OFFICE STOCK BY DISTRICT CATEGORY 2010 - 2026

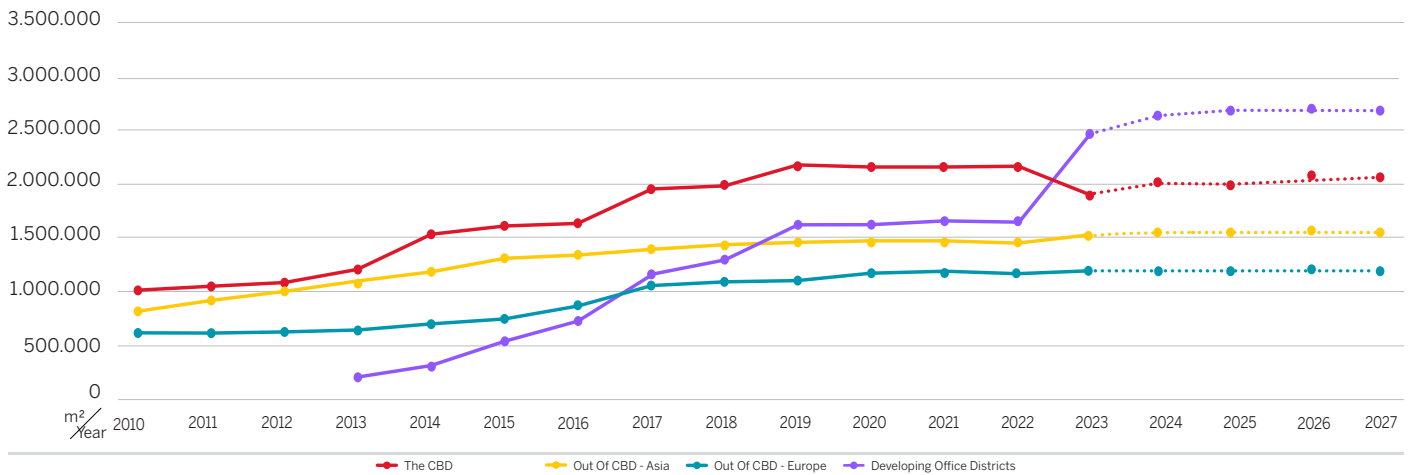


FIGURE NO.6 Source: PROPIN

The 'Annual Volume of Class A Office Stock by District Category' in the Istanbul Office Market is detailed in Figure 6, and the 'Distribution of Office Stock Shares by District Categories' is detailed in Figure 7.

The data comprising both Figures are derived from the forecasted growth in office stock, if the projects launched in the market and currently under construction will be opened according to the announced dates.

The Class A office stock in the CBD saw a contraction in 2023. During this time, no new office buildings were added to the CBD regions. The decline in the CBD office stock share compared to 2022 resulted from the demolition of certain buildings for reconstruction and the removal of structures that couldn't be opened for various reasons. Looking ahead, with intensified new office projects in Maslak, there are plans for partial growth in Levent and Zincirlikuyu-Esentepe-Gayrettepe Class A office stocks. Consequently, the CBD office stock's share is anticipated to be 27% by the end of 2027.

Class A office stock in Out of CBD-Asia experienced modest growth, spurred by the opening of an office building in Altunizade during the fourth quarter. However, due to evolving functions in Umranıye offices throughout 2023, a contraction in the stock was observed by year-end. With upcoming openings of new office buildings, Out of CBD-Asia stock is poised for growth, projecting a stock share reaching 21% by the close of 2027.

The long-anticipated Istanbul Financial Center (IFC) finally coming into operation, along with the introduction of new office buildings in other regions, fueled rapid growth of Class A stock in the Developing Office Districts throughout 2023. However, growth is anticipated to taper off in the upcoming years. With this forecast, the stock share of Developing Office Districts is forecasted to reach 35% by the end of 2027.

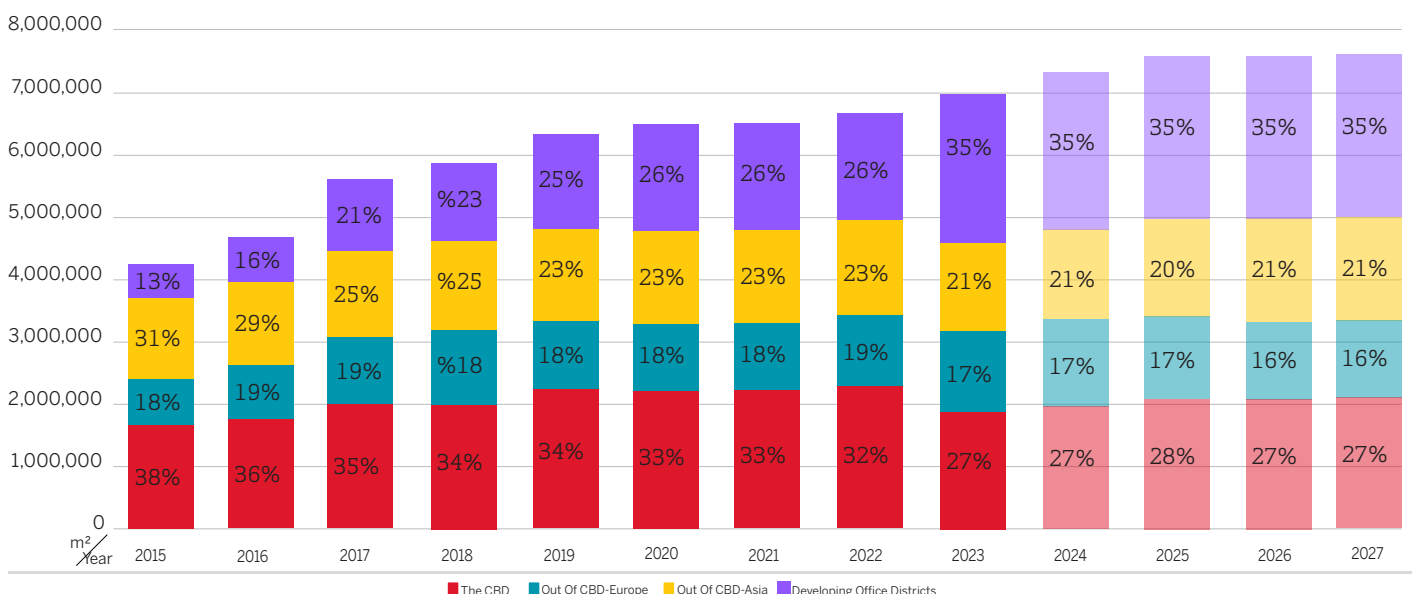


FIGURE NO.7 Source: PROPIN



# VACANCY RATES IN THE ISTANBUL OFFICE MARKET

## VACANCY RATES BY DISTRICT CATEGORY Q4 2023

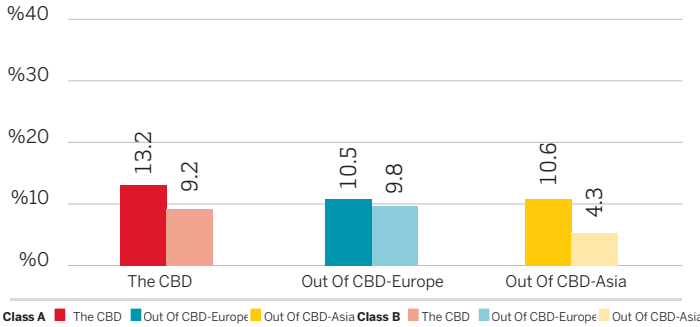


FIGURE NO.8 Source: PROPİN

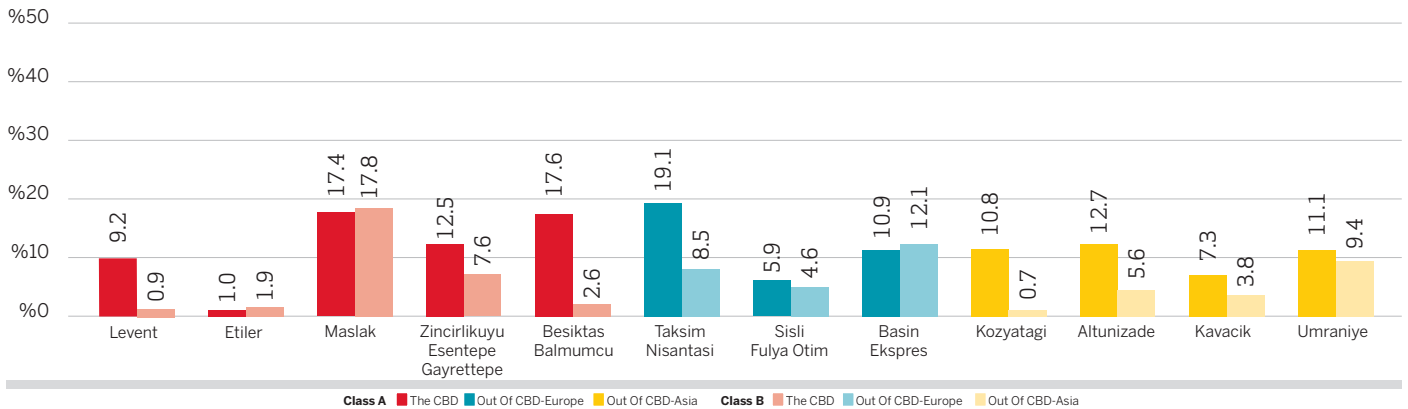
The Vacancy Rates by District Category in the Istanbul Office Market' in Q4 2023 are given in Figure 8.

The vacancy rate for Class A office buildings in the CBD was at a level of 13.2% and 9.2% for Class B office buildings.

While the vacancy rate for Class A office buildings in Out of CBD-Europe was 10.5%, the vacancy rate for Class B office buildings was 9.8%.

For Class A office buildings in Out of CBD-Asia, the vacancy rate was 10.6%. It was 4.3% for Class B office buildings in the district.

## VACANCY RATES BY DISTRICT Q4 2023



'The Vacancy Rates by District' of Class A and B office buildings located in twelve office districts of Istanbul are shown in Figure 9.

In the Istanbul Office Market, the demand for quality office area saw a significant increase Q4 2023. During this period, it was observed that transactions were completed rapidly, especially due to the high demand. At the end of the eventful fourth quarter, there was a noticeable decrease in vacancy rates in Class A office area in many districts.

Levent Class A office buildings had a vacancy rate of 9.2% in Q4 2023. In addition to the advantage of Levent's easy accessibility, the demand for office buildings in Levent continued to be intense due to the design and facilities offered by the Class A office buildings in the region.

In Etiler, one of the regions where Class A office stock is limited, the vacancy rate was recorded as 1% at the end of 2023.

In the Maslak region, there was a lively period in Class A office areas in Q4 2023. During this period, it was observed that the demand for new generation office buildings in Maslak intensified with the contribution of users from other regions.

No.3

FOR LEASE - SALE

### PIAZZA OFFICE

#### MALTEPE

- Floor area between 1,601 m<sup>2</sup> and 3,259 m<sup>2</sup>
- Offices with terrace and balconies
- Located on E-5 Highway
- Direct entrance to Esenkent Metro Station from building
- Mall, cinema, GYM and Meeting Halls

Click for more information.

Maslak drew attention especially with its modern office concept buildings in this quarter. At the end of Q4 2023, the vacancy rate in Maslak Class A office buildings was 17.4%.

The conversion of some office areas in Taksim-Nisantasi into hotels with a change in function caused a decrease in the Class A office stock. In Q4 2023, the vacancy rate in Taksim-Nisantasi Class A office buildings was determined as 19.1%.

In Q4 2023, the vacancy rate in Class A office buildings in Kozyatagi was 10.8%. During this period, it was observed that some companies in the region downsized their office areas due to the hybrid working model. The fact that such decorated office areas were quickly rented to the market brought great activity to the region. Due to the impact of the realized transactions, the vacancy rate decreased significantly compared to the previous quarters.

