

REAL ESTATE RESEARCH REPORT - 6

*PROGNOSES FOR RETAIL MARKET
AND SHOPPING CENTERS IN TURKEY
2015*

GYODER
The Association of Real Estate Investment Companies



REAL ESTATE RESEARCH REPORT - 6

**PROGNOSES FOR RETAIL MARKET AND
SHOPPING CENTERS IN TURKEY
2015**

Dr. Can Fuat Gürlelel

Institute for Strategic Studies

July 2008

PUBLISHER

Gayrimenkul Yatırım Ortaklığı Derneği İktisadi İşletmesi
Nispetiye Caddesi, Levent İş Merkezi, 6 / 2
34330 Levent - İstanbul
Phone: +90 (212) 282 53 65
Fax: +90 (212) 282 53 93

AUTHOR

Dr. Can Fuat Gürlesel

TRANSLATION

Bahar Bilgen

PREPARATION

Creative Yayıncılık ve Tanıtım Ltd. Şti.
Teşvikiye Caddesi, Sadun Apt. 105 / 6
34367 Teşvikiye - İstanbul
Phone: +90 (212) 227 61 52/53/54
Fax: +90 (212) 227 61 44

PRINTING

Cem Turan Ofset
Litros Yolu, II. Matbaacılar Sitesi,
2 B, C 1. Topkapı - İstanbul
Phone: +90 (212) 567 04 80

All right reserved. © 2008

"No part of this book can be cited without the permission of
Gayrimenkul Yatırım Ortaklığı Derneği İktisadi İşletmesi"

ISBN 978-605-89881-1-8

CONTENTS

INTRODUCTION.....	5
EXECUTIVE SUMMARY	7
CHAPTER I	
RETAIL EXPENDITURES IN TURKEY	16
I.1 GENERAL ECONOMIC FRAMEWORK.....	16
I.2 NATIONAL INCOME, ECONOMIC GROWTH AND INCOME PER CAPITA	18
I.3 PRIVATE DISPOSABLE INCOME AND PRIVATE CONSUMPTION EXPENDITURES	20
I.4 DISPERSION AND DEVELOPMENT OF PRIVATE CONSUMPTION EXPENDITURES.....	22
I.5 DISTRIBUTION OF PRIVATE CONSUMPTION EXPENDITURES BY INCOME GROUPS.....	25
I.6 RETAIL EXPENDITURES.....	28
I.7 DISPERSION OF RETAIL EXPENDITURES BY PROVINCES.....	33
CHAPTER II	
RETAIL MARKET AND SHOPPING CENTERS IN TURKEY	37
II.1 RETAIL MARKET IN TURKEY.....	37
II.1.1 Development of Retail Market in Turkey and Determinative Factors.....	37
II.1.2 Volume of Retail Market in Turkey.....	39
II.2 SHOPPING CENTERS IN TURKEY.....	43
II.2.1 Shopping Centers and Their Size.....	44
II.2.2 Shopping Centers and International Comparisons.....	49
II.2.3 Shopping Centers as Real-Estate Investments.....	56
CHAPTER III	
PROGNOSES FOR RETAIL MARKET AND SHOPPING CENTERS 2015	64
III.1 PROGNOSES FOR THE RETAIL MARKET.....	64
III.1.1 Prognoses for Economic Growth, National Income, Population and Income Per Capita.....	64
III.1.2 Prognoses for Private Consumption and Retail Expenditure.....	67
III.2 PROGNOSES FOR SHOPPING CENTERS 2015.....	74
III.2.1 Prognoses for Shopping Center Investments in Turkey and in the Provinces 2015.....	74
III.2.2 Prognoses for Shopping Center as a Real-Estate Investment.....	85
APPENDIX.1:	
EXISTING SHOPPING CENTERS AND SHOPPING CENTERS THAT ARE AT CONSTRUCTION OR PLANNING STAGE IN TURKEY	89
BIBLIOGRAPHY	96



INTRODUCTION

An important normalization and amelioration has been experienced in Turkish economy following 2001. Depending on this development, on the one hand, private disposable income and private consumption expenditures and retail expenditures are expanding and on the other hand, real-estate sector has entered into a new development period.

Parallel to these developments observed in retail sector and real-estate sector, shopping centers as an important institutional player of the retail market, is experiencing a rapid development period in Turkey.

In this framework, in order to display the present development of shopping centers and their development previsions till 2015 in Turkey, the "Prognoses for Retail Market and Shopping Centers in Turkey 2015" report is prepared.

In addition to the direct relationship of the shopping centers with retail sector, they are one of the most important investment areas in the commercial real-estate investments. For this reason, shopping centers are analyzed and evaluated according to their commercial real-estate investment feature and as an important institution of the retail market.

The report is presented in three main sections. In the first section, Retail Expenditure in Turkey, in the second section Retail Market and Shopping Centers in Turkey, and in the third section, Prognoses for Retail Market and Shopping Centers 2015 are presented. Moreover, lists and information of the existing shopping centers and shopping centers that are at construction or planning stage are presented.

We hope that our study will be helpful and worthwhile for the concerned sectors and institutions in the period that Turkish economy is experiencing a transformation process and the real-estate sector a development process.

Dr. Can Fuat Gürlelel
Institute for Strategic Studies
June 2008



EXECUTIVE SUMMARY

Prognoses for the Retail Market and Shopping Centers in Turkey 2015 report is comprised of three chapters. In the first chapter, Retail Expenditures in Turkey, in the second chapter Retail Market and Shopping Centers in Turkey and in the third chapter Prognoses for Retail Market and Shopping Centers are presented.

RETAIL EXPENDITURES IN TURKEY

Retail expenditures are one of the first main indicators for the analysis and projections for shopping centers. In this respect, in the first chapter of the report retail expenditures are analyzed and evaluated.

The most important indicator of the retail expenditures is economic environment conditions. Following 2001, Turkish economy has entered into a period of amelioration and normalization. The new economic environment created as a result of the policies aiming price stability and sustainable development, enables better conditions for the development of retail expenditures and regular retail markets. Better conditions of the development of the organized retail markets are triggering real-estate investments.

The main factor determining the extent of the retail expenditures is the extents of national income, private disposable income and private consumption expenditure in the economy.

Turkish economy has entered into a rapid development phase after 2001 and national income has grown. While the national income was 196.7 billion dollars in 2001 according to the new calculation method data, it reached to 658.8 billion dollars in 2007. Turkey is the 17th biggest economy in the world and it has an important potential for retail expenditures with this national income.

Per capita income is increasing depending on the economic growth and increase in the national income. With the new national income and new population data, per capita income has increased to 9.333 dollars in 2007, while it was 3.037 dollars in 2001.

National income is dispersed between private and public sectors. Disposable income share of the private sector in the national income has been decreasing after 2001. While it was 93.5 percent in 2002, it decreased to 83.5 percent in 2007. Private disposable income has become 550.1 billion dollars in 2007.

The share of private consumption expenditures in private disposable income has increased steadily and reached to 84,5 percent in 2007 from 72,7 percent. Amount of private consumption expenditures is 465,1 billion dollars in 2007.

Foods-beverage-tobacco expenditure, with its 25.8 percent share and 125.6 billion dollars amount, is the biggest item among private consumption expenditures, which is totally 465.1 billion dollars. Second is the housing with 92 billion dollars and the third is transportation-communication with 89.6 billion dollars.

Dispersion between the amount of private consumption expenditures and expenditure structures is significant for the retail sector. Another important distinction for the retail sector is the dispersion of private disposable income and private consumption expenditures in accordance with income groups. The highest income group has the 44 percent share of the private disposable income. The highest income group also has the 36,5 percent share of the private consumption expenditures.

Retail expenditures are directly related to the shopping centers. Retail expenditures are comprised of some part of expenditure items that are in private consumption expenditures and it is comprised of two main groups: food and beverage expenditures and non-food expenditures.

