

REIT Sector Outlook

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TACİRLER
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Since the beginning of 2025, the Turkish housing market has experienced a strong recovery. In the January–May period, home sales reached a record high with a 25.4% increase compared to the same period last year. On the other hand, the House Price Index (HPI) recorded a 2.3% decline in real terms, while foreign investor interest declined significantly due to regulatory changes and the reduced appeal of citizenship incentives—possibly also influenced by the end of the Syrian civil war. Rather than launching new projects, the focus has shifted to ongoing construction sites, and an acceleration in urban transformation is anticipated. In commercial real estate, regional divergence has become more prominent. Looking ahead, expectations of interest rate cuts and expanded credit availability are likely to shape market dynamics. Within this context, we expect **Emlak Konut REIT**, **Rönesans REIT**, and **Akış REIT** to stand out positively due to their low leverage and rent-focused business models.

You can find the summary data of the REITs we are monitoring in the table below.

Company	Ticker	Market Cap (mn)	NAV (mn)	P/B	Discount (%)	Hist. Discount (%)
Akış REIT	AKSGY	15,263	31,373	0.43	-51%	-56%
Torunlar REIT	TRGYO	62,950	117,323	0.58	-46%	-52%
Emlak Konut REIT	EKGYO	63,612	171,795	0.58	-63%	-65%
Reysaş REIT	RYGYO	36,300	53,391	0.62	-32%	-38%
Özak REIT	OZKGY	16,584	53,875	0.31	-69%	-52%
Alarko REIT	ALGYO	5,332	15,894	0.36	-66%	-70%
Vakıf REIT	VKGYO	7,176	20,145	0.36	-64%	-63%
Halk REIT	HLGYO	10,819	33,999	0.29	-68%	-53%
Akfen REIT	AKFGY	9,360	26,389	0.36	-65%	-50%
Pasifik REIT	PSGYO	9,696	19,974	0.49	-51%	-81%
Avrupakent REIT	AVPGY	24,260	32,088	0.70	-24%	-43%
Rönesans REIT	RGYAS	43,460	98,747	0.44	-56%	-
İş REIT	ISGYO	15,954	32,135	0.38	-50%	-14%
Sinpaş REIT	SNGYO	16,360	48,286	0.41	-66%	-69%
Ziraat REIT	ZRGYO	111,520	59,494	1.84	87%	-
Yeni Gimat REIT	YGGYO	20,200	18,120	1.22	11%	17%
Median				0.44	-54%	-53%
Average				0.59	-42%	-49%

Source: Tacirler Investment, Valuation Reports, TSPB

The discount (-) / premium (+) for the relevant period has been calculated using the formula: (Company's Closing Price During the Period / Net Asset Value per Share) - 1. This ratio indicates the extent to which a company is trading at a discount or premium relative to its net asset value. The leverage ratio for the relevant period has been calculated using the formula: (Total Liabilities / (Total Liabilities + Total Net Asset Value)). This ratio reflects the level of indebtedness by measuring the proportion of total liabilities to the sum of liabilities and net asset value.

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In 2025, the Turkish housing market began the year with a strong and resilient recovery trend... Between January and May, total home sales reached 584,170 units, marking a 25.4% increase compared to the same period last year. With 130,025 units sold in May alone, it became both the peak month of the year and the highest May performance on record. This robust performance in the first half of the year indicates that housing demand has remained strong despite economic vulnerabilities. In terms of sales breakdown, mortgaged home sales gained significant momentum, rising by 98.7% to 88,606 units, and their share in total sales increased to 15.2%. Compared to 9% in the same period last year, this rise suggests a gradual improvement in access to credit. First-hand sales rose by 17.7% to 174,055 units, while second-hand sales increased by 29% to reach 410,115 units. The share of first-hand sales in total sales declined to 29.6% in the first four months of the year, indicating a slowdown in inventory replenishment.

Although nominal prices continued to rise, real prices lagged behind inflation... In May 2025, the House Price Index (HPI) recorded a 32.3% year-on-year increase in nominal terms, while registering a 2.3% decline in real terms over the same period. This indicates that although housing is once again emerging as a store of value, purchasing power remains limited. While real price declines are notable in major metropolitan areas such as Istanbul and Izmir, prices in Ankara have increased in real terms, driven by internal migration.

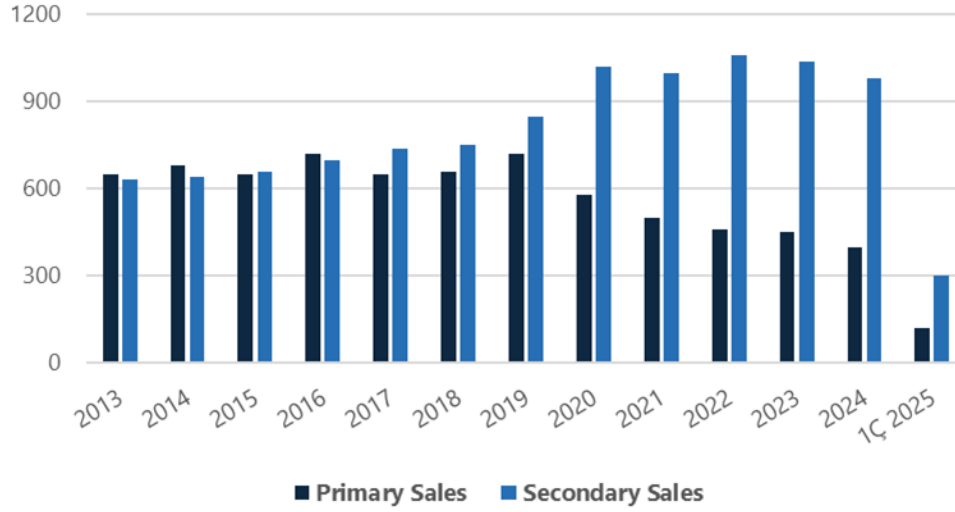
A sharp slowdown in foreign demand is drawing attention... In the first five months of the year, residential property sales to foreigners declined by 13.7% to 7,789 units, with their share in total sales dropping to 1.4%. This marks one of the lowest levels in the past three years. On a country basis, citizens of Russia, Iran, and Germany accounted for 30% of total foreign purchases. Although the gradual depreciation of the Turkish lira theoretically presents a buying opportunity for foreigners, we observe that the potential remains limited due to the reduced appeal of citizenship programs and tighter regulatory restrictions.