The vacancy rate in Class A office buildings in Altunizade was recorded at 12.7% in Q4 2023. Transactions in the new generation office buildings in the region were effective in reducing the vacancy rate compared to previous quarters.

# CHANGES IN VACANCY RATES IN THE ISTANBUL OFFICE MARKET

## CHANGES IN VACANCY RATES OF CLASS A BUILDINGS

The Last Four Quarters

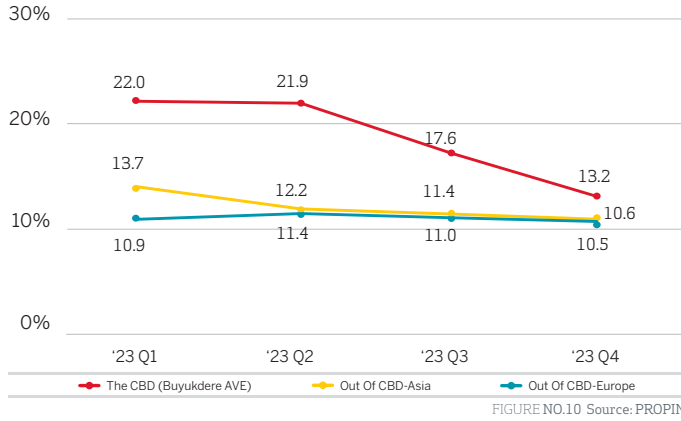


Figure 10 shows the 'Changes in Vacancy Rates for Class A Office Buildings by District Categories' in the last four quarters.

While the vacancy rate of Class A office buildings in the CBD remained stable at 22% in the first two quarters of 2023, it started to decline in the third quarter. In the last four quarters, the vacancy rate for Class A office buildings in the CBD dropped by 40%. At the end of the fourth quarter of 2023, the vacancy rate of Class A office buildings in CBD was recorded as 13.2%.

Throughout the four quarters of 2023, the vacancy rate of Class A office buildings in Out of CBD-Europe remained stable, fluctuating between 10.5% and 11.5%.

Throughout 2023, the vacancy rate for Class A office buildings in Out of CBD-Asia was on a steady decline. The vacancy rate for Class A office buildings in Out of CBD-Asia declined from 13.7% in Q1 2023 to 10.6% in Q4 2023. By the end of the year, the vacancy rate dropped by 23%, indicating occupier demand for Class A office buildings.

**FOR LEASE - SALE**  
*Decorated*

**TORUN CENTER**  
MECIDIYEKÖY

- 1,530 m<sup>2</sup> floor area
- Walking distance from Mecidiyekoy Metro and Metrobus Stations
- Located on D-100 Highway
- Theater, cafe, pharmacy, restaurant, GYM and terrace

Click for more information.

**No.5**

**FOR LEASE**  
*Decorated*

**TEKFEN TOWER**  
LEVENT

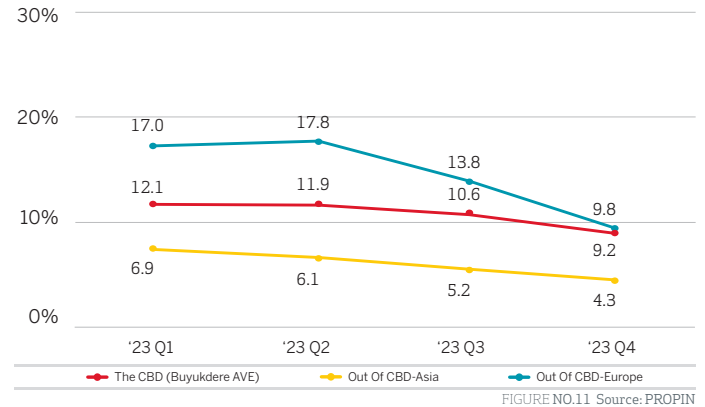
- 1.045 m<sup>2</sup> floor area
- Located on Buyukdere Avenue
- Conference hall, cafeteria, GYM, kuafor, dry cleaners, market

Click for more information.

**No.4**

## CHANGES IN VACANCY RATES OF CLASS B BUILDINGS

The Last Four Quarters



In Figure 11, 'Changes in Vacancy Rates for Class B Office Buildings' with respect to District Category' over four quarters is presented.

In the CBD, the vacancy rate of Class B office buildings slightly declined throughout the year 2023. In Q1 2023, the vacancy rate was at the level of 12.1%. The vacancy rate, which started to decrease in the following quarters, dropped below 10% after the third quarter. In Q4 2023, the vacancy rate of Class B office buildings in the CBD was 9.2%.

Out of CBD-Europe, the vacancy rate of Class B offices saw a remarkable 43% decrease at the end of the last four quarters. The vacancy rate for Class B offices in Out of CBD-Europe was at 17% at the beginning of 2023. After rising in Q2, the vacancy rate started to decline again in the last two quarters of 2023. In Q4 2023, the vacancy rate for Class B office areas in Out of CBD-Europe was 9.8%.

Throughout 2023, a decline in the vacancy rate was observed in Class B office buildings in Out of CBD-Asia. The vacancy rate for Class B office buildings in Out of CBD-Asia was determined to be 6.9% in Q1 2023. The decreasing vacancy rate in the subsequent quarters recorded a level of 4.3% in Q4 2023. The vacancy rate experienced a significant 38% reduction by the conclusion of the past four quarters.

# HISTORICAL VACANCY RATES IN THE ISTANBUL OFFICE MARKET

## HISTORICAL VACANCY RATES OF CLASS A BUILDINGS 2014 - 2023 The Last Ten Years

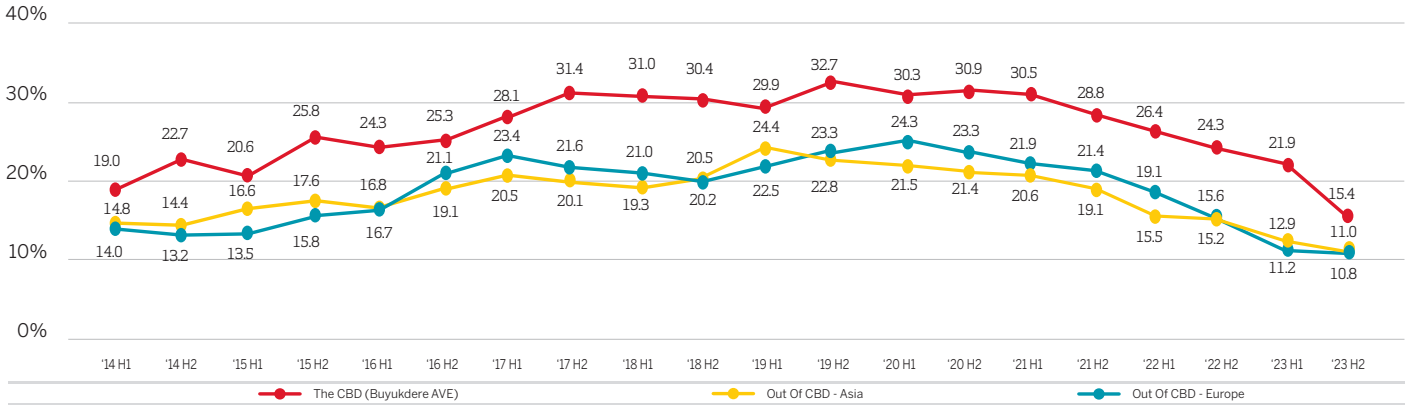


FIGURE NO.12 Source: PROPİN

'Change in Vacancy Rates in Class A Office Buildings by District Categories' for the last ten years between 2014-2023, prepared with PROPİN data, is included in Figure 12.

### THE CBD

The vacancy rate of Class A office buildings in the CBD has fluctuated over the past decade.

In the first half of 2014, the vacancy rate Class A office buildings in the CBD was 19%.

Starting from 2014 until the end of 2018, the vacancy rate increased overall. This rise was driven by the significant growth of the Class A office stock.

At the end of 2019, triggered by the economic crisis, the vacancy rate reached a ten-year high of 32.7%. Despite the increase in demand for qualified office buildings, the vacancy rate has started to decline since 2021 as the inventory increase slowed down.

The vacancy rate of Class A office buildings in the CBD declined significantly to 15.4% in 2023, and this vacancy rate was recorded at the lowest level in the last decade.

### Out of CBD- Europe

The vacancy rate of Class A office buildings Out of CBD-Europe followed a fluctuating trend between 2014 and 2023; however, it sharply declined from the second half of 2021.

In the first half of 2014, the vacancy rate was measured at 14%. Although there was a slight decrease in the following year, especially with the rapid increase in the Basın Ekspres's stock, the vacancy rate in Class A office buildings Out of CBD-Europe increased.

The vacancy rate of Class A office buildings Out of CBD-Europe rose to 24.3% in the first half of 2020. With this increase, the highest vacancy rate of the last decade was reached, and then the vacancy rate began to decrease.

With increasing demand and the impact of office buildings undergoing functional changes, the vacancy rate, which has been declining rapidly in the last two years, was recorded at its lowest value of 10.6% at the end of 2023.

### Out of CBD- Asia

The vacancy rate of Class A office buildings in Out of CBD-Asia showed a fluctuating movement over the last decade.

In the first half of 2014, the vacancy rate was measured at 14.8%. In the following periods, with the impact of the growth in stock, there was an increase in the vacancy rate of Class A office buildings in Out of CBD-Asia.

Although the vacancy rate recorded a sudden increase to 24.4% in the first half of 2019, reaching the highest level in the last decade, vacancy rates rapidly started to decline in the following periods.

The vacancy rate of Class A office buildings in Out of CBD-Asia, which dropped to 11% in the second half of 2023, reached its lowest level. The significant development during this period was the halving of the vacancy rate in the last five years.

No.6

**FOR LEASE**  
*Decorated*

## BELLEVUE RESIDENCE



- 3,507 m<sup>2</sup> floor area
- Total 5,237 m<sup>2</sup> leasable area with standalone entrance
- Walking distance from Zincirlikuyu Metrobus and Metro Stations

Click for more information. 

# HISTORICAL VACANCY RATES IN THE ISTANBUL OFFICE MARKET

## HISTORICAL VACANCY RATES OF CLASS B BUILDINGS

2014 - 2023 The Last Ten Years

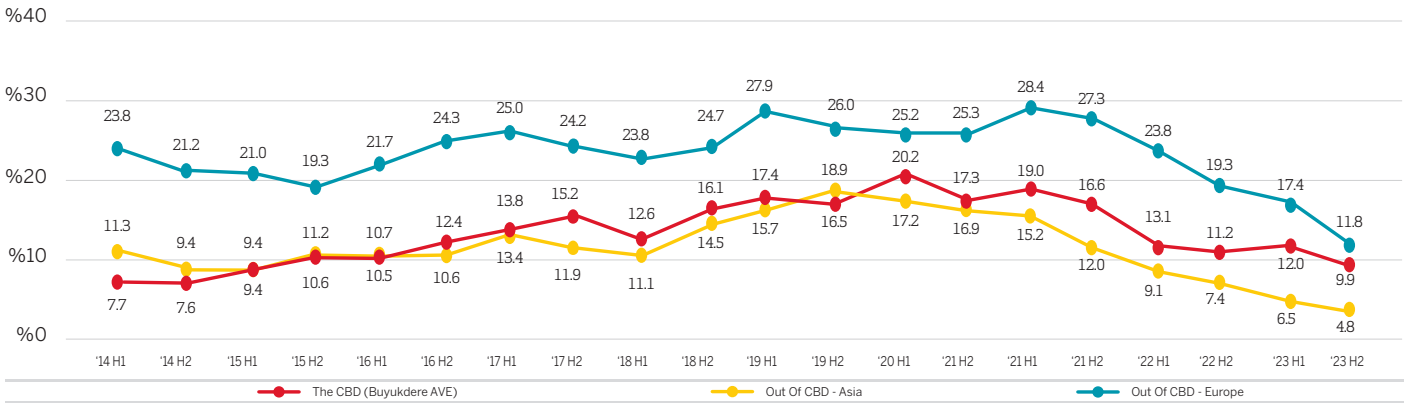


FIGURE NO.13 Source: PROPIN

'Change in Vacancy Rates in Class B Office Buildings by Regional Categories' for the last ten years between 2014-2023, prepared with PROPIN data, is included in Figure 13.