Retail expenditures are expanding in Turkey depending on the development of national income, private disposable income and private consumption expenditures since 2002. While retail expenditures were 86.7 billion dollars in 2002, it reached to 221.6 billion dollars in 2007. Ratio of retail expenditures to private consumption expenditures is 48 percent. Share of foods and beverage expenditures in the total retail expenditures is 56.7 percent and its amount is 125.6 billion dollars. Share of retail non-food expenditures is 43.3 percent and its amount is 96 billion dollars.

Shares of the income groups in the retail expenditures is important for retail market, organized retail markets and shopping centers. The highest income group is making 32 percent of the retail expenditures and the second highest income group is making 22.9 percent. More than half of the retail expenditures of income groups are comprised of foods and beverage expenditures. Only at the highest income group this ratio is 46.9 percent. Retail non-food expenditures are limited for income groups.

Dispersion of retail expenditures in terms of provinces is important in order to understand the development potentials of retail market, organized retail markets and shopping centers by provinces. Share of retail expenditures in the private consumption expenditures and dispersion of retail expenditures between food-beverage expenditures and non-food expenditures is differentiated in every province.

For instance, private consumption expenditures is 107 billion dollars in Istanbul, share of the retail expenditures in private consumption expenditures is 38.4 percent, and retail expenditures is 41.1 billion dollars, share of the foods and beverage expenditures in retail expenditures is 55.7 percent and it is 22.9 billion dollars. Extent of retail expenditures in every province shapes the potential for retail sector in every province. There are 3 provinces of which extent of retail expenditure is over 10 billion dollars and 10 provinces that are over 5 billion dollars by the year 2007.

RETAIL MARKET AND SHOPPING CENTERS IN TURKEY

In the second chapter of the report, retail market and shopping centers in Turkey are analyzed and evaluated.

The main factors that shape the development of retail market in Turkey after 2001 is; growth in the retail expenditures, increase in the individual incomes, increase in the number of households that have higher purchasing power, new methods in expenditure financing by new payment types, rapid dissolution in the rural areas and new expenditure relations with urbanization and changing consumer tendencies. Depending on these factors, while the retail market is rapidly developing after 2001, share of the organized markets increases, new retail institutions are created, foreign investments are expanding and margin of profits is decreasing as a result of increasing competition.

While the extent of retail market was 86.7 billion dollars in 2002, it became 221.6 billion dollars in 2007. Share of the organized retail market is expanding and while it was 28 percent in 2002, it increased over 35 percent in 2007. Extent of the organized retail market is 77.6 billion dollars, and the extent of the traditional market is 144 billion dollars.

Share of the foods-beverage market in the retail market is 56.7 percent and it is 125.6 billion dollars. Non-food market is 96 billion dollars.

31 percent of the foods-beverage market is organized market, and 69 percent is traditional markets. Organized foods-beverage market is 38.9 billion dollars. There are hyper and super markets in the organized market, the number of which is provisioned to be 8.575 at the end of 2008. While the share of groceries is decreasing, share of small and single markets is increasing in the traditional foods-beverage market that amounts to 86.7 billion dollars.

Share of the organized market is 35 percent in the non-food market and it amounts to 33.6 billion dollars. In the non-food market, 50 percent of the clothing and footwear market; and 30 percent of furniture, the houses appliances and home care services market is organized market.

Shopping centers are the most important institution of the retail markets. Parallel to the development of retail markets, shopping centers accelerate the development of organized markets.

The first shopping center was opened in 1988 in Istanbul in Turkey. The development of shopping centers since 1988 was realized in two waves in Turkey. The first wave is intensified in three major provinces. There are a few numbers of projects by years and the need of the local retailers for qualified retail area is met and individual investors mainly made it. After the end of the first wave by 2001, there have been 53 shopping centers all over Turkey and 1.37 million m² total leasable area and 21.2 m² leasable area per thousand inhabitants is achieved.

Shopping centers started to experience the second wave development by 2002. With the second wave investments are expanded to other cities, many number of projects is created, foreign retailers are included, institutional and foreign investors has become predominant. By the end of 2007 there has been 154 shopping centers and 3.52 million m² total leasable area. Leasable area per thousand inhabitants is 49.8 m².

There are shopping centers in 31 provinces all over Turkey. There are 84 shopping centers in Istanbul, Ankara and İzmir in total, and in other 28 provinces there are 70 shopping centers. The size of the leasable area of shopping centers in three major provinces is 2.27 million m², and in other provinces, it is 1.25 million m². In terms of the leasable area per thousand inhabitants, the first three provinces are: 144.5 m² in Ankara, 110.2 m² in Eskişehir and 108.4 m² in Istanbul.

Retail market and size of the shopping centers in Turkey are compared with the international situation and development level is evaluated. In this respect, Turkey is the 7th country compared to other 34 European countries with its 581.3 billion dollars disposable income and 484.4 billion dollars consumer expenditure. Turkey is 7th country among other European countries with its 232.5 billion dollars retail expenditures or retail market size.

Turkey is the 5th biggest market of Europe with its 130.2 million dollars foods expenditures and market. It is the 8th biggest market of Europe with its non-food expenditures with 102.3 billion dollars expenditure.

Turkey has a significant potential in all over Europe with its retail expenditures and market size for retail sector. Depending on this, there is an important development in the shopping centers investments.

Parallel to this development, at the end of 2008 Turkey will be the 9th country in Europe with its 4.85 million m² leasable area. England is the first with its 17.8 million m² leasable area space. Turkey is the 17th with its 49.8-m² space per thousand inhabitants. Norway is the first with 825 m². In the first 10 country rentable space per thousand inhabitants is 170 m² and over. Potential expenditure amounts for per rentable space changes between 16.570 dollars and 122.310 dollars in 34 countries. Potential expenditure amount per m² is 35-36 thousand dollars in developed markets like England, Italy and France. In developing markets like Poland, Czech Republic, Hungary, it is about 18-19 bin dollars. Potential retail expenditure amount per m² is 47.490 dollars in Turkey and it is relatively high and it indicates the existing potential in the sector.

Shopping centers in Turkey can create relatively high returns as a real-estate investment. An annual yield of shopping center investments in developed countries of Europe is 5 percent on

average, and in emerging countries it is about 6-6,5 percent. In Turkey, provinces like Istanbul, Ankara, and İzmir it is annually 7-8 percent, and in other provinces it is about 8-9 percent annually.

Shopping center investments are accelerated depending on high returns and in order to reach to these high returns shopping center projects increased as a real-estate investment. Shopping center investments continue in Europe, in spite of relatively low returns. While the leasable area size was 65.1 million m² in 2000 in 34 countries in Europe, it will reach to 122 million m² at the end of 2008. In every developed and emerging countries shopping center investments are being made. In this framework, shopping center investments as a real-estate investment attract local and foreign developers, operators and funds. In the international real-estate investment evaluations, Istanbul together with Moscow is the most attractive two cities for shopping center investments.

As a result, shopping centers as a real-estate investment attract foreign investments as well. By the end of 2007, 9 foreign corporations are the owners or the partners of 33 shopping centers in Turkey and they have 1.164.561 m² leasable area.

PROGNOSES FOR RETAIL MARKET AND SHOPPING CENTERS 2015

In the third chapter of the report, prognoses are made for the retail market and shopping centers in Turkey. Prognoses include the time period until 2015. Firstly retail market prognoses are made.

In order to reach to the retail market prognoses three growth scenarios about economic growth are used. With the annual 3 percent growth rate on average, national income will be 835 billion dollars in 2015, 974 billion dollars with 5 percent growth and 1.13 trillion dollars with 7 percent growth. The total population will be 77.5 million in 2015.

On the assumption that share of the private consumption expenditures in Gross National Product (GNP) will remain 70 percent and the share of retail expenditures in private consumption expenditures will remain 50 percent, volume of the retail expenditures will be

292.3 billion dollars with 3 percent economic growth, 340.9 billion dollars with 5 percent growth and 396.6 billion dollars with 7 percent growth.

Retail expenditures and retail market will continue to grow depending on economic growth. Growth in the retail market of Turkey creates an important potential for shopping centers as well.