Focus shifts from new projects to ongoing construction sites... On the construction production side, the outlook appears more balanced. Leading indicators such as building permits and occupancy permits declined by 18.7% and 25.8%, respectively, while the construction production index rose by 13.3% and the building construction turnover index increased by 17.1% in real terms. This divergence indicates a shift in focus from new developments to existing construction sites. Additionally, following the recent earthquake in the Sea of Marmara, urban transformation dynamics—particularly in Istanbul—are expected to gain momentum. In this context, public-private partnerships are anticipated to play a more prominent role.

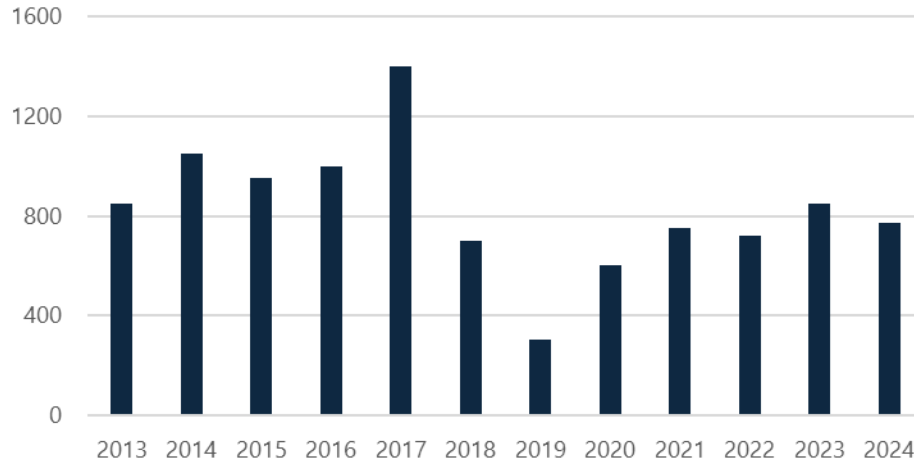
Unlike the residential segment, the commercial real estate sector displayed a more cautious trend... As of May 2025, the Commercial Real Estate Price Index (CREPI) increased by 32.4% year-on-year in nominal terms, while declining by 5.2% in real terms. In Istanbul and Izmir, office and retail property prices showed limited increases, whereas Ankara stood out with a notable 37.5% rise. This indicates that regional disparities may play a more decisive role in future investment decisions.

In the second half of the year, key factors likely to shape the direction of the sector include anticipated interest rate cuts and a potential expansion in mortgage lending. At the same time, geopolitical risks and domestic demand dynamics are positioning the housing sector as a significant lever in the broader macroeconomic rebalancing process. From the perspective of REITs, this period is characterized by the rising importance of low leverage and models that generate sustainable rental income. In this context, players such as Emlak Konut REIT, Rönesans REIT, and Akiş REIT are expected to stand out with positive performance over the medium to long term. Particularly in a period where capital flows are increasingly guided by thematic investment preferences, REITs focused on urban transformation and rental yield efficiency present notable opportunities.

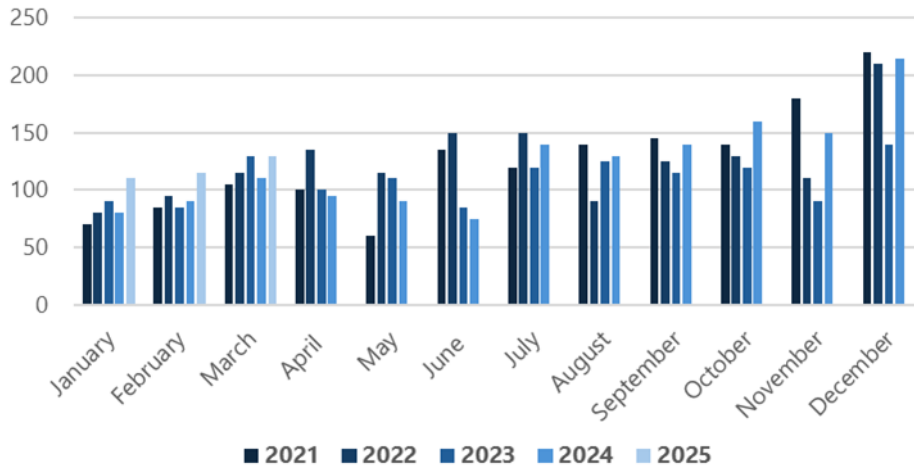
Annual Housing Sales Figures ('000)



Building Permit Statistics ('000)



Housing Sales ('000)



Source: TÜİK

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