### THE CBD

The vacancy rate of Class B office buildings in the CBD followed a fluctuating trend between 2014 and 2023. At the end of the decade, the vacancy rate rose to 28%.

The vacancy rate was at its lowest level in the second half of 2014, measuring 7.6%.

The upward movement in the vacancy rate, which started in the first half of 2015 and, despite some slight declines in some halves, continued to rise for five years. The vacancy rate reached its highest value in the first half of 2020, reaching 20.2%.

The vacancy rate of Class B office buildings in the CBD started to decrease after the first half of 2021 and dropped to 9.9% in the second half of 2023.

### Out of CBD- Europe

The vacancy rate of Class B office buildings in Out of CBD-Europe fluctuated during the first six years of the last decade but saw a decline in the last four years. At the end of the period, the vacancy rate dropped to half its level.

In the first half of 2014, the vacancy rate for Class B office buildings Out of CBD-Europe was at 23.8%. The decrease in the vacancy rate continued until it reached 19.3% in the second half of 2015.

The vacancy rate ranged between 24-26% from 2016 to 2020. Q1 2021, the vacancy rate spiked to 28.4%, recording the highest value in the last decade.

Following the peak, the vacancy rate of Class B office buildings in Out of CBD-Europe moved downward and reached 11.8% at the end of 2023. This value was recorded as the lowest in the last decade.

### Out of CBD- Asia

The vacancy rate of Class B office buildings in Out of CBD-Asia experienced a fluctuating period between 2014 and 2023.

The vacancy rate was at 11.4% in the first half of 2014. In the subsequent halves, the vacancy rate remained relatively stable.

Starting from 2017, the vacancy rates gradually increased, reaching up to 18.9% in the second half of 2019. This level was recorded as the highest in the last decade.

The vacancy rate of Class B office buildings in Out of CBD-Asia, which declined in the last five years, reached the lowest value in the last decade at 4.8% in the second half of 2023.

**FOR LEASE**

*Decorated*

**KANYON**

LEVENT

- Floor area between 399 m<sup>2</sup> and 859 m<sup>2</sup>
- Direct entrance from Levent Metro Station
- Located on Buyukdere Avenue
- Beside the mall
- Users including: BGC Partners, Brown Forman, Clifford Chance, EBRD, Glencore Ist, IFC Turkiye, JP Morgan, KfW Ipex, Korn Ferry, Merrill Lynch

Click for more information.

**No.7**

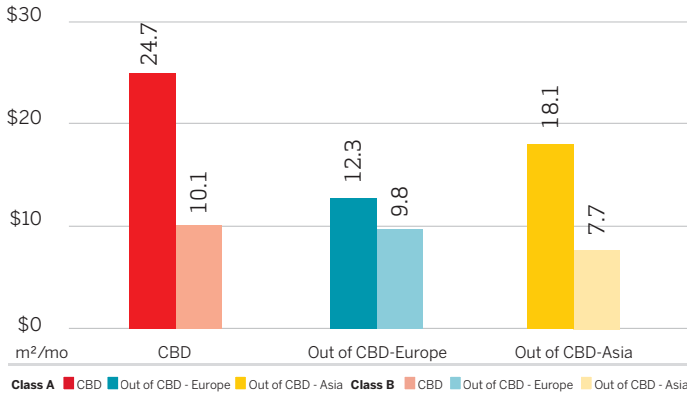
[3] You may contact us if you want data prior to 2014 on the Change in the Vacancy Rate in Class A Office Buildings by District Categories,



# AVERAGE RENTAL RATES IN THE ISTANBUL OFFICE MARKET

## AVERAGE RENTAL RATES BY DISTRICT CATEGORY

Q4 2023



\*1 US Dollar (\$) = 29,44 Turkish Lira

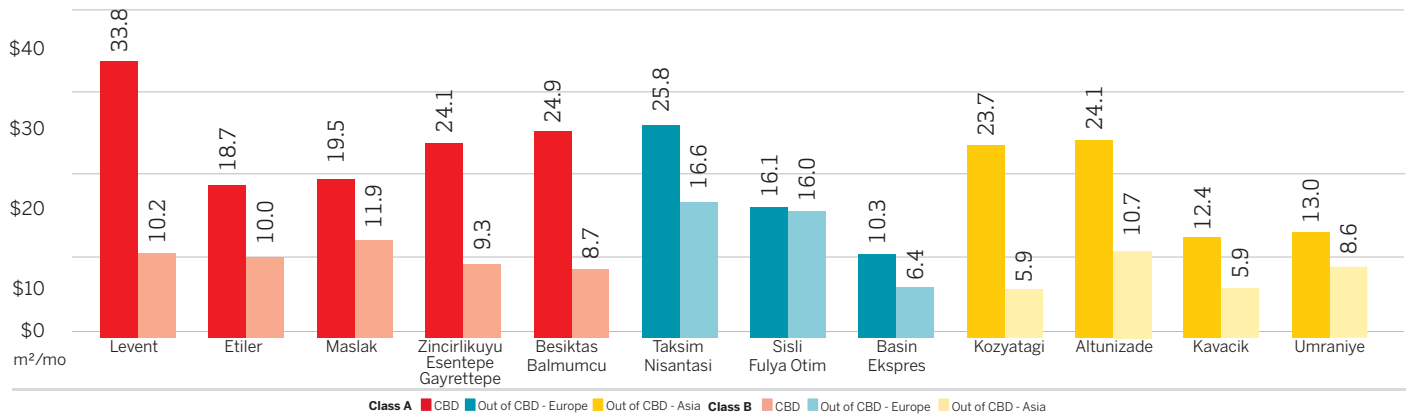
FIGURE NO.14 Source: PROPİN

In Figure 14, the Average Rental Rates by District Category of the Istanbul Office Market for Q4 2023 are shown.

In the CBD, the average rent for Class A office buildings was US\$ 24.7 /m² /month and US\$ 10.1 /m² /month for Class B office buildings.

In Out of CBD-Europe, the average rent for Class A office buildings was US\$ 12.3 /m² /month and US\$ 9.8 /m² /month for Class B office buildings.

## AVERAGE RENTAL RATES BY DISTRICT Q4 2023



\*1 US Dollar (\$) = 29,44 Turkish Lira

FIGURE NO.15 Source: PROPİN

The 'Average Rent by District' for Class A and B office buildings within in the twelve districts of Istanbul is in Figure 15.

The main topics in the Istanbul Office Market in 2023 were the earthquake resilience of buildings, the increase in the exchange rate, and inflationary market conditions. Prices were generally announced in US Dollars. Despite the growing demand in the last two years, the lack of an increase in stocks accelerated the rise in average rents. This situation continued to make the market a landlord's market in 2023.

The average rent in Levent Class A office buildings was US\$ 33.8 /m² /month in the fourth quarter of 2023. Compared to the same period of the previous year, the average rent in Levent increased by approximately 40%.

Due to the low vacancy rate in Etiler, office areas in Class A office buildings, despite having rents above the regional average, were quickly leased. In the fourth quarter of 2023, the average rent of Etiler Class A office buildings was calculated as US\$ 18.7 /m² /month. However, it was observed that transactions were finalized at the prime rental rates in the region.

<sup>(4)</sup> Local Average rental rates are calculated based on the list figures disclosed to the market by the property owners. Room for negotiation was not considered during the evaluation.,

FOR LEASE

**OZSEZEN PLAZA**

ESENTEPE

- 940 m² floor area
- Total 4,690 m² leasable office area
- Located on Buyukdere Avenue
- 1 minute walking distance from Zincirlikuyu Metrobus and Metro Stations

Click for more information.

In Out of CBD-Asia the average rent for Class A office buildings was US\$ 18.1 /m² /month and US\$ 7.7 /m² /month for Class B office buildings.

There was an increase in the listed figures for Besiktas-Balmumcu Class A office buildings, causing the average rent in the region to rise to US\$ 24.9 /m² /month.

In the fourth quarter of 2023, the average rent for Class A office buildings in Basın Ekspres was US\$ 10.3 /m² /month. Notably, the listed rental figures for the buildings available for lease in the region were below the regional average.

For Altunizade Class A office buildings in the fourth quarter of 2023, the average rent was US\$ 24.1 /m² /month. Significant rent increases in Altunizade, where there is limited stock, contributed to the overall rise in average rent.

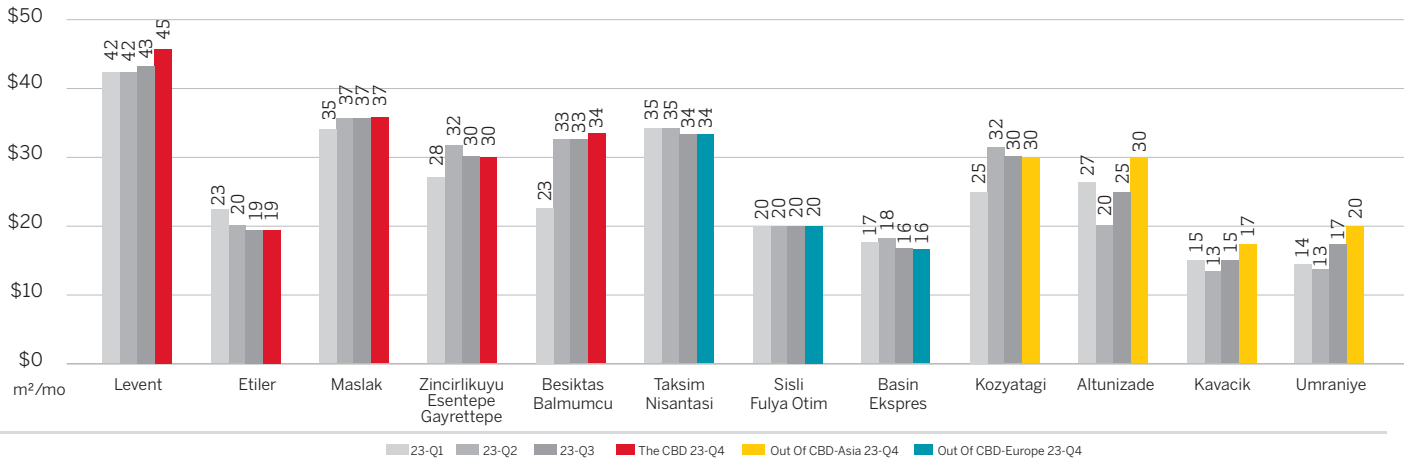
Several leasing transactions were completed in Q4 2023 in Kavacik Class A office buildings. It was observed that the list prices in these transactions were below the market rental average. By the end of Q4 2023, influenced by the increase in list prices, the average rent in Kavacik Class A office buildings had risen to US\$ 12.4 /m² /month.



# PRIME RENT RATES IN THE ISTANBUL OFFICE MARKET

## LISTING PRICES OF PRIME RENT BY DISTRICT IN ISTANBUL

The Last Four Quarters



\*1 US Dollar (\$) = 29,44 Turkish Lira

FIGURE NO.16 Source: PROPIN

The comparison of 'Quoted Prime Rent by Districts' in the Istanbul Office Market for Q4 2023 is depicted in Figure 16. These figures are the quoted rents disclosed by landlords.

In Q4 2023, Levent, situated in the CBD of Istanbul's Class A office buildings, held the prime rental rates. The peak rate in this area reached US\$ 45 /m² /month (approximately 1,325 TL /m² /month), marking a US\$ 3 increase compared to the beginning of 2023.

Throughout 2023, it was noted that the prime rental rates in the CBD, excluding Etiler, experienced an upward trend. The most rapid increase was observed in Besiktas-Balmumcu, where the rate rose by 9.

For Out of CBD-Europe in Q4 2023, the prime rental rate was identified as US\$ 34 / m² /month (approximately 1,000 TL /m² / month). Taksim-Nisantasi emerged as the region with the highest rental demand during this quarter.