Prognoses for retail expenditures are made both for Turkey in general and for provinces. So, potentials of provinces are stated both for retail sector and shopping centers. For instance, volume of retail expenditures of Istanbul is 41.1 billion dollars in 2007; and it is estimated to be 52.9, 61.8 and 71.9 billion dollars respectively in 2015 according to three different growth scenarios.

Projections for shopping centers are made both for Turkey in general and for provinces.

De facto realization projections till 2010 are used for shopping center previsions. Accordingly, between the years 2008-2010, 134 new shopping centers will be opened in 33 provinces having 4.875.737 m² leasable area.

As a result, at the end of 2010, there will be 288 shopping centers and 8.393 811 m² leasable area.

2008-2010 period will be the boom period for shopping center investments. While the leasable area is 49.8 m² per thousand inhabitants in 2007, it will be 114 m² in 2010.

By the 8.39 million m² leasable area that will be reached at the end of 2010, it is estimated that Turkey will realize the growth potential more rapidly that can be spanned to the year 2015, and it will reach saturation point in 2010.

De facto realization prognoses for shopping centers until 2010 cover provinces as well. At the end of 2010, the number of provinces with shopping centers will be 42 with the addition of new 11 provinces. In 2010 Istanbul will have 122 shopping centers in total and 3.94-million m² leasable area size. There will be 28 shopping centers in Ankara and 946.005 m² leasable

area, 6 shopping centers in Adana and 332.100 m² leasable area. Following these three provinces there will be 14 provinces that will have 100-300 thousand m² leasable area.

Prognoses for shopping centers between 2011-2015 are made, by using potential retail expenditure amount per leasable area/m² and leasable area size per thousand inhabitants.

Accordingly, assuming that minimum potential retail expenditure amount per leasable area/m² is 30.000 dollars for 2015, maximum leasable area of provinces is calculated with 3 different scenarios.

With this understanding, for instance, maximum leasable area size for Adana in 2015 with 5 percent growth scenario is 348.665 m². With this size the leasable area per thousand inhabitants in Adana is 159.6 m². With de facto realization projections at the end of 2010, rentable space size reaches to 332.100 m². In this respect, it is estimated that the additional potential shopping center investments for Adana between 2011-2015 is 16.565 m² leasable area.

With the same understanding the potential is stated for 42 provinces between 2011-2015 and provinces are evaluated in shopping center investment matrix. In the investment matrix, three major provinces, developed provinces, developing provinces and less developed provinces are positioned in terms of high investment potential, investment potential and limited investment potential and saturated markets. Accordingly, provinces with high investment potential (100.000 m² and over) are İzmir, Bursa, Konya, Kocaeli, Mersin, Hatay and Manisa. Saturated markets in the investment matrix are Ankara, İstanbul, Antalya, Tekirdağ and Kayseri.

In the framework of all these evaluations, it is estimated that in the period until 2015, the potential is used until 2010 to a large extent and it is reached to 8.39 million m² leasable area, after 2011 shopping center investments will be slowed down and 10 million m² leasable area will be reached in 2015.

Shopping center investment yields as real-estate investments will decrease limitedly between 2008-2015, nevertheless, returns will be relatively higher than other countries.

There are three main factors that will affect returns of shopping center investments as real-estate investment in Turkey between 2008-2015. The powerful increase of the interest toward

developing markets while returns are decreasing in Europe, realization and protection of economic growth potential of Turkey and slowing down of increases in rents while investment costs will increase.

Investment returns will be regressed limitedly depending on these factors, annual yields will move down to 6-7 percent in three major provinces and 7-8 percent in other provinces in 2015.

Relatively high yields and foreign shopping center investments will continue. Total leasable area size in 35 shopping centers that will be opened by foreigners until 2010 will be 2 million m². So, 26.5 percent or 3.16 million m² of 8.39-million m² total leasable area will belong to foreigners.

Finally, main trends that will affect shopping center investments until 2015 are evaluated. The most important trend among 10 determinative trends is to establish a new financial balance in order to overwhelm the difficulties emerge in the financial chain of renter, investor and creditor and depending on this consolidation, purchasing and increasing participation of foreigners.

Chapter I

RETAIL EXPENDITURES IN TURKEY

INTRODUCTION

In the first chapter of the report, retail expenditures in Turkey are analyzed and evaluated. In the analysis and prognoses made about shopping centers, retail expenditures are one of the main determining factors. Volume and characteristics of retail expenditures affect and shape development and growth of shopping centers.

In this framework, the retail expenditures in Turkey are analyzed under the titles of general economic framework, national income-economic growth and per capita income, private disposable income and private consumption expenditures, dispersion and development of private consumption expenditures, distribution of private consumption expenditures in terms of income groups and the dispersion of retail expenditures by provinces.

1.1 GENERAL ECONOMIC FRAMEWORK

Turkish economy has entered into an important amelioration and normalization period after the 2001 crisis. As a result of the economic policies implemented before 2001, high inflation, high interest rates and devaluation of Turkish Lira resulted into the economic instability and important fluctuations in the economic growth.

In the framework of these economic conditions, significant fluctuations experienced in the household and individual incomes and expenditures, development of regular retail markets was restricted.

Economic policies implemented after 2001 aimed primarily price stability and sustainable economic growth. Important developments were achieved in price stability and sustainable economic development as a result of monetary policy and foreign exchange policy, fiscal discipline achieved in the public sector and realization of structural reforms implemented for this purpose. At the end of 2006 consumer inflation receded to single-figure inflation rate, annually 7.5 percent economic growth on average was achieved between 2002-2006.

Important growths were achieved in national income, individual incomes and income per capita figures as a result of the economic amelioration experienced in the economy. General economic environment as result of price stability and sustainable development in the economy, created more suitable conditions to develop regular retail markets.

As a result of the stable and rapid growth experienced in the economy, continuous, regular and rapid development was experienced in private sector disposable income, private consumption expenditures and household retail expenditures.

By the general stability obtained in the economy and recession of inflation and interest rates to reasonable levels, middle-long term projection possibilities were created, and depending on this, local and especially foreign investments increased significantly. Share of real-estate investments in foreign investment increased considerably.

Important developments were experienced in consumer tendencies depending on the increase of household incomes. In addition to the increase in the incomes, interest rates regressed and consumer credits and facilities of shopping with credit cards widened. By the increase in incomes and credit facilities, private consumption expenditures and retail expenditures increased as well.

Feasible conditions were created for the stable and regular growth of retail expenditures, by the developments experienced in the economy in recent years. Accordingly, development of organized retail markets is accelerated.

Creation of feasible conditions for the development organized retail markets triggered the real-estate investments in this sector. Shopping centers investments entered into a rapid development phase in these conditions.

I.2 NATIONAL INCOME, ECONOMIC GROWTH AND INCOME PER CAPITA

Main economic indicator that determines the amount and development of retail expenditures is national income its growth tendency. For this reason, firstly size of national income and growth tendencies in national income are analyzed and evaluated.

Size of national income of Turkish economy and economic development data has been renewed. Turkish Statistical Institute started to use new national income series that which takes basis 1998. In our report new national income size and economic growth impetus that fits to the new national income series are used.

Turkish economy had the 265.4 billion dollars national income size in 2000. Economy was regressed considerably with the 2001 economic crisis and national income decreased to 196.7 billion dollars. After the policies implemented after 2001 economy has entered into a sustainable development phase and a rapid development has been experienced.

National income became 304.9 billion dollars in 2003, 481.5 billion dollars in 2005 and 658.8 billion dollars in 2007. Economy has grown rapidly in the years 2004, 2005 and 2006. Economic growth performance has been relatively slow down in 2007 and economic growth was realized as 4.5 percent.

Growth of national income figures in terms of dollars calculated with new series is over the real growth of national income by years. Because Turkish lira is gain value by years and Turkish lira lower rate of exchange is implemented in calculations.

Apart from the effect of rate of exchange used in calculations, with the 658.8 billion dollars national income size calculated with new series, Turkey is the 17th largest economy of the world. With this national income size, it has an important potential for retail expenditures.

