

# HOUSING SALES HIT THE LOWEST LEVEL IN EIGHT YEARS

GYODER, Turkey's Real Estate Platform, published the 'GYODER Indicator' Turkey Real Estate Sector 2023 4th Quarter Report, which evaluates the sub-segments of the real estate sector. According to the report, housing sales decreased by 17.5 percent compared to the previous year, falling to 1,225,926 units, reaching the lowest level in the past eight years. The slowdown in the credit mechanism and the decrease in savings led to a decrease in housing purchases for savings purposes.

While the unit price per square meter reached 30,319 TL nationwide, the highest square meter price was realized in Istanbul at 44,532 TL. The report highlighted that in the fourth quarter of 2023, the instalment payments for a 100 m<sup>2</sup> house loan in Istanbul reached 101% of household disposable income, emphasizing the necessity of establishing "Real Estate and Housing Funding Mechanisms."

According to the 'GYODER Indicator' 2023 4th Quarter Report prepared with the contributions of Ziraat GYO, housing sales in the fourth quarter of 2023 decreased by approximately 23.9% compared to the same quarter of the previous year, reaching 325,852 units. Throughout 2023, total housing sales decreased by 17.5% compared to the previous year, falling to 1,225,926 units, reaching the lowest level in the past eight years.

However, there was a difference in sales types, particularly in mortgage sales. While 280 thousand mortgage housing sales were made in 2022, this number decreased to 177 thousand in 2023, with a decrease of 36.6%. The decrease in mortgage sales is attributed to the increase in mortgage interest rates and housing prices. There was also a significant decline in primary sales in 2023, reaching 379 thousand units, a decrease of 17.5% compared to the previous year.

Foreigners' housing purchases witnessed a significant decline as well. Housing sales to foreigners decreased by 48.1% in 2023 compared to the previous year, totalling 35 thousand units. It was observed that the difficulty in accessing housing finance and the increase in housing prices contributed to the slowdown in the housing market.

## HOUSING PRICE IN ISTANBUL IS 44,532 TL PER SQUARE METER

Housing prices, after reaching an annual increase rate of 189.1% in September 2022, decreased for fourteen consecutive months, reaching 82.8%. The real increase, which was 48.9% in November 2022, decreased to 12.8% in 2023. Similar to housing prices, there was a comparable situation in new housing prices. As of November, there was a nominal increase of 88.4% and a real increase of 16.3% on an annual basis. The current level of housing prices has led to a decrease in purchasing power, which has been one of the significant factors in slowing down the rate of increase in housing prices. As of November 2023, housing unit prices reached 30,319 TL/m<sup>2</sup> nationwide, while in Istanbul, housing unit prices were 44,533 TL/m<sup>2</sup>, in Izmir 35,465 TL/m<sup>2</sup>, and in Ankara 23,292 TL/m<sup>2</sup>.

## HOUSING PRICE IS 4.85 TIMES HOUSEHOLD DISPOSABLE INCOME

According to the report, housing prices in Istanbul were on average 4.85 times the disposable income of households. In the fourth quarter of 2023, the monthly instalments of housing loans for

a 100 m<sup>2</sup> house in Istanbul reached 101% of household disposable income. At the end of December 2023, the volume of housing loans reached 438.2 billion TL. The share of housing loans in individual loans decreased by 30.7% in December 2023 compared to the same month of the previous year, reaching 16.2%.