In Out of CBD-Asia during Q4 2023, the prime rental rate, at US\$ 30 /m² /month (approximately 840 TL /m² /month), was requested in Kozyatagi and Altunizade. Throughout 2023, the prime rental rates in Out of CBD-Asia exhibited variations; compared to Q1 2023, an increase of between US\$ 2 and US\$ 6 was observed in Q4 2023.

[5] The rental rates in the graphic reflect the list figures disclosed to the market by the property owners. Figures regarding buildings that were finished and added to the stock were not reflected within the graphs. Average rental rates in the districts are available on page 18.

No.9

FOR LEASE

Decorated

LEVENT SEKOYA

LEVENT

- Office floors between 796 m² and 1,050 m²
- Total 7,650 m² office area
- Offices with terrace and balconies
- 1 minute walking distance from Levent Metro Station

Click for more information.



No.10

FOR LEASE

PREMIER CAMPUS OFFICE

KAGITHANE

- Flat office usage with 4,000 m² floor area
- Located on Cendere Avenue
- Walking distance from Kagithane Metro Station
- Garden, cafe, restaurant, GYM, terrace, meeting halls

Click for more information.



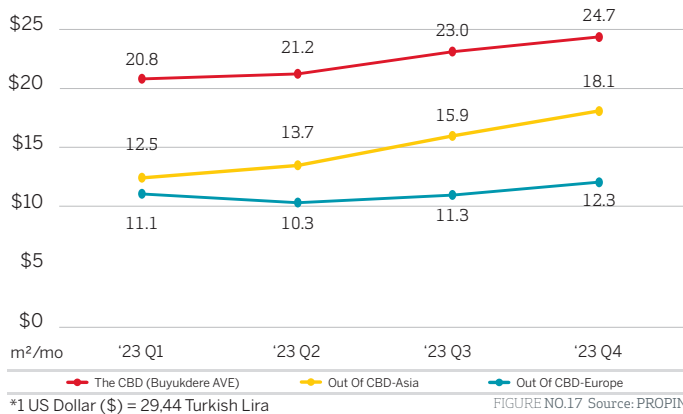
Contact PROPIN for your office needs,  
and discover the best spaces that  
meet all sizes and work styles.



**FAST and EASY WITH PROPIN**

# CHANGES IN AVERAGE RENTAL RATES IN THE ISTANBUL OFFICE MARKET

## CHANGES IN AVERAGE RENTAL RATES OF CLASS A BUILDINGS The Last Four Quarters



'Changes in Average Rents for Class A Office Buildings by District Category' over four quarters of 2023 is depicted in Figure 17.

In 2023, the average rent for Class A office buildings in the CBD increased. The rental average, which started the year at US\$ 20.8 /m² /month, continued to rise from Q1 2023. By the end of the year, with an approximately 19% increase, the average rent for Class A office buildings in CBD reached US\$ 24.7 /m² /month.

In Out of CBD-Europe, the average rent for Class A office buildings increased in Q4 2023. While the average rent was US\$ 11.1 /m² /month in the first quarter of 2023, it decreased to US\$ 10.3 /m² /month in Q2. In the second half of the year, the average rent for Class A office buildings in Out of CBD-Europe started to rise and reached US\$12.3 /m² /month in Q4 2023.

In Out of CBD-Asia, the average rent for Class A office buildings steadily increased throughout 2023. Starting at US\$12.5 /m² /month in early 2023, the average rent showed an upward trend from Q2 onwards. In Q3, it surpassed US\$15 /m² /month. The average rent for Class A office buildings in Out of CBD-Asia was recorded at US\$18.1 /m² /month in Q4 2023, indicating a 45% increase over the last four quarters.

### FOR LEASE-SALE

## 4B PLAZA UMRANIYE

- 1,250 m² floor area
- Total 22,500 m² office area
- Standalone lease option
- Visibility from TEM Highway

Click for more information.



No.12

## CHANGES IN AVERAGE RENTAL RATES OF CLASS B BUILDINGS The Last Four Quarters

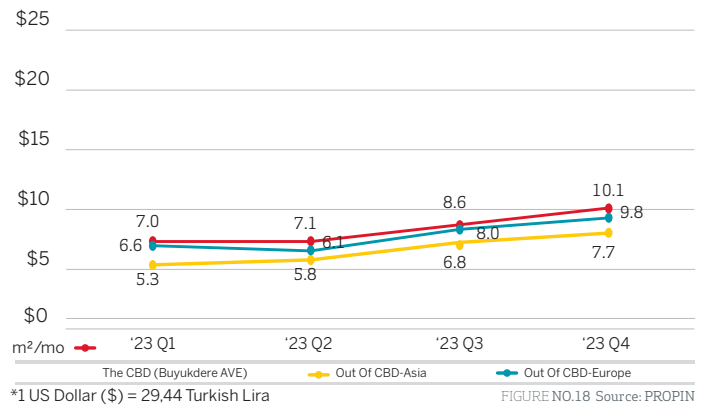


Figure 18 shows the 'Average Rent Change in Class B Office Buildings by District Categories' in the four quarters of 2023.

The average rent in the CBD Class B office buildings increased in 2023. The average rent, which was stable at US\$ 7 /m² /month in the first half of the year, started to rise in the second half. The average rent in the CBD Class B office buildings, which reached US\$ 10.1 /m² /month in Q4 2023, increased by 43% in the last four quarters.

The average rent in Class B office buildings in Out of CBD-Europe followed a falling and then rising course in 2023. The average rent average, which was set at US\$ 6.6 /m² /month at the beginning of the year, decreased to US\$ 6.1 /m² /month in the second quarter. The average rent in Class B office buildings in Out of CBD-Europe, which increased in the following quarters, was recorded as US\$ 9.8 /m² /month in Q4 2023.

Over the past four quarters, the average rent of Class B office buildings in Out of CBD-Asia has increased. The average rent was US\$ 5.3 /m² /month in Q1 2023. The average rent in Out of CBD-Asia Class B office buildings, which gradually increased in the rest of the year, reached US\$ 7.7 /m² /month in Q4 2023.

### FOR LEASE

## GFY PLAZA KOZYATAGI

- Floor area between 643 m² and 2,727 m²
- Located on E-5 Highway
- Walking distance from Yenisahra Metro Station

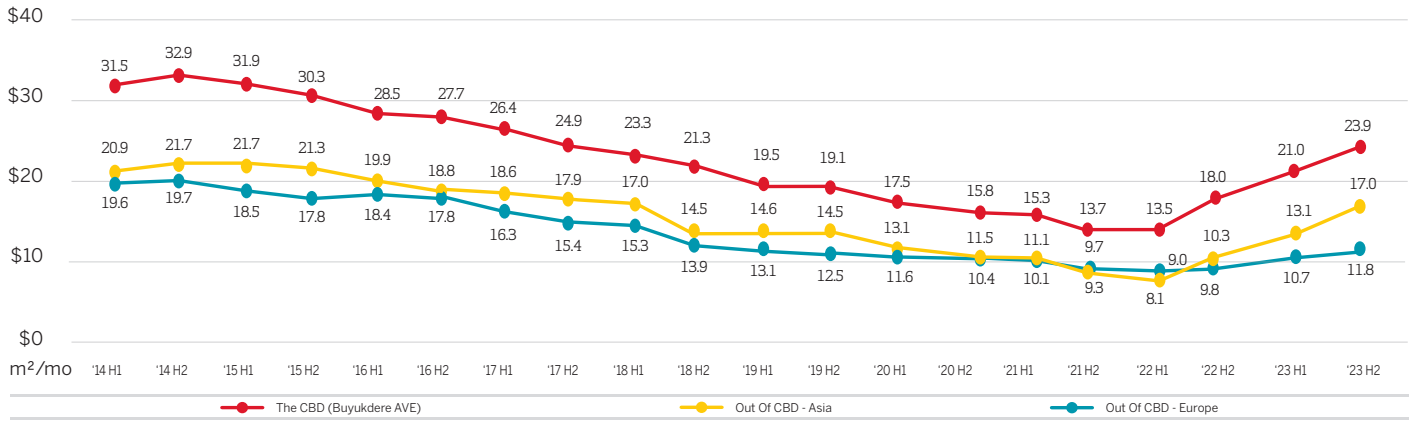
Click for more information.



No.11

# HISTORICAL AVERAGE RENTAL RATES IN THE ISTANBUL OFFICE MARKET

## HISTORICAL AVERAGE RENTAL RATES OF CLASS A BUILDINGS 2014 - 2023 The Last Ten Years



\*1 US Dollar (\$) = 29.44 Turkish Lira

FIGURE NO.19 Source: PROPİN

Figure 19 displays the 'Average Rental Change in Class A office buildings by District Category' between 2014 and 2023. [6]

### The CBD

The average rental rate for Class A buildings in CBD showed an upward trend in the second half of 2022 after a prolonged decline in the past decade.

In the first half of 2014, the rental average was US\$ 31.5 /m² /month, reaching US\$ 32.9 /m² /month in the second half, marking the highest point in a decade.

Due to economic conditions and increased competition, the rental average started to decline from 2015 onwards.

The declining rental average fell below US\$ 20 /m² /month in the first half of 2019.

The sharp devaluation of the Turkish Lira against the US Dollar in 2021, coupled with rising list prices, reflected a decline in the Figures represented in US Dollars. The rental average hit its lowest value in the last decade in the first half of 2022 at US\$ 13.5 /m² /month.

With a gradual increase starting in the second half of 2022, the rental average for Class A in the CBD stood out at US\$ 23.9 /m² /month in the second half of 2023.

### Out of CBD-Europe

The rental average was US\$ 19.7 /m² /month in 2014.

After starting to decline after the first half of 2016, the rental average fell below US\$ 10 /m² /month in the second half of 2021.

The first quarter of 2022 recorded the lowest value in the last decade at US\$ 9 /m² /month.

The rental average for Class A office buildings in Out of CBD-Europe, which began to rise in the second half of 2022, reached US\$ 11.8 /m² /month at the end of 2023.

### MİA Dışı-Asya

The rental averages for Class A office buildings Out of CBD-Asia fluctuated between 2014 and 2023.

The rental average, which remained above US\$ 20 /m² /month, reached its highest value in the second half of 2014 at US\$ 21.7 /m² /month.

Gradually decreasing from the second half of 2015, the rental average fell below US\$ 10 /m² /month in the second half of 2021.

The first half of 2022 marked the lowest point in the last decade at US\$ 8.1 /m² /month.

The rental average for Class A office buildings in Out of CBD-Asia increased to US\$ 17 /m² /month in the second half of 2023, resulting in a 19% decrease over the last decade.

### FOR LEASE

Decorated

## BUYAKA BLOCK C

UMRANIYE

- 844 m² floor area
- Decorated office lease options
- Visibility from TEM Highway
- Mall, cinema, GYM and meeting halls

Click for more information.



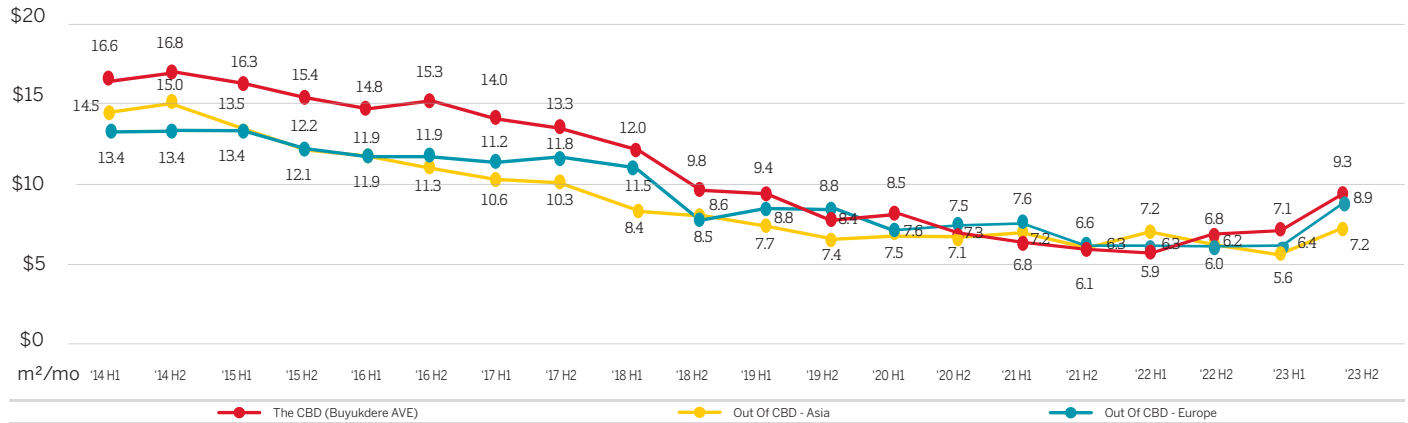
[6] You may contact us if you want data prior to 2014 on the Change in the Average Rental Rate in Class A Office Buildings by District Categories,iz.