TABLE.I NATIONAL INCOME AND ECONOMIC GROWTH

YEARS	GNP BILLION TL	GNP BILLION DOLLAR	GNP GROWTH %
2000	166.7	265.4	6.8
2001	240.2	196.7	-5.7
2002	350.5	230.5	6.2
2003	454.8	304.9	5.3
2004	559.0	390.4	9.4
2005	648.9	481.5	8.4
2006	758.4	526.4	6.9
2007	856.4	658.8	4.5

RESOURCE: Turkish Statistical Institute

National income per capita in Turkey and its development is one of the significant economic values for retail expenditures. In this framework, developments experienced in per capita national income in Turkey is analyzed and evaluated.

In the national income calculations new national income values of Turkish Statistical Institute and new population data are used. Turkish Statistical Institute started to calculate the population of Turkey by Address Based Population Registration System (ABPRS). Total population of 2007 that TurkStat calculated according to the new system is 70.58 million people. TurkStat did not announce the population size of the previous years calculated with the new system. Report team calculated the population size of the previous years by depending on the assumptions of population increase ratios of previous years and by taking 2007 as the basic figure.

Another point about the population size is that there is a considerable difference between the new population size and the previous population data. 2007 population size calculated by ABPRS is 70.58 million people; however, as TurkStat take 2000 population census as the base figure, 2007 population is 74.3 million people. In spite of this difference in the figures, we used ABPRS data of TurkStat and calculations are made for the previous years based on the new system. Accordingly, 2000 population is calculated as 63.7 million people (according to the 2000 population census it is 67.8 million people).

Developments in per capita income in accordance with new national income and population calculations are presented in Table. 2. Per capita income is 4.165 dollars in 2000. As a result of the 2001 economic crisis, it recessed to 3.037 in 2001. With the

economical amelioration and growth of the following years, there is a significant increase in per capita income. While the per capita income was 3.505 dollars in 2002 just after the crisis, in 2005 it became 7.000 dollars and in 2007 it reached to 9.333 dollars.

It is observed that there is a considerable increase in per capita income. After the 2001 crisis, per capita income has increased three times in terms of dollar in 2007. Valuation of Turkish lira is also effective in this rapid increase. Per capita income real growth serial presents sounder data set in this matter. Per capita income real growth data is calculated by subtracting annual population increase data from annual national income growth. Accordingly, there are also high real increases in the per capita national income after 2001. Especially in 2004 and 2005 there are more rapid increases observed. Real increase rate in per capita income slowed down in 2007 depending on weakening of economic growth performance.

Per capita income in Turkey and its growth tendency in the last 6 years are creating a positive indicator for the retail expenditures. High figures reached in the per capita income and a continuous real growth rates is positive developments for the expansion and predictability of retail expenditures.

TABLE.2 PER CAPITA INCOME AND ITS DEVELOPMENT

YEARS	GNP BILLION DOLLARS	POPULATION (000)	PER CAPITA INCOME DOLLAR	REAL GROWTH IN PER CAPITA INCOME %
2000	265.4	63.712	4.165	5.1
2001	196.7	64.770	3.037	-7.3
2002	230.5	65.806	3.505	4.6
2003	304.9	66.819	4.563	3.8
2004	390.4	67.808	5.757	7.9
2005	481.5	68.771	7.000	7.0
2006	526.4	69.707	7.550	5.5
2007	658.8	70.586	9.333	3.2

I.3 PRIVATE DISPOSABLE INCOME AND PRIVATE CONSUMPTION EXPENDITURES

Size of national income and economic growth data is the main indicator for retail expenditures. There is a direct relationship between national income size and retail expenditures. National income is comprised of public and private sector incomes and expenditures and determining factors for retail expenditures is private disposable income and private consumption expenditures.

In this framework, size and development of private disposable income and private consumption income are analyzed and evaluated. 2002 is taken as the starting year in the analysis and size and development of private disposable income and private consumption expenditures in Turkey are presented in Table.3.

Depending on the economic growth, there is an important enlargement in national income since 2002 in Turkey. Accordingly, private disposable income and private consumption expenditures are expanded which are the parts of national income.

There are two important tendencies observed in private disposable income and private consumption expenditures.

Share of the private disposable income in GNP is decreasing since 2002 continuously. While its share was 93.5 percent in 2002, it was 83.5 percent in 2007.

The main reason of the shrinking of the share of private disposable income is the fiscal discipline in the public sector and more fast growth of public sector income compared to private sector income (wealth transfer from private sector to public sector). Nonetheless, it is predicted that after 2007 this shrinking will end and henceforward the ratio will remain stable.

Although, share of private disposable income in the GNP declined, depending on the growth in the national income, private disposable income rose to 550.1 billion dollars in 2007.

Private disposable income share of private consumption expenditures has been increasing since 2002. Consumption tendency of private sector has started to increase in this period after 2002. While the share of private consumption expenditures in private disposable income was 72.7 percent in 2002, it reached to 84.5 percent in 2007.

While the share of private sector disposable income has been decreasing since 2002, its consumption tendency is increasing. Nevertheless, it is predicted that the share of consumption expenditures will not increase any more in private disposable income and national income and it is estimated that the highest ratios have been reached.

Depending on the rapid rise in the national income and strengthening of consumption tendencies, while the private consumption expenditures was 156.7 billion dollars in 2002; it rose to 465.1 billion dollars in 2007. Private consumption expenditures reached by the year 2007 are significant values for retail market and retail expenditures.

TABLE.3 PRIVATE DISPOSABLE INCOME AND CONSUMPTION EXPENDITURES						
	2002	2003	2004	2005	2006	2007
GNP Billion Dollar	230.5	304.9	390.4	481.5	526.4	658.8
PRIVATE DISPOSABLE INCOME / GNP %	93.5	93.0	89.3	85.6	82.4	83.5
PRIVATE DISPOSABLE INCOME Billion Dollar	215.5	283.6	348.6	412.2	433.7	550.1
PRIVATE CONSUMPTION EXPENDITURES / GNP %	68.0	71.2	71.3	71.7	70.5	70.6
PRIVATE CONSUMPTION EXPENDITURES Billion Dollar	156.7	217.1	278.3	345.2	371.1	465.1
PRIVATE CONSUMPTION EXPENDITURES / PRIVATE DISPOSABLE INCOME %	72.7	76.6	79.8	83.7	85.6	84.5

RESOURCE: Turkish Statistical Institute

1.4 DISPERSION AND DEVELOPMENT OF PRIVATE CONSUMPTION EXPENDITURES

Absolute value of private consumption expenditures and its development is determinative for retail market and retail expenditures. In this respect, the presented private consumption expenditure values display an important potential for retail market in Turkey.

In addition to the absolute value of private consumption expenditures and its development, its dispersion among expenditure items and their development is significant as well.

Private consumption expenditures of household are dispersed among various expenditure items. Private consumption expenditures can be grouped as compulsory expenditures, goods expenditures and service expenditures. Private consumption expenditures can also be grouped as foods, beverage, durable consumer goods, semi durable consumer goods and services expenditures.

Dispersion of private consumption expenditures in Turkey are presented and evaluated according to the declared consumption expenditures calculated by TurkStat in the context of new national income calculations. Distribution and value of private consumption expenditures in terms of expenditure items in Turkey are presented in Table.4 and Table.5.

Turkish Statistical Institute takes as basis in the distribution of private consumption expenditures the total domestic consumption expenditures by the residents or non-residents. For this reason, in the presented and evaluated distribution of expenditures, the total domestic consumption expenditures made by residents and non-residents are used.

By 2007, the biggest share in the private consumption expenditures is food-beverage-tobacco expenditures with 25.8 percent, housing, water, gasoline and electrics expenditures with 18.9 percent and transportation and communication expenditures 18.4 percent. The share of these first three expenditures is 63.1 percent. Furniture, houses appliances and home care service follows these expenditures with 7.7 percent and clothing and footwear with 6.2 percent share.