# HISTORICAL AVERAGE RENTAL RATES IN THE ISTANBUL OFFICE MARKET

## HISTORICAL AVERAGE RENTAL RATES OF CLASS B BUILDINGS

2014 - 2023 The Last Ten Years



\*1 US Dollar (\$) = 29,44 Turkish Lira

FIGURE NO.20 Source: PROPIN

Figure 20 illustrates the 'Average Rental Change in Class B Office Buildings by District Category' between 2014 and 2023. [7]

### The CBD

The average rental in Class B office buildings in the CBD generally showed a downward trend over the last decade from 2014 to 2023.

In the first half of 2014, the rental average was at the level of US\$ 16.6 /m<sup>2</sup> /month. The highest value in the last decade was recorded in the second half of 2014 at US\$ 18.1 /m<sup>2</sup> /month.

The rental average in Class B office buildings in the CBD started to decline from the first half of 2015. It fell below US\$ 10 /m<sup>2</sup> /month in the second half of 2018.

Gradually decreasing, the rental average hit its lowest point in the last decade at US\$ 5.9 /m<sup>2</sup> /month in the first half of 2022.

In the second half of 2023, the rental average for Class B office buildings in the CBD started to rise again and was determined as US\$ 9.3 /m<sup>2</sup> /month.

### Out of CBD-Europe

The rental average in Class B office buildings Out of CBD-Europe gradually declined over the last decade.

In 2014, the rental average was US\$ 13.4 /m<sup>2</sup> /month, and this average began to decline after the second half of 2015.

In the second half of 2018, the rental average was recorded below US\$ 10 /m<sup>2</sup> /month with a rapid decrease.

The rental average continued its four-year decline until the second half of 2022, reaching its lowest value at US\$ 6.2 /m<sup>2</sup> /month.

The rental average for Class B office buildings in Out of CBD-Europe rose to US\$ 8.9 /m<sup>2</sup> /month at the end of 2023.

### Out of CBD-Asia:

The rental average was at the level of US\$ 15 /m<sup>2</sup> /month in the second half of 2014, marking the highest value in the last decade.

Following the first half of 2015, rental averages started to decline, reaching below US\$ 10 /m<sup>2</sup> /month in the first half of 2018.

The rental average hit its lowest value in the last decade at US\$ 5.6 /m<sup>2</sup> /month in the first half of 2023.

The rental average for Class B office buildings in Out of CBD-Asia increased to US\$ 7.2 /m<sup>2</sup> /month in the second half of 2023.

### FOR LEASE

Decorated

### QUICK TOWER KOZYATAGI

- 1,312 m<sup>2</sup> decorated office area
- Located on D-100 Highway
- Cafe, pharmacy, terrace, meeting halls
- Walking distance from Kozyatagi Metro Station

Click for more information.



[7] You may contact us if you want data prior to 2014 on the Change in the Average Rental Rate in Class B Office Buildings by District Categories,



# TAKE-UP IN THE ISTANBUL OFFICE MARKET

## TAKE-UP VOLUME

2014 - 2023

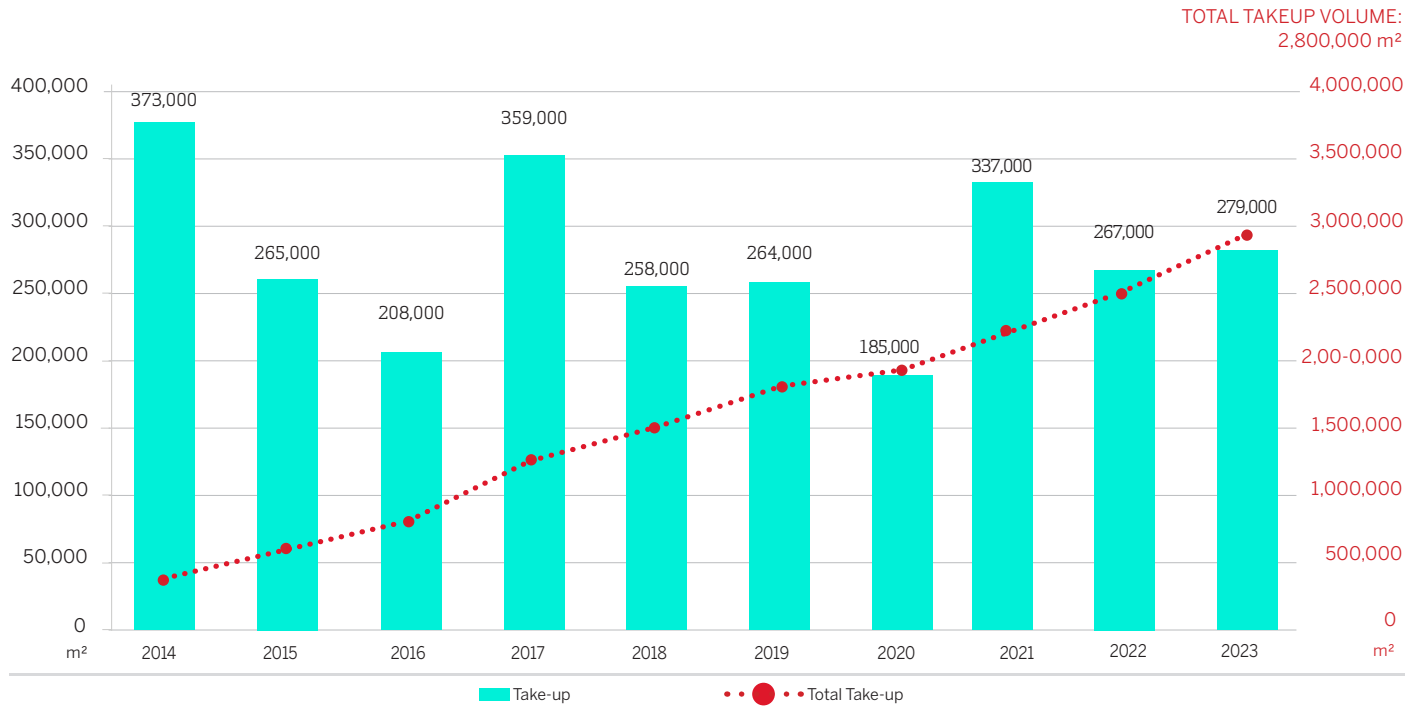


FIGURE NO.21 Source: PROPIN

In Figure 21, the 'Take-Up Volume' in the Istanbul Office Market is detailed between the years 2014 and 2023.

The Istanbul Office Market was significantly influenced by economic conditions and the earthquake in 2023. Following the earthquakes in Kahramanmaraş, users began displaying a keen interest in buildings constructed in accordance with the new earthquake regulations. Despite economic uncertainties and the rise in rent figures, demand has intensified. However, due to the lack of new projects in stock, office demands cannot be met, resulting in an imbalance between supply and demand.

The total leasing and corporate acquisitions in Istanbul for 2023 were recorded at approximately 279,000 m<sup>2</sup> of office area. However, this volume only reflects a 4% increase compared to 2022. Despite the high demand, there are several reasons why the take-up volume has not significantly increased compared to the previous year.

One of these reasons is the scarcity of qualified supply in stock. Additionally, within the existing market gap, there are limited options that offer large area on a single floor with successive floors, meeting the needs of large area users. This situation has caused challenges for large area users in finding suitable places and completing their relocation processes. If the qualified supply could present more alternatives, it is likely that the take-up volume of realized transactions would significantly increase.

Leasing and corporate acquisition transactions predominantly took place in small and medium-sized office areas throughout 2023. Large-scale transactions conducted by users from different sectors were primarily completed in office areas ranging from 5,000 to 15,000 m<sup>2</sup>.

The largest transaction during this period reached the level of 22,000 m<sup>2</sup>.

When the transaction volume for 2023 is detailed:

27% of take-up in Istanbul took place in office areas exceeding 10,000 m<sup>2</sup>.

7% of the take-up volume involved office sizes ranging from 5,000 to 10,000 m<sup>2</sup>.

Transactions in office areas ranging from 1,000 to 5,000 m<sup>2</sup> constituted 53% of the total volume.

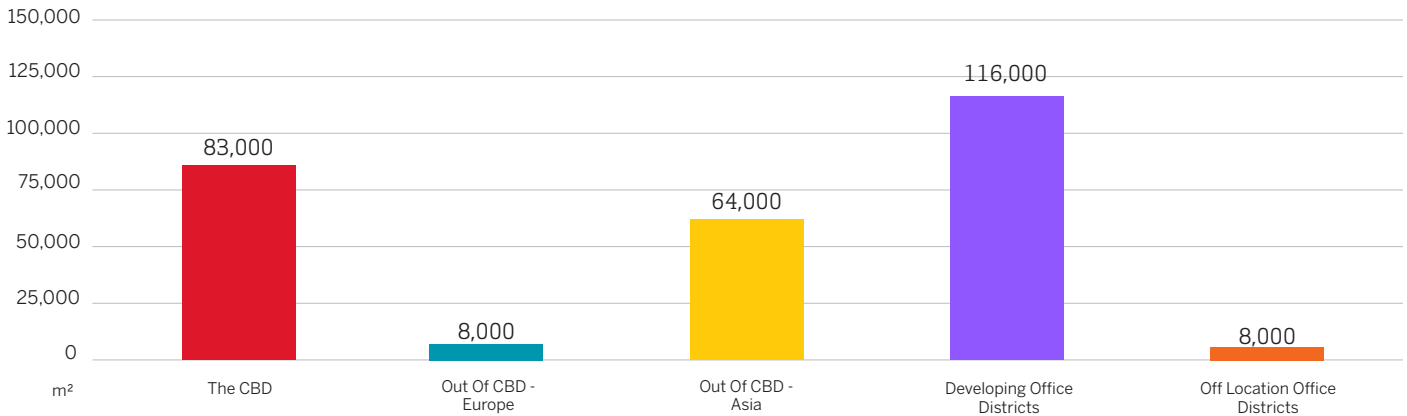
Transactions in office areas below 1,000 m<sup>2</sup> accounted for approximately 13% of total take-up.

In the Istanbul Office Market, leasing, and corporate acquisition transactions in 2014 reached a record of 373,000 m<sup>2</sup> of office area, marking the pinnacle of the past decade. This magnitude emerged in tandem with improving market conditions. Simultaneously, the high demand from large area users for newly offered generation office areas played a significant role behind this substantial transaction volume.

Approximately 2.8 million m<sup>2</sup> of office area leasing and corporate acquisition transactions took place in Istanbul between 2014 and 2023, spanning a decade.

# TAKE-UP IN THE ISTANBUL OFFICE MARKET

## TAKE-UP DISTRIBUTION BY DISTRICT CATEGORY 2023



TOTAL TAKE-UP: 279.000 m²

FIGURE NO.22 Source: PROPIN

'The Distribution of Take-up by District Category' in 2023 is shown in Figure 22.

In the Istanbul Office Market, the total of leasing and corporate acquisition transactions in 2023 was approximately 279,000 m². In terms of geographical distribution, 59% of completed transactions took place on the European side, while 41% occurred on the Asian side.