TABLE.4 DISTRIBUTION OF PRIVATE CONSUMPTION EXPENDITURE % SHARE						
CONSUMPTION EXPENDITURES	2002	2003	2004	2005	2006	2007
FOOD-BEVERAGE-TOBACCO	28.0	28.4	26.8	26.6	25.8	25.8
CLOTHING AND FOOTWEAR	9.1	9.4	9.1	7.3	6.6	6.2
HOUSING WATER GAS ELECTRICS	16.2	15.8	15.8	16.7	17.8	18.9
FURNITURE HOUSES APPLIANCES HOME CARE SERVICES	7.3	7.2	7.4	8.2	8.1	7.7
HEALTH	3.7	3.5	3.6	3.9	4.0	4.0
TRANSPORTATION-COMMUNICATION	16.8	17.7	18.1	18.5	18.7	18.4
RECREATION AND CULTURAL ACTIVITIES	4.8	4.5	5.0	4.9	4.7	4.3
EDUCATION	0.9	0.9	1.0	1.2	1.3	1.3
RESTAURANT AND HOTELS	6.2	5.7	6.0	6.0	6.1	6.1
VARIOUS GOOD AND SERVICES	6.9	6.8	7.1	6.7	7.0	7.3

RESOURCE: Turkish Statistical Institute

When the development tendency of the expenditure items is analyzed; it is observed that the share of the food-beverage-tobacco and clothing and footwear expenditures are declining and the share of the housing-water-electrics-gas and transportation and communication expenditures is increasing.

Distribution and development of private consumption expenditures among expenditure items in terms of absolute values is evaluated here. By 2007, resident households' domestic consumption expenditure is 465.1 billion dollars; domestic consumption expenditure of residents and non-residents is 486.7 billion dollars.

Private consumption expenditures have been growing and developing in terms of all expenditure items since 2002. The largest private consumption expenditure item is

food-beverage-tobacco expenditures with 125.6 billion dollars. In the second line housing-water-electrics-gas expenditures is following with 92 billion dollars. Furniture, houses appliances and home care expenditures is 37.5 billion dollars and clothing and footwear is 30.2 billion dollars.

TABLE.5 SCALE OF PRIVATE CONSUMPTION EXPENDITURES BILLION DOLLAR

CONSUMPTION EXPENDITURES	2002	2003	2004	2005	2006	2007
RESIDENT HOUSEHOLD DOMESTIC CONSUMPTION	156.7	217.1	278.3	345.2	371.1	465.1
RESIDENT AND NON-RESIDENT HOUSEHOLD DOMESTIC CONSUMPTION	170.6	231.8	295.8	364.0	392.3	486.7
FOOD-BEVERAGE-TOBACCO	47.8	65.8	79.3	96.8	101.2	125.6
CLOTHING AND FOOTWEAR	15.5	21.8	26.9	26.6	25.9	30.2
HOUSING WATER ELECTRICS GAS	27.6	36.6	46.7	60.8	69.8	92.0
FURNITURE HOUSES APPLIANCES AND HOME CARE EXPENDITURES	12.5	16.7	21.9	29.8	31.8	37.5
HEALTH	6.3	8.1	10.6	14.2	15.7	19.5
TRANSPORTATION AND COMMUNICATION	28.7	41.0	58.5	67.3	73.4	89.6
RECREATION AND CULTURAL ACTIVITIES	8.2	10.4	14.8	17.8	18.4	20.9
EDUCATION	1.5	2.1	3.0	4.4	5.1	6.3
RESTAURANT AND HOTELS	10.7	13.2	17.7	21.8	23.9	29.7
VARIOUS GOODS AND SERVICES	11.8	15.8	21.0	24.4	27.4	35.5

RESOURCE: Turkish Statistical Institute

Growth rates of expenditure items are the primary determinative factor for distribution of private consumption expenditures among expenditure items and absolute values of expenditure items.

As Turkey has re-entered into a growth phase after 2002, private consumption expenditures are also entered into a growth phase. Nevertheless, growth in the private consumption expenditures is differentiated in terms of different expenditure items after 2002.

General growth in the private consumption expenditures is below the economic growth rates in 2002 and 2003, it is above the economic growth rates in 2004 and 2005 and it is again below the economic growth rates in 2006 and 2007. Private consumption expenditures is developing in parallel to the development in national income, however it shows some fluctuations.

When private consumption is evaluated in term of expenditure groups;

a. It is observed that foods and beverage expenditures are growing annually 3-4 percent on average and stably. The only exception is seen in 2005.

b. Growth in the durable consumption foods is fluctuating. After the limited growth in the 2002, there was a rapid growth in 2003, 2004 and 2005, in 2006 stagnation was experienced and in 2007 there was a shrinking.

c. Growth in the semi durable consumption goods is fluctuating as well. After the weak growth in 2002 and 2003, in 2004, 2005, 2006 a rapid growth was experienced and in 2007 a sharp slowing down was seen.

d. Expenditures in services group have relatively more stable growth rates.

TABLE.6 GROWTH IN THE PRIVATE CONSUMPTION EXPENDITURES 2002-2007 PERCENTAGE

EXPENDITURE GROUPS	2002	2003	2004	2005	2006	2007
GNP	6.2	5.3	9.4	8.4	6.9	4.5
PRIVATE CONSUMPTION EXPENDITURES	3.4	6.6	10.1	8.8	5.2	2.0
FOOD AND BEVERAGE	3.1	4.1	2.8	8.2	3.1	3.0
DURABLE CONSUMPTION GOODS (FURNITURE HOUSES APPLIANCES HOME CARE)	3.5	24.0	29.7	15.0	2.9	-2.0
SEMI DURABLE CONSUMPTION GOODS	4.0	2.1	18.8	12.9	15.8	2.3
SERVICES (TRANSPORTATION-COMMUNICATION- HEALTH-RECREATION-CULTURE-EDUCATION- RESTAURANT-HOTELS)	7.0	7.5	9.3	7.8	5.0	4.5

RESOURCE: Turkish Statistical Institute and Report Team

Although there is a rapid growth and development in private consumption expenditures since 2002, it is observed that these growth rates are instable in terms of expenditure groups. These fluctuations in the growth tendencies have negative effects on retail market projections and developments.

I.5 DISTRIBUTION OF PRIVATE CONSUMPTION EXPENDITURES BY INCOME GROUPS

Absolute size and development of private consumption expenditures and its distribution among expenditure items is main determinative factor for the size of retail expenditures. Distribution of private consumption expenditures by income groups is determinative in the size and distribution of retail expenditures.

Income structure and expenditure structure of income groups are different from each other. For this reason, there are different expenditure values and distributions for different income groups.

For this reason, firstly shares of household incomes and household consumption expenditures in terms of income groups in Turkey and their development are presented. Table.7 and Table.8 show dispersions in terms of income groups below. Dispersions of household incomes and consumption expenditures are presented in terms of 20 percent income groups of Turkish Statistical Institute.

In this respect, when the dispersion of household incomes in terms of income groups is examined, it is observed that share of the highest income group in the total household incomes has been receded since 2002, and share of the all of the other income groups have been increased. In spite of the tendency seen since 2002, by 2007 share of the highest 20 percent income group in the total household incomes is 44 percent. Share of the following 20 percent income group is 23 percent. These two income groups have the 67 percent of the private disposable income.

TABLE.7 PERCENTAGE DISPERSION OF HOUSEHOLD INCOMES BY INCOME GROUPS

INCOME GROUPS	2002	2003	2004	2005	2006	2007
1. % 20	5.29	6.00	6.04	6.05	6.05	6.00
2. % 20	9.81	10.28	10.69	11.08	11.05	11.00
3. % 20	14.02	14.47	15.22	15.83	15.95	16.00
4. % 20	20.83	20.93	21.88	22.60	22.85	23.00
5. % 20	50.05	48.32	46.17	44.44	44.10	44.00

RESOURCE: Turkish Statistical Institute and Report Team

When the dispersion of consumption expenditures in terms of income groups is examined, it is observed that the highest income group has made 36.5 percent of the total consumption expenditures by 2007. The share of the following income group is 23.30 percent. These two highest income groups have made the 59.8 percent of the total consumption expenditures.

It is observed that the expenditure shares of the income groups in the total consumption expenditures have changed very limitedly since 2002. In spite of the relatively higher change in the income shares, it is observed that income groups

maintain their consumption tendencies and their expenditure shares in the total consumption expenditures. While the share of the third and fourth income groups have limitedly increased, the share of the highest income group has limitedly declined.

TABLE.8 DISPERSION OF CONSUMPTION EXPENDITURES IN TERMS OF INCOME GROUPS PERCENTAGE

INCOME GROUPS	2002	2003	2004	2005	2006	2007
1. % 20	9.32	8.85	9.06	9.18	9.16	9.15
2. % 20	13.24	12.97	12.95	13.24	13.27	13.25
3. % 20	17.22	16.66	17.23	17.39	17.75	17.80
4. % 20	22.05	21.74	22.73	22.73	23.16	23.30
5. % 20	38.18	39.79	38.03	37.45	36.66	36.50

RESOURCE: Turkish Statistical Institute and Report Team

Shares of the income groups in the total expenditure items differ as well. As natural the highest income groups have larger shares in the expenditure items. In Table.9, percentage shares of the income groups in the expenditure items are presented by 2007. Thereby, effectiveness and determinativeness of different income groups on the expenditure items are displayed. For instance, the highest income group makes 27.8 percent of total food and beverage expenditures, and the lowest income group made 13.5 percent of food and beverage expenditures.

The highest income group made 49.9 percent of transportation and communication expenditures, and 4.9 percent by the lowest income group. Dispersion of expenditure items in terms of income groups is significant to determine the customer priorities and customer weight in the retail market.

TABLE.9 DISPERSION OF CONSUMPTION EXPENDITURES BY INCOME GROUPS AND EXPENDITURE ITEMS PERCENTAGE 2007

EXPENDITURE ITEMS	1. %20	2. %20	3. %20	4. %20	5. %20
CONSUMPTION EXPENDITURES	9.2	13.3	17.8	23.3	36.5
FOOD AND BEVERAGE	13.5	16.6	19.7	22.4	27.8
CLOTHING AND FOOTWEAR	9.7	12.9	17.7	21.0	38.7
HOUSING WATER ELECTRICS GAS	9.0	14.3	19.0	23.8	33.9
FURNITURE HOUSES APPLIANCES HOME CARE SERVICES	9.1	14.3	16.9	23.4	36.3
HEALTH	7.5	12.5	17.5	22.5	40.0
TRANSPORTATION AND COMMUNICATION	4.9	8.2	13.6	23.4	49.9
RECREATION AND CULTURAL ACTIVITIES	4.7	11.6	11.6	18.6	53.5
EDUCATION	7.7	8.5	9.0	30.5	44.3
RESTAURANT AND HOTELS	6.6	11.5	14.8	24.6	42.5
VARIOUS GOODS AND SERVICES	5.5	12.3	17.8	15.1	49.3

RESOURCE: Turkish Statistical Institute

Absolute values of the expenditure items of income groups are presented by 2007 and in terms of billion dollars in Table.10 below. There has been food and beverage expenditure cost 122.6 billion dollars in 2007. Share of the highest income group is 32 billion dollars of this expenditure and the lowest income group purchased 16.6 billion dollars of it.

Absolute expenditure values display size of retail markets and the expenditure potential of income groups. For instance, the clothing and footwear expenditure of the highest income group is 11 billion dollars, while the expenditure of lowest income group is 2.8 billion dollars. Similarly, the furniture, house appliances expenditure of the highest income group is 12.8 billion dollars; the expenditure of lowest income group is 3.5 billion dollars.

Dispersion of expenditure items in terms of income groups also indicative for the development potential of retail markets. Assuming that lower income group prefers traditional markets, projections can be made for organized market sizes. 278.1 billion dollars of expenditure value of the two highest income groups constitutes an indicator for the development projections of organized markets.

TABLE 10. VALUE OF CONSUMPTION EXPENDITURES 2007 IN TERMS OF INCOME GROUPS AND EXPENDITURE ITEMS BILLION DOLLARS

EXPENDITURE ITEMS	1. %20	2. %20	3. %20	4. %20	5. %20
CONSUMPTION EXPENDITURES	42.3	61.9	82.8	108.0	170.1
FOOD AND BEVERAGE	16.6	20.3	25.3	28.4	32.0
CLOTHING AND FOOTWEAR	2.8	3.6	5.1	6.5	11.0
HOUSING WATER ELECTRICS GAS	8.4	13.4	17.8	22.3	30.0
FURNITURE HOUSES APPLIANCES HOME CARE SERVICES	3.5	5.3	6.3	8.8	12.8
HEALTH	1.5	2.4	3.4	4.6	7.8
TRANSPORTATION AND COMMUNICATION	4.5	7.2	12.2	20.6	41.4
RECREATION AND CULTURAL ACTIVITIES	0.9	2.2	2.3	3.5	10.0
EDUCATION	0.5	0.5	0.6	2.0	2.8
RESTAURANT AND HOTELS	1.8	3.0	4.0	6.5	10.1
VARIOUS GOODS AND SERVICES	1.8	4.0	5.8	4.8	13.5

1.6 RETAIL EXPENDITURES

Retail expenditure is the economic value directly linked to the main topic of the report, shopping centers. On national income, private disposable income and private consumption expenditures, which are the determinative factors that creates retail

expenditures, detailed analysis and evaluations are made in the above sections. In this phase, analysis and evaluations are made on retail expenditures.

Retail expenditures are comprised of some part of expenditure items in the private consumption expenditures. Retail expenditure items are located in two main groups: foods and beverage expenditures and non-food expenditures.

Foods and beverage expenditures include any kinds of food expenditures, alcoholic and non-alcoholic beverages and tobacco expenditures.

Non-food retail expenditures include retail expenditures of clothing and footwear expenditures, furniture and any kind of house appliances, recreation and culture expenditures and 25 percent of restaurant and hotel expenditures.

Some part of retail expenditures is made in traditional markets and some of them are made in organized retail markets. The potential for both of the markets is created by the retail expenditure values of households and its development.

Size of retail expenditures in Turkey, its development and its dispersion in terms of expenditure groups is presented in Table.11. Size of retail expenditures, its development and dispersion is presented by using new national income data of Turkish Statistical Institute. For this reason, different retail expenditure data (larger) is found compared to values calculated by old national income data.

There is 34 percent difference between old and new national income data. With the new calculation method, national income in 2007 is calculated 34 percent higher than the previous value. New national income calculations affected and changed all sub-indicators related to national income as well as retail expenditure indicators.

In our report, retail expenditure values of new national income data are used. For this reason, higher retail expenditure values are calculated.

Retail expenditure value became 221.6 billion dollars in Turkey in 2007. Retail expenditures are growing since 2002 rapidly. While retail expenditures was 86.7 billion

dollars in 2002, it increased in the following years and it increased two times in 2005 and became 176.5 billion dollars and in 2007 it reached to 221.6 billion dollars.

At the same period, growth in the national income, private disposable income and private consumption income resulted into the rapid growth of retail expenditures as well.

The largest expenditure item in the retail expenditures has become food-beverage-tobacco expenditures with 125.6 billion dollars. The second largest expenditure item was furniture and house appliances with 37.5 billion dollars. Clothing and footwear follows it with 30.2 billion dollars expenditure value.