### The CBD

The total area involved in leasing and corporate acquisitions in the Central Business District (CBD) in 2023 was approximately 83,000 m². Almost one-third of the transactions completed in Istanbul in 2023 took place in the CBD. While the take-up volume in the CBD in 2023 remained at the same level as the previous year, its share in the total remained unchanged.

The largest-volume transaction in the CBD in 2023 was the office lease by Demiroren Group with an area of 21,750 m² of office area in Maslak Square.

### Out of CBD-Europe

During 2023, around 8,000 m² of office area in Out of CBD-Europe was transacted. Transaction volume here almost halved compared to the previous year. Out-of-CBD-Europe accounted for 3% of the total volume in Istanbul. The lack of new projects in Out of CBD-Europe caused users looking for area in the district to complete their transactions elsewhere.

### Out of CBD-Asia

Leasing and corporate acquisitions took place throughout 2023 in approximately 64,000 m² of office area in Out of CBD-Asia. In 2023, one out of every four transactions completed in Istanbul occurred in Out of CBD-Asia. It was observed that there was a 7% contraction in transaction volume compared to the previous year.

The largest volume transaction in Out of CBD-Asia in 2023 was the corporate acquisition, involving approximately 11,000 m² of office area in Umraniye 19. In this significant corporate acquisition in Istanbul in 2023, PROPIN provided agency services during the process.

### Developing Office Areas

The demand for office areas in Developing Office Areas continued to increase in 2023. Transactions were conducted in approximately 116,000 m² of office area in these qualified and user-oriented offices. The remarkable growth of 47% in transaction volume compared to 2022 was noteworthy. By the end of 2023, the transaction volume reached accounted for 42% of the transactions closed in Istanbul.

Medium and large-scale office users in the Istanbul Office Market continued their interest in the office inventory in Kagithane in 2023, similar to previous years. With the contribution of a newly introduced project to the office inventory, three out of the five largest leasing transactions in 2023 took place in this region.

Koton, with 17,000 m², Metgun, with 14,010 m², and Mavi Jeans, with 12,360 m², were the tenants in the mentioned leasing transactions.

### FOR LEASE-SALE

### SKYLAND SEYRANTEPE

- Floor area between 1,400 m² and 3,000 m²
- Standalone blocks with own entrances
- 6 minute walking distance from Vadi Istanbul Funicular Station
- Mall and restaurants

Click for more information.

No.15



# New Generation Office Spaces: Transformation of Workspaces in the Business World

The fundamental change that occurred in the business world during the pandemic led to the emergence of new ways of working and triggered the transformation of modern office spaces.

Today's offices require a more sustainable, flexible, creative, and inspiring approach. New generation offices focus on enhancing employee productivity, collaboration, and adaptability to different work styles. In addition to providing technological infrastructure, creating facilities that cater to employee comfort and motivation is becoming increasingly important.

A study by Harvard Business Review highlights the positive effects of shared working spaces. It shows that new trends not only improve physical work environments but also positively impact employees' perspectives towards their work and their productivity.

## Advantages of New Generation Office Spaces

### Flexible Solutions

New generation offices offer users the flexibility to choose an office that suits their needs, with features such as size, lease duration, and location..

### Ease of Use

New generation offices, designed for immediate move-in and use, offer a practical solution for those who want to start working quickly..

### Cost Control

Instead of the costs associated with renting a conventional standard office, it offers more flexible payment plans.

### Professional Image

It leaves a positive impression on clients and business partners with its professional environment. The advantages of a prestigious office in an impressive location are met with affordable costs.

### Business Development Opportunities

Co-working spaces offer opportunities for interaction and collaboration with a variety of businesses and professionals.

The co-working network is among the most important resources for finding business.

60%

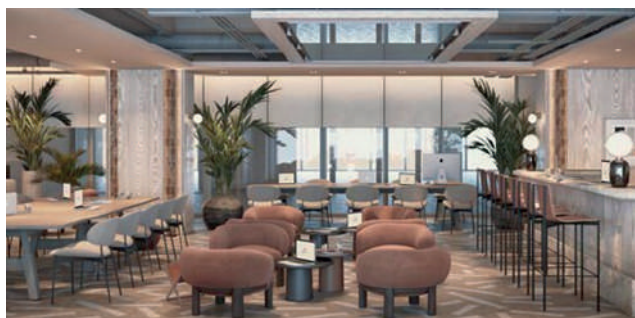
Co-working spaces are not just where you work, but also where you find opportunities.

### Infrastructure and Hardware

Amenities such as symmetric internet, furnitures, free tea and coffee makes it easier on members and businesses.

### Motivation and Productivity

Co-working spaces provide an environment free from the distractions encountered while working from home, thereby enabling employees to focus.



### Coworking Effect

According to Harvard Business Review, co-working spaces aid businesses in looking more dynamic and future-forward.

### Sense of Community

Sharing a co-working space creates a sense of community and belonging for freelancers and small teams.

Co-working brings people together.

52%

Users emphasize the importance of being part of environments encourages interaction.

85%

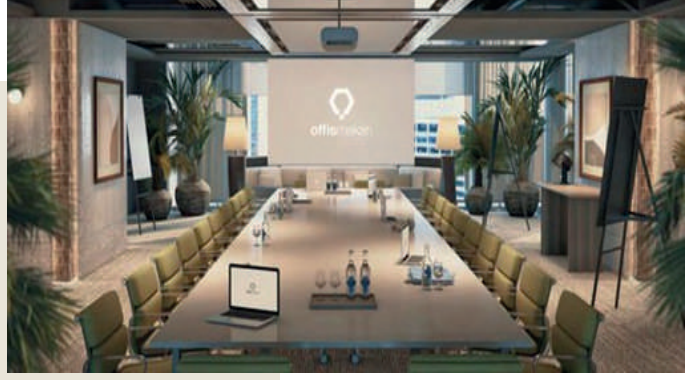
Users mention that one can seek help from other members.

For more information, please get in touch with PROPIN team. We would love to help.

### Access Network

For traveling professionals, it provides access to co-working spaces.

In conclusion, new generation workspaces offer more than just a working environment. They represent an innovative transformation in the way of working and in working life, providing multifaceted benefits for businesses and employees.



89%

Users mentioned that they would socialize with other members in the co-working space.

## Who prefers flexible and ready to use offices?

Flexible and ready to use offices offer options that cater to the needs of employees and businesses. From dedicated spaces for large companies to shared offices for freelancers, from ready to use offices for project-based companies to work corners suitable for small firms, they provide various solutions on a prestigious platform.

## Are there specific rental periods?

Flexible and ready to use offices offer daily, monthly, or annual payment options through various membership models.

## Are there examples of Flexible and Ready to Use Offices in Turkey?

While there are many examples of flexible and ready to use offices and co-working spaces in the Turkish market, not many options are available that encompass all facilities. OffisMekan, backed by the experience of İŞMER, a subsidiary of Türkiye İş Bankası that has been providing facility management services for over 20 years, stands out as one of the most notable examples of new generation offices with its first location in Mecidiyeköy.

## Where is Offismekan?

OffisMekan is introducing its first location in one of Istanbul's most central points, Mecidiyeköy, in the prestigious Class A Quasar building. Aiming to create more effective and comfortable working environments, OffisMekan adopts an approach that transcends the traditional office concept, marking a dynamic business environment.

## What are the privileges of Offismekan?

- Profound experience in facility management
- Modern, design, and architectural features
- Ergonomic and healthy working environment
- Shared spaces that provide fresh air and break the monotony of indoor spaces
- On-call services provided by experts in the field
- Fully equipped offices ready for immediate relocation, offering flexible solutions
- Fast and secure QR code-based digital access system
- Personal secure locker area for your belongings
- Additional storage space available for rent
- Fully equipped modern meeting rooms tailored to your needs
- Flexible office spaces with fully equipped technological infrastructure customized to your preferences
- Uninterrupted, fast, and reliable symmetric internet connection for continuous work
- Spaces suitable for various events such as training, seminars, launches, and company presentations
- Various recreational areas in common spaces
- Opportunity to expand your business network
- Professional and dynamic working culture

## What benefits does connecting with Propin provide?

You can access all flexible and ready to use service providers faster through Propin. Our goal is to quickly provide various office alternatives and make it easy for you to access solutions.



## **CONTRACT RENEWAL SERVICE FOR LANDLORDS**

### **Negotiating a New Lease?**

To efficiently finalize the renewal process and save time, our experienced team engages in negotiations with your tenant.



**FAST and EASY WITH PROPIN**



# TAKE-UP LIST IN THE ISTANBUL OFFICE MARKET 2023

Most of the notable transactions that took place in the Istanbul Office Market during 2023 are listed in the following table<sup>[8]</sup>,

Building	Office District	GLA (m <sup>2</sup> )	Firm	Agency	Process
Maslak Square	Maslak	21,750	Demiroren Group		Lease
Ferko Line	Kagithane- Cendere	17,000	Koton		Lease
Doğuş Plaza Ayazağa	Kagithane- Cendere	14,010	Metgun		Lease
Skyland Podyum	Kagithane- Cendere	12,360	Mavi Jeans		Lease
Umraniye 19	Umraniye	11,000	Confidential	 <b>PROPIN</b> PROPERTY INVESTMENT CONSULTANCY	Sale
Ferko Line	Kagithane- Cendere	7,500	Seba Construction		Lease
GFY Plaza	Kozyatagi	5,937	Deniz Automotive		Lease
Maya Anatolium Tower	E-5 Ave - Kucukyali Maltepe Kartal	5,120	Siemens		Lease
Premier Campus Office	Kagithane- Cendere	4,964	Igdas		Lease
Bellevue Office	Zincirlikuyu-Esentepe -Gayrettepe	4,589	Mastercard		Lease
Yesa Building	Kavacik	4,080	Tatex Petrochemicals		Lease
Maya Anatolium Tower	E-5 Ave - Kucukyali Maltepe Kartal	3,884	GE Aviation		Lease
Maslak Link	Maslak	3,800	Humanis Health		Lease
Quasar İstanbul	Zincirlikuyu-Esentepe -Gayrettepe	3,700	AcnTURK Insurance		Lease
ETS Plaza	E-5 Ave - Kucukyali Maltepe Kartal	3,315	Sahibinden.com		Lease
Yilmaz Plaza	Umraniye	3,300	Ziraat Bank		Lease
Yilmaz Plaza 2	Umraniye	3,300	Huawei		Lease
Oyak Dragos	E-5 Ave - Kucukyali Maltepe Kartal	3,295	Renault Mais		Lease
Vadi İstanbul	Kagithane- Cendere	3,233	Boeing		Lease
Torun Center Garden	Zincirlikuyu-Esentepe -Gayrettepe	3,200	Amadeus Turkiye		Lease
Noramin Business Center	Maslak	3,000	Acun Media		Lease
Maya Anatolium Tower	E-5 Ave - Kucukyali Maltepe Kartal	2,560	Orion Innovation		Lease
Nidakule Atasehir Guney	West Atasehir	2,550	Novartis Health		Lease
Kordon İstanbul	Kagithane- Cendere	2,500	Assembly Buildings		Lease
Turkcell Tepebasi Building	Taksim-Nisantasi	2,360	Global Information		Lease

[8] The GLA does not include enclosed parking spaces in standalone buildings..

## TAKE-UP LIST IN THE ISTANBUL OFFICE MARKET 2023

Most of the notable transactions that took place in the Istanbul Office Market during 2023 are listed in the following table<sup>[8]</sup>,

Building	Office District	GLA (m <sup>2</sup> )	Firm	Agency	Process
UL Plaza	Umraniye	2,500	Repkon Holding		Lease
İs Kule	Levent	2,406	Milli Reassurance		Lease
Turkcell Tepebasi Building	Taksim-Nisantasi	2,360	Global Information		Lease
Akel Business Center	Kavacik	2,210	Martı Global Lojistik		Lease
Orjin Maslak	Maslak	2,130	Haribo		Lease
Torun Center Garden	Zincirlikuyu-Esentepe -Gayrettepe	2,068	TDCX Digital		Lease
Vadi İstanbul	Kagithane- Cendere	2,067	Gozalan Group		Lease
Nidakule Atasehir Batı	West Atasehir	2,065	BASF Tuerk Chemistry		Lease
Akçansa Building	Altunizade	2,000	Bıçakçılar Medical Devices		Lease
Ağaoğlu My Office	West Atasehir	2,000	Enerjisa		Lease
Maslak Link	Maslak	1,960	H&M Hennes&Mauritz		Lease
Maslak Link	Maslak	1,960	MNG Holding		Lease
Nidakule Atasehir Batı	West Atasehir	1,925	Migros		Lease
Yilmaz Plaza	Umraniye	1,650	Trenkwalder Group		Lease
Yilmaz Plaza	Umraniye	1,650	Mobilfon Technology		Lease
Yilmaz Plaza	Umraniye	1,650	Vatan Kablo		Lease
Yilmaz Plaza 2	Umraniye	1,620	Adabank		Lease
Beytem Plaza	Sisli-Fulya-Otim	1,610	Endless Abroad		Lease
Vadi İstanbul	Kagithane- Cendere	1,600	Bestseller		Lease
Maslak No 19	Maslak	1,500	DHL		Lease
Maçka Residences	Taksim-Nisantasi	1,490	Richemont Türkiye		Lease
Torun Center	Zincirlikuyu-Esentepe -Gayrettepe	1,475	Straumann		Lease
Torun Center	Zincirlikuyu-Esentepe -Gayrettepe	1,475	World Health Organization		Lease
Atasehir My Newwork	West Atasehir	1,468	Fenerbahçe		Sale
Galataport	Kabatas - Fındıklı - Karakoy	1,380	Karub Energy		Lease

[8] The GLA does not include enclosed parking spaces in standalone buildings..

# TAKE-UP LIST IN THE ISTANBUL OFFICE MARKET 2023

Most of the notable transactions that took place in the Istanbul Office Market during 2023 are listed in the following table<sup>[8]</sup>,

Building	Office District	GLA (m <sup>2</sup> )	Firm	Agency	Process
Sephora Building	Kadikoy	1,380	Sephora		Lease
River Plaza	Levent	1,369	The Swatch Group		Lease
Kolektif House - Yenikoy	Shore Line (Ortakoy -Sariyer Ave)	1,350	Kolektif House		Lease
İnci Office	Altunizade	1,329	Cengiz Holding		Lease
İnci Office	Altunizade	1,329	İyzico		Lease
Levent 199	Levent	1,300	Prince Group		Lease
Maya Anatolium Tower	E-5 Ave - Kucukyali Maltepe Kartal	1,280	Endress Hauser		Lease
Maya Anatolium Tower	E-5 Ave - Kucukyali Maltepe Kartal	1,280	Xiaomi		Lease
Maya Anatolium Tower	E-5 Ave - Kucukyali Maltepe Kartal	1,280	Worley		Lease
UL Plaza	Umraniye	1,250	Kimpur		Lease
UL Plaza	Umraniye	1,250	D&T		Lease
GFY Plaza	Kozyatagi	1,243	VHV Insurance		Lease
Skyland Cendere	Kagithane- Cendere	1,200	Guven Holding		Lease
42 Maslak	Maslak	1,193	Beykim		Sale
Nidapark Kucukyali	E-5 Ave - Kucukyali Maltepe Kartal	1,167	Gram Games		Lease
Nidakule Levent	Levent	1,124	Rodl & Partner		Lease
Atakoy Towers	Basin Ekspres	1,122	Aktiv TK Insurance		Lease
İnci Office	Altunizade	1,116	Papara		Lease
Skyland Cendere	Kagithane- Cendere	1,100	Superpay		Lease
Civil Kule	E-5 Ave - Kucukyali Maltepe Kartal	1,082	AcnTURK		Lease
ETS Plaza	E-5 Ave - Kucukyali Maltepe Kartal	1,060	Valeo Automotive		Lease
ETS Plaza	E-5 Ave - Kucukyali Maltepe Kartal	1,060	EOffice		Lease
Tekfen Tower	Levent	1,045	Vava Cars		Lease
Ferko Signature Tower	Levent	1,011	Kolektif House		Lease
Vadi İstanbul	Kagithane- Cendere	1,000	Genel Energy		Lease

[8] The GLA does not include enclosed parking spaces in standalone buildings..

## TAKE-UP LIST IN THE ISTANBUL OFFICE MARKET 2023


Most of the notable transactions that took place in the Istanbul Office Market during 2023 are listed in the following table<sup>[8]</sup>,

Building	Office District	GLA (m <sup>2</sup> )	Firm	Agency	Process
Nidakule Atasehir Guney	West Atasehir	991	Parker Turkiye		Lease
Polaris Plaza	Maslak	990	Yamata		Lease
Akkom Office	Umraniye	986	Chiesi İlaç		Lease
Yapı Kredi Plaza	Levent	986	Omni Insurance		Lease
Onur Office Park	Umraniye	963	Plus Kitchen		Lease
Maslak Link	Maslak	960	MNG Holding		Lease
Maslak Link	Maslak	960	IBS Insurance		Lease
Ağaoğlu My Office	West Atasehir	859	Alarko Carrier		Lease
Saruhan Plaza	Basin Ekspres	845	DeLonghi		Lease
Levent Sekoya	Levent	834	MR,DIY		Lease
C2 Business Center	E-5 Ave - Kucukyali Maltepe Kartal	800	Pusula Yazılım		Lease
Piazza Office	E-5 Ave - Kucukyali Maltepe Kartal	800	Jysk Ev Urunleri		Lease
Kavacik Ticaret Merkezi	Kavaci-k	800	Cevahir Holding		Lease
Kavacik Ticaret Merkezi	Kavacik	800	Çolakoğlu Construction		Lease
En Plaza Enkay Umraniye	Umraniye	750	Workinton		Lease
İnci Office	Altunizade	732	Midas		Lease
Metrocity	Levent	720	Syl Group		Lease
Nidakule Atasehir Batı	West Atasehir	694	Uniq Technology		Lease
Bellevue Residence	Zincirlikuyu-Esentepe -Gayrettepe	690	Turkerler Holding		Lease
Emaar Square	Camlica - Libadiye	681	DS Istanbul		Lease
Tekfen Tower	Levent	665	Agrotech		Lease
Erenkoy Mansion Building	Kadikoy	662	Yıldız Entegre		Lease
Barbaros Plaza	Besiktas-Balmumcu	657	Dedeman Holding		Lease
GFY Plaza	Kozyatagi	643	TCL		Lease
GFY Plaza	Kozyatagi	643	BMS Group		Lease

[8] The GLA does not include enclosed parking spaces in standalone buildings..

# TAKE-UP LIST IN THE ISTANBUL OFFICE MARKET 2023

Most of the notable transactions that took place in the Istanbul Office Market during 2023 are listed in the following table<sup>[8]</sup>,

Building	Office District	GLA (m <sup>2</sup> )	Firm	Agency	Process
GFY Plaza	Kozyatagi	643	Basari Publishing		Lease
İnci Office	Altunizade	620	Electrolux		Lease
GFY Plaza	Kozyatagi	614	Armor Participation Bank		Lease
GFY Plaza	Kozyatagi	614	OTC Lojistik		Lease
İnci Office	Altunizade	592	Rita Health Services		Lease
Centrum Plaza	E-5 Ave - Kucukyali Maltepe Kartal	544	Socomec		Lease
Civil Kule	E-5 Ave - Kucukyali Maltepe Kartal	541	KUKA Roboter		Lease
Civil Kule	E-5 Ave - Kucukyali Maltepe Kartal	541	İkizler Illumination		Lease
Civil Kule	E-5 Ave - Kucukyali Maltepe Kartal	541	Zenmet		Lease
Civil Kule	E-5 Ave - Kucukyali Maltepe Kartal	541	TruKker		Lease
Civil Kule	E-5 Ave - Kucukyali Maltepe Kartal	541	TTI Turkey		Lease
K2 Plaza	Kozyatagi	538	Tion Insurance		Lease
Olive Plaza	Maslak	530	Hema BV		Lease
Nidakule Levent	Levent	525	Nebim Neyir Computer		Lease
İs Kule	Levent	516	İş Energy Investments		Lease
Levent No/5	Seyrantepe - 4 Levent	515	Ortak Assets		Lease
İs Kule	Levent	490	Cerean Energy		Lease
GFY Plaza	Kozyatagi	482	Sonmez Transformator		Lease
Çiftçi Towers	Zincirlikuyu-Esentepe- Gayrettepe	450	Garanti Investment		Lease
Akaret Row Houses	Besiktas-Balmumcu	450	EHL Tourism Academy		Lease
Buyaka	Umraniye	450	Çekok Food		Lease
Ekcan Plaza	Altunizade	450	Brand IQ Human Resources		Lease
MOB	Maslak	450	Reportage Türkiye		Lease
Torun Center	Zincirlikuyu-Esentepe- Gayrettepe	435	Allianz Insurance		Lease
Vira Plaza	Kagithane- Cendere	430	Akkus Group		Lease

[8] The GLA does not include enclosed parking spaces in standalone buildings.

[9] İstanbul Office Piyasası'nda çok sayıda gerçekleşen Flexible Office Leaselerinden one çıkan işlemler listede yer almaktadır.



## TAKE-UP LIST IN THE ISTANBUL OFFICE MARKET 2023



Most of the notable transactions that took place in the Istanbul Office Market during 2023 are listed in the following table<sup>[8]</sup>,

Building	Office District	GLA (m <sup>2</sup> )	Firm	Agency	Process
Buyaka	Umraniye	422	Hodlmayr Logistic		Lease
Bomonti Business Center	Bomonti - Piyalepasa	420	Crowe Global		Lease
Nidakule Atasehir Kuzey	West Atasehir	416	Bahçeci Health Group		Lease
Kanyon	Levent	404	Sony ME		Lease
River Plaza	Levent	402	BTC		Lease
Propa Plaza	Zincirlikuyu-Esentepe-Gayrettepe	400	Mint Real Estate		Lease
Propa Plaza	Zincirlikuyu-Esentepe-Gayrettepe	400	Mint Financement		Lease
Ferko Signature Tower	Levent	395	SIBUR Istanbul		Lease
Sun Plaza - Tower	Maslak	390	Dopi Games		Lease
RSD #4	Etiler	388	Aesthetic Dentistry		Lease
Vadi İstanbul	Kagithane- Cendere	375	Coral Travel Turkiye		Lease
River Plaza	Levent	364	Ecco Shoes		Lease
Sun Plaza - Tower	Maslak	360	CRIF Information		Lease
Seba Boulevard	Kagithane- Cendere	350	Arıkanlı Holding		Lease
Metrocity	Levent	350	Misyon Investment Bank		Lease
Akel Business Center	Umraniye	348	ZMK Building Construction		Lease
Nidakule Atasehir Guney	West Atasehir	344	BIC Sales		Lease
GFY Plaza	Kozyatagi	307	DKV Mobility		Lease
Kanyon	Levent	301	Muntajat Headquarters		Lease
Maya Meridyen	Etiler	300	Modern Construction		Lease
Nef Offices Dortlevent 09	Seyrantepe - 4 Levent	300	Metsims		Lease
Ak Plaza	Sisli-Fulya-Otim	300	Eksen Publishing		Lease
Sarkuysan Ak Plaza	Altunizade	300	Zihni Holding		Lease
Piazza Office	E-5 Ave - Kucukyali Maltepe Kartal	250	Omsk Carbon Group		Sale
Akaret Row Houses	Besiktas-Balmumcu	250	Henley & Partners		Lease

[8] The GLA does not include enclosed parking spaces in standalone buildings..