**TABLE.11 RETAIL EXPENDITURES AND ITS DEVELOPMENT 2002-2007
BILLION DOLLAR**

RETAIL EXPENDITURES	2002	2003	2004	2005	2006	2007
FOOD BEVERAGE TOBACCO	47.8	65.8	79.3	96.8	101.2	125.6
CLOTHING AND FOOTWEAR	15.5	21.8	26.9	26.6	25.9	30.2
FURNITURE AND HOUSE APPLIANCES	12.5	16.7	21.9	29.8	31.8	37.5
RECREATION AND CULTURE	8.2	10.4	14.8	17.8	18.4	20.9
RESTAURANT AND HOTELS	2.7	3.3	4.4	5.5	6.0	7.4
TOTAL	86.7	118.0	147.3	176.5	183.3	221.6

Dispersion of retail expenditures in terms of food and non-food expenditures are presented in Table.12 below. Accordingly, food-beverage-tobacco expenditures constitute the more than half of the retail expenditures. Share of the food-beverage-tobacco expenditures in the total retail expenditures is 56.7 percent in 2007.

This rate has always become over 50 percent since 2002 in spite of some limited fluctuations.

Non-food retail expenditures have 43.3 percent share in total retail expenditures in 2007. There is a limited increase in furniture and house appliances' share, and a limited recession in the share of clothing and footwear expenditures.

There is a significant growth in the retail expenditures in Turkey since 2002, shares of food and non-food expenditures have not changed significantly. Food-beverage-tobacco expenditures continue to be determinative status and share in the retail expenditures.

TABLE.12 DISPERSION OF RETAIL EXPENDITURES 2002-2007 PERCENTAGE

RETAIL EXPENDITURES	2002	2003	2004	2005	2006	2007
FOOD BEVERAGE TOBACCO	55.1	55.7	53.8	54.8	55.2	56.7
NON-FOOD RETAIL	44.9	44.3	46.2	45.2	44.8	43.3
CLOTHING FOOTWEAR	17.9	18.5	18.3	15.1	14.1	13.6
FURNITURE HOUSE APPLIANCES	14.4	14.2	14.9	16.9	17.3	16.9
RECREATION CULTURE	9.5	8.8	10.0	10.0	10.0	9.4
RESTAURANT HOTELS	3.1	2.8	3.0	3.2	3.4	3.4

Dispersion of retail expenditures by income groups is the determinative factor of development tendencies of retail markets. As the expenditure share of high-income groups expands, the growth potential of organized markets strengthens as accordingly.

The highest income group made 32 percent of the total retail expenditures in 2007 with 68.3 billion dollars. Total expenditure of the second highest income group is 48.8 billion dollars and its share is 22.9 percent. The total expenditure of the lowest income group is 24.3 billion dollars and its share is 11.4 percent.

Retail expenditure values in terms of income groups are evaluated in terms of expenditure items as well. So, expenditures of income groups in terms of expenditure items can be seen comparatively.

While the figures of food and beverage expenditures, which are compulsory expenditure items, are relatively close to each other, in other expenditure items there is an increase in the expenditures in favor of high-income groups.

TABLE.13 RETAIL EXPENDITURE VALUES OF INCOME GROUPS 2007 BILLION DOLLAR

INCOME GROUPS	FOOD AND BEVERAGE	CLOTHING AND FOOTWEAR	FURNITURE AND HOUSE APPLI.	RECREATION CULTURE	RESTAURANT HOTELS	TOTAL	% SHARE
1. % 20	16.6	2.8	3.5	0.9	0.5	24.3	11.4
2. % 20	20.3	3.6	5.3	2.2	0.7	32.1	15.0
3. % 20	25.3	5.1	6.3	2.3	1.0	40.0	18.7
4. % 20	28.4	6.5	8.8	3.5	1.6	48.8	22.9
5. % 20	32.0	11.0	12.8	10.0	2.5	68.3	32.0

Shares of the income groups in the expenditure items are presented below in Table.14. The highest income group has made the 26 percent of the total food and

beverage expenditures, 37.9 percent of clothing and footwear expenditures, 34.9 percent of furniture and houses appliances, 52.9 percent of recreation-culture expenditures and 39.7 percent of restaurant-hotel expenditures.

The share of the second highest income group is relatively higher in the total retail expenditures. When evaluated in terms of expenditure items, it is observed that the two highest income groups make 50-70 percent of the expenditures. Share of the other income groups is limited because of the compulsory expenditure structures.

TABLE.14 SHARES OF INCOME GROUPS IN EXPENDITURE ITEMS 2007 PERCENTAGE

INCOME GROUPS	FOOD AND BEVERAGE	CLOTHING AND FOOTWEAR	FURNITURE AND HOUSE APPLI.	RECREATION CULTURE	RESTAURANT HOTELS	TOTAL
1. % 20	13.5	9.7	9.5	4.8	7.9	11.4
2. % 20	16.6	12.4	14.4	11.6	11.1	15.0
3. % 20	20.6	17.6	17.2	12.2	15.9	18.7
4. % 20	23.2	22.4	24.0	18.5	25.4	22.9
5. % 20	26.1	37.9	34.9	52.9	39.7	32.0

Dispersion of retail expenditures of income groups among expenditure items, better indicates the necessary expenditures, preferences and tendencies. Table.15 shows dispersion of retail expenditures within the income groups. It is observed that the share of food, beverage and tobacco expenditures is high for all income groups.

Food and beverage expenditures have 68.3 percent share in the retail expenditures of the lowest income group. The share of the food and beverage expenditures of the highest income group is 46.9 percent. Non-food retail expenditures of income groups are relatively limited. Only the highest income group has higher shares of other retail expenditures.

TABLE.15 DISPERSION OF RETAIL EXPENDITURES WITHIN THE INCOME GROUPS 2007 PERCENTAGE

INCOME GROUPS	FOOD AND BEVERAGE	CLOTHING AND FOOTWEAR	FURNITURE AND HOUSE APPLI.	RECREATION CULTURE	RESTAURANT HOTELS	TOTAL
1. % 20	68.3	11.5	14.4	3.7	2.1	100.0
2. % 20	63.2	11.2	16.5	6.8	2.3	100.0
3. % 20	63.3	12.8	15.8	5.8	2.3	100.0
4. % 20	58.2	13.3	18.0	7.2	3.3	100.0
5. % 20	46.9	16.1	18.7	14.6	3.7	100.0

I.7 DISPERSION OF RETAIL EXPENDITURES BY PROVINCES

Together with the general values of retail expenditures, dispersion of retail expenditures in terms of expenditure items and income groups; its dispersion in terms of regions and provinces is significant for retail markets, and especially for organized markets and their institutions.

Dispersion of retail expenditures by provinces and regions is determinative in the development of retail markets, organized markets and organized corporations for fast moving consumption goods and shopping centers.

In this framework, size of retail expenditures by provinces are presented and evaluated in this part of the report. In this context, data of 41 provinces where shopping centers exist, shopping centers under construction and shopping centers at planning stage are evaluated.

First of all, gross product figures of provinces calculated by new national income data, populations of provinces calculated according to address based population registration system and income per capita for the year 2007 are presented in Table. 16.

Provinces with relatively high gross product, with sufficient population size and with high income per capita are potential provinces for retail markets, retail expenditures and shopping centers.

There are 12 provinces that have gross product equal to 10 billion dollars and over, and 27 provinces that have net income equal to 5 billion dollars within the 41 provinces that are in the scope of analysis and evaluation.

There are 18 provinces with population equals to 1 million and over. There are 14 provinces with income per capita equals to 10 thousand dollars and over. In the all of the provinces except three that are in the scope of the report, per capita income equals to five thousand dollars and over.