# TAKE-UP LIST IN THE ISTANBUL OFFICE MARKET 2023

Most of the notable transactions that took place in the Istanbul Office Market during 2023 are listed in the following table<sup>[8]</sup>,

Building	Office District	GLA (m <sup>2</sup> )	Firm	Agency	Process
Torun Center	Zincirlikuyu-Esentepe-Gayrettepe	248	En Global		Lease
Nidakule Atasehir West	West Atasehir	232	Kuzeyden Water		Lease
River Plaza	Levent	229	Uyguner Leather		Lease
Bomonti Business Center	Bomonti - Piyalepasa	221	Karaca		Lease
Mesa Koz	Kozyatagi	220	Creafilm		Lease
Akasya Acibadem	Kozyatagi	210	AppAnalytics		Lease
GFY Plaza	Kozyatagi	210	Volthead Technology		Lease
Nidakule Atasehir Kuzey	West Atasehir	203	Uniq Technology		Lease
Metrocity	Levent	200	Nefes Ecologic Investments		Lease
Nidakule Atasehir Kuzey	West Atasehir	187	Pars Cranes		Lease
GFY Plaza	Kozyatagi	183	Optospec		Lease
Vadi İstanbul	Kagithane- Cendere	100	Yenibiris.com		Lease
Hilltown Office	E-5 Ave - Kucukyali Maltepe Kartal	100	Yunex Transport		Lease
Pardus Plaza	Zincirlikuyu-Esentepe-Gayrettepe	100	Here Technologies		Lease
Smart Office - Maslak No/1	Maslak	Flexible Office	Mastercard		Lease
Regus - Pegasus Aeropark Building	E-5 Ave - Kartal Sonrası	Flexible Office	Regus		Lease
Plaza Cubes - Nidakule Levent	Levent	Flexible Office	Tiktok		Lease
Joker Office Anel Business Center	Umraniye	Flexible Office	The Nielsen Company		Lease
River Plaza Assembly Buildings	Levent	Flexible Office	Haleon		Lease
Kolektif House Onur Office Park B1 Blok	Umraniye	Flexible Office	Odak Lojistik		Lease
Han Spaces-Nidakule Atasehir Guney	West Atasehir	Flexible Office	Gain TV		Lease
Platform Office - Vadipark	Kagithane- Cendere	Flexible Office	Varian		Lease
Smart Office - Bulvar 216	West Atasehir	Flexible Office	Tencent Games		Lease
Kolektif House - 42 Maslak	Maslak	Flexible Office	Beykim Petrol		Lease
River Plaza Assembly Buildings	Levent	Flexible Office	Aptar		Lease
Kolektif House - 42 Maslak	Maslak	Flexible Office	MK Novo HQ		Lease

# SUSTAINABILITY IN REAL ESTATE

## BEING READY FOR SUSTAINABILITY (ESG) CRITERIA

Given the changing world dynamics, the concept of “sustainability” becomes more important every day. We see that a new investment approach embracing social responsibility and good governance gains momentum: ESG, in other words Environmental, Social, Governance. ESG stands at the center of our lives. With each step taken in this field, it is aimed to leave a better future to future generations by also creating a positive impact on our planet.

In today's business world, companies, investors, customers, and society in general are increasing their efforts to reduce impacts of the environmental problems and climate change rather than simply increasing their financial income. Businesses seek to create a more durable, agile, and sustainable structure relying on their employees' support and digital transformation opportunities to remain resilient in the future. In doing so, they identify and monitor their ecological and social impacts from a new business perspective. According to the information shared in the 20th Issue of the Emerging Trends® in Real Estate European Report prepared in cooperation with PwC and Urban Land Institute (ULI), it is underlined that the most significant change dynamic is the rise of ESG in business. From construction to finance and operations, the real estate industry incorporates environmental, social, and corporate (governance) concerns into its business decisions. These include everything from reducing emissions to addressing diversity and inclusion in the industry. Research shows that 87% of participants understand that creating social impact besides financial return is important, while 93% of industry leaders express that running an environmentally and socially sustainable business will be the most important factor in achieving a successful organizational transformation in the real estate industry in the next two decades.

Flexible solutions offered in new buildings have a positive impact on meeting customers, investors, and building users' demands. In terms of adapting to the changing world, we see that several companies operating in the real estate sector are ready to support transformation in the environmental, social, and governance fields for their stakeholders.

As research indicates, one of the important areas of focus in sustainability-oriented transformation in the sector is the social field. Given this, we can presume that activities contributing to social interaction and those focusing on social responsibility would provide advantages to companies in their existence and support in society. Increase in such studies is important for both investors and employees' preferences.



ESG is no longer a “luxury” as regulators, investors, and current and potential employees demand improved performance, Sustainability is now supported by different regulations around the world, the CSRD in Europe and the TSRS in Türkiye being two of them,





The CSRD is one of the most important regulations which forms the basis for the European Union Green Deal and the EU Sustainable Growth Financing Action Plan. The directive aims to ensure that companies transparently share their sustainability-related risks and opportunities with investors and other stakeholders. It will also evolve sustainability reporting, which is largely voluntary now, into a structure through which companies will disclose their impacts on the environment and people clearly and transparently.

The Turkish Sustainability Reporting Standards (TSRS), which determine the principles to be followed in the sustainability reports, directed by the Public Oversight, Accounting and Auditing Standards Authority (KGK) in Türkiye, were published in the 1st recurring issue of the Official Gazette dated 29 December 2023. Following the companies which will be covered in the first stage, will the remainder be included in based on a particular schedule. Whereas the TSRS S1 General Provisions on Disclosure of Sustainability-Related Financial Information requires an entity to disclose information about its sustainability risks and opportunities that will be useful to primary users of general purpose financial reports in making decisions regarding the provision of resources to the entity, the TSRS S2 Climate-Related Disclosures expect primary users of businesses to disclose information about climate-related risks and opportunities when making decisions about providing resources to the business in a business's general purpose financial reports.

Developing a sustainable office compatible with today's world focusing on ESG and social responsibility allows users to get engaged with sustainability and co-create a safer, healthier, and more decent work environment. In parallel, users need to create a sustainable office environment considering environmental, social, and economic factors for all stakeholders to enjoy the optimal workspaces. We are all excited to see that new generation offices are designed in accordance with these factors, even before ESG criteria sanctions begin, and to witness the progress of these trends strategically.

Creating flexible spaces in line with the working styles of company stakeholders, providing a healthier working environment by using ergonomic products, and taking steps that will create a positive impact on employee productivity are among the expectations. Establishing an effective system which respects the environment particularly when it comes to waste management and general cleaning in the workplace should be supported in the name of sustainable environmental management. Choosing energy-saving office products is one of the steps to be taken to ensure the energy efficiency at offices. Ensuring their efficient use by regularly maintaining the devices in the facilities is also considered one of the important issues of ESG criteria.

In professional life, we experience that our home becomes our office. ESG criteria, in structures ranging from large- to small-scale, make us feel that we need to take more responsibility in the sustainability of design, usage style, and experience and keep up with the transformation as soon as possible starting from our living space.

**Evren Sezer**  
PwC Türkiye Sustainability Platform Leader



# ISTANBUL OFFICE MARKET DESCRIPTIONS

---

## Explanation of some of the terms used in the Propin Office Market Overview are as follows

**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.

**Closing Price:**

This is the rental price which has been agreed upon between the property owner and the tenant and placed in the contract.

**Common Areas:**

All areas including the main lobby, lift lobbies on the floors, corridors between rentable areas, toilets outside of the offices, and fire exit stairs shared by the Occupiers in the building are the common areas.

**Completion Date:**

This refers to the completion date of the construction of a building.

**Contract Renewal Consultancy:**

This is the consultancy service to users/owners who wish to renew the terms of the contract during the preparation of the new contract, taking into account the current circumstances and market conditions.

**Conventional Space:**

Conventional workspaces, offices and offices where Class A and B class offices are rented, equipped and used by office users on long-term contracts.

**Corporate Coworking:**

They are ready-made and well-equipped workspaces that can be preferred by various departments and offer corporate opportunities, used simultaneously by several companies.

**Delivery Condition:**

It is the way of delivering office spaces to users. (Shell & Core, decorated and second generation)

**Flex Space:**

It is the name given to the working areas used with the membership and sharing model with short-term contracts. It includes different and flexible usage models such as coworking and serviced office.

**Green Building Certificate:**

They are certificates received as a result of the rating of "green buildings" according to standards, which reduce the negative effects on the natural environment through sustainable design starting from land selection. Green Building Certificates vary according to the standards of different countries. The most common ones are BREEAM and LEED certificates.

**Hybrid Model:**

It is a working model that combines a conventional and flexible working model that allows working from central and different locations. Both conventional and flexible workspaces of an institution can be located in the same building or in different countries, cities or locations within its own office portfolio.

**Landlord Representation:**

The mediator who represents the interests of the property owner in a typical renting operation is referred to as the property owner representative.

**Listing Price:**

The rental price requested by the property owner for the rental area is the listing price. The price can change as a result of negotiations.

**Office Stock:**

All leasable areas which are reserved for speculative office use.

**Office User/Tenant Representation:**

The mediator who represents the interests of the tenant in a typical renting operation is referred to as the tenant representative.

**Off-location:**

Office locations which are not included in the existing business district boundaries and cannot be defined as an office region due to the small amount of stock.

**Pipeline Projects:**

This project refers to the supply of a particular type of real estate asset that is in the planning or construction phase, yet not ready for occupancy.

**Pre-Rented Area:**

The amount of area in a building that has been rented prior to the end date of the construction and prior to occupancy permit date is the pre-rented area.

**Prime Rent:**

The list price for the rentable area within the business district is the highest rent figure.

**Ready- to- Use Office:**

It is a fully equipped office operating system that meets the physical office needs of users (including rent, renovation, electricity, water, internet, office supplies, withholding payment, cleaning, etc.).

**Rent Average:**

The rental average is the weighted average of the rent of the vacant areas. The weight coefficient of the rental prices is calculated in accordance with the total office area and the vacant area. Listing prices are used in the calculations.

**Rentable Area:**

This term refers to the total area which is currently being marketed during a certain time period. The term covers all sorts of areas, whether the land is vacant, occupied or suitable for subleasing in the future.

**Satellite Office:**

It is the general name given to offices that can be used by employees far from the head office and can be in different regions. Through satellite offices, regional workspaces are offered in addition to the head offices. Thus, the lifestyle and quality of life factors of the employees are taken into account. In this way, employees can choose offices close to their homes, and field teams can use satellite offices as stations. There may be a distribution on the basis of team, department and job function, as well as rotational use.

**Sub-lease:**

It is the right of a tenant to rent the leased space to a third party in whole or in part, provided that the tenant remains responsible to the landlord.

**Take-up:**

This is a gross figure representing the total floor area known to have been let or pre-let, sold or pre-sold, to tenants or owner-occupiers within a specified period of time. It does not include any area that is under offer. A property is taken up when the contract is signed.

**Unit Price:**

This term represents the ratio of total asked rent value to gross areas for rent.

**Users:**

The companies of the current office users of the building.

**Vacancy Rate:**

This is the ratio between total vacant areas and total office areas.

**Virtual Office:**

It is the next-generation office solution where users who do not need a physical workspace but need a legal address receive mail/cargo, resulting in the reduction of costs related to starting a business.



Office

Land

Retail

Industrial

Historical Buildings

Serviced Office



**"Explore PROPIN's tailored services,  
providing for all types of commercial  
real estate."**

**FAST and EASY WITH PROPIN**

# STRATEGIC BUSINESS SOLUTIONS

## INVESTOR & DEVELOPER CONSULTANCY

Capital Market  
Valuation Report  
Feasibility Report  
Concept Development  
Market Research Report  
Real Estate Development

## USER CONSULTANCY

Tenant / Buyer Representation  
Market Research Report  
Serviced Office Rental  
Evaluating the Move  
Contract Renewal  
Build-to-Suit

## LANDLORD CONSULTANCY

Project Improvement  
Marketing Strategy  
Property Valuation  
Contract Renewal  
Property Leasing  
Property Sales



•Data Driven• Digital  
0212 217 85 55  
[www.propin.com.tr](http://www.propin.com.tr)  
**Reach Us Now!**



Propin\_Turkey



Propin\_Turkey



company/Turkey