TABLE.16 GROSS PRODUCT BY PROVINCES AND PER CAPITA INCOME 2007

PROVINCES	GROSS PRODUCT BILLION DOLLAR	POPULATION (000)	PER CAPITA INCOME DOLLAR
ADANA	20.4	2.006	10.160
AFYON	4.7	702	6.700
ANKARA	52.7	4.467	11.800
ANTALYA	17.2	1.789	9.615
AKSARAY	1.9	366	5.190
AYDIN	9.2	947	9.715
BALIKESIR	9.9	1.118	8.855
BURSA	25.7	2.440	10.530
ÇANAKKALE	5.3	476	11.130
DENİZLİ	9.2	907	10.145
DIYARBAKIR	7.2	1.461	4.930
ERZURUM	4.3	785	5.480
ERZINCAN	1.6	214	7.490
ESKİŞEHİR	7.9	725	10.900
ELAZIĞ	4.3	541	7.950
GAZİANTEP	10.5	1.560	6.730
HATAY	9.9	1.386	7.145
İSTANBUL	151.5	12.574	12.050
İSPARTA	3.6	420	8.575
İZMİR	48.1	3.740	12.865
K.MARAŞ	6.6	1.004	6.575
KARAMAN	2.2	226	9.735
KAYSERİ	8.6	1.165	7.380
KÜTAHYA	4.9	584	8.390
KOCAELİ	30.3	1.438	21.070
KONYA	16.8	1.959	8.575
MALATYA	5.3	722	7.340
MANİSA	13.8	1.320	10.455
MERSİN	18.1	1.596	11.340
MUĞLA	10.2	766	13.315
NEVŞEHİR	3.0	280	10.720
ORDU	4.0	715	5.590
SAKARYA	7.3	835	8.740
SAMSUN	8.9	1.229	7.250
TEKİRDAĞ	6.9	728	9.480
TOKAT	4.9	621	7.895
TRABZON	5.9	741	7.965
UŞAK	2.2	334	6.585
URFA	6.1	1.523	4.000
VAN	3.2	980	3.260
ZONGULDAK	7.8	616	12.665

Private consumption expenditures, retail expenditures and dispersion of retail expenditures among food and non-food expenditures in terms of provinces, more clearly and better indicates the potential of provinces especially for organized markets and shopping centers.

Private consumption expenditures, retail expenditures and dispersion of retail expenditures in terms of food and non-food expenditures by provinces are presented for 2007 in Table. 17.

Gross product of the provinces is the main determinative of private consumption expenditures and retail expenditure size. Private consumption expenditures are taken as 70.5 percent of gross product. This data is for valid for throughout Turkey. For this reason, figures of private consumption expenditures of provinces are calculated by using Turkey's average figure.

TABLE.17 PRIVATE CONSUMPTION AND RETAIL EXPENDITURES BY PROVINCES 2007 BILLION DOLLAR

PROVINCES	GROSS PRODUCT	PRIVATE CONSUMPTION EXPENDITURES	SHARE OF RETAIL EXPENDITURES %	RETAIL EXPENDITURES	FOOD BEVERAGE	NON FOOD
ADANA	20.4	14.4	48.5	6.98	4.55	2.43
AFYON	4.7	3.3	52.0	1.72	1.18	0.54
ANKARA	52.7	37.2	42.1	15.66	7.96	7.70
ANTALYA	17.2	12.1	43.2	5.23	2.98	2.25
AKSARAY	1.9	1.3	51.7	0.67	0.41	0.26
AYDIN	9.2	6.5	52.0	3.38	2.24	1.14
BALIKESIR	9.9	7.0	53.0	3.68	2.55	1.13
BURSA	25.7	18.1	46.2	8.36	4.72	3.64
ÇANAKKALE	5.3	3.7	53.0	1.96	1.35	0.61
DENİZLİ	9.2	6.5	52.0	3.38	2.24	1.14
DIYARBAKIR	7.2	5.1	56.5	2.88	2.02	0.86
ERZURUM	4.3	3.0	51.6	1.55	0.92	0.63
ERZINCAN	1.6	1.1	51.6	0.57	0.34	0.23
ESKİŞEHİR	7.9	5.6	46.2	2.59	1.46	1.13
ELAZIĞ	4.3	3.0	54.9	1.65	1.05	0.60
GAZİANTEP	10.5	7.4	51.2	3.79	2.41	1.38
HATAY	9.9	7.0	55.7	3.90	2.67	1.23
İSTANBUL	151.5	107.0	38.4	41.10	22.90	18.20
ISPARTA	3.6	2.5	43.2	1.08	0.61	0.47
İZMİR	48.1	34.0	43.4	14.75	7.20	7.55
K.MARAŞ	6.6	4.7	55.7	2.60	1.78	0.82
KARAMAN	2.2	1.6	51.0	0.82	0.46	0.36
KAYSERİ	8.6	6.1	50.4	3.07	2.00	1.07
KÜTAHYA	4.9	3.5	52.0	1.82	1.24	0.58
KOCAELİ	30.3	21.4	46.6	9.97	5.80	4.17
KONYA	16.8	11.9	51.0	6.07	3.41	2.66
MALATYA	5.3	3.7	54.9	2.03	1.29	0.74
MANİSA	13.8	9.7	52.0	5.08	3.48	1.60
MERSİN	18.1	12.8	48.5	6.20	4.04	2.16
MUĞLA	10.2	7.2	52.0	3.74	2.48	1.26
NEVŞEHİR	3.0	2.1	51.7	1.09	0.66	0.43
ORDU	4.0	2.8	49.4	1.38	0.86	0.52
SAKARYA	7.3	5.2	46.6	2.42	1.41	1.01
SAMSUN	8.9	6.3	53.2	3.35	2.17	1.18
TEKİRDAĞ	6.9	4.9	45.9	2.25	1.45	0.80
TOKAT	4.9	3.5	53.2	1.86	1.21	0.65
TRABZON	5.9	4.2	53.8	2.26	1.50	0.76
UŞAK	2.2	1.6	52.0	0.83	0.57	0.26
URFA	6.1	4.3	56.5	2.43	1.70	0.73
VAN	3.2	2.3	62.9	1.45	0.98	0.47
ZONGULDAK	7.8	5.5	51.9	2.85	1.90	0.95

Shares of the retail expenditures in the private consumption expenditures are different for each province. Retail expenditure values are calculated by using different ratios of every province that are found by income and expenditure structure of the province.

Dispersion of retail expenditures in terms of food and non-food expenditures is different for each province. Ratios of every province are used to present the food and non-food expenditures of each province.

Figures of food and non-food expenditures and retail expenditure figures comprised of the aggregate of them constitute the most important indicator for the development of retail markets of the provinces. For instance, total retail expenditure is 41.1 billion dollars in Istanbul, food-and beverage expenditure is 22.9 billion dollars and non-food expenditure is 18.2 billion dollars.

Chapter II

RETAIL MARKET AND SHOPPING CENTERS IN TURKEY

INTRODUCTION

In the second chapter of the report, retail market and shopping centers in Turkey are analyzed and evaluated. Firstly, size of the retail market in Turkey and its development, dispersion of retail market between food and non-food markets and its development and dispersion of retail market between organized and traditional markets are examined. Shopping centers in Turkey are analyzed and evaluated under the sub-titles of indicators of shopping centers, international comparisons and shopping centers as real-estate investment.

II.1 RETAIL MARKET IN TURKEY

II.1.1 Development of Retail Market in Turkey and Determinative Factors

Retail market in Turkey has entered into a development and change process since 2001.

Main effective and determinative factors in the development of retail market in Turkey are economic growth and developments in the retail expenditures of house-

holds. Retail expenditures of households also constitute the size of retail market. For this reason, with the growth in the retail expenditures of households, retail market volume grows as well.

Depending on the growth of retail expenditures of households, retail market develops as well after 2001. While the volume of retail market was 86.7 billion dollars in 2002, it reached to 221.6 billion dollars in 2007. With the volume of the retail market, main dimensions of the market change as well. Economic and social developments in the retail market of Turkey after 2001 result into the changes in retail market.

As a result of the economic policies put into implementation after 2001, a different macro framework is attained. Rapid economic growths, one-digit inflation, Turkish lira gaining value with low interest rates are the most important factors of this new macro economic environment.

Increasing individual incomes as a result of the rapid economic growth in this new macro economic environment, result into the rapid expansion of private consumption and retail expenditures. So, retail markets have obtained a more rapid growth compared to other periods.

Together with the increase in individual incomes, there is an increase in the number of households with higher purchasing power. So, in addition to the incomes, consumers with higher purchasing power is effective in developing the retail markets.

Together with low inflation and recessed interest rates in the new macro economic environment, there are important improvements for payments and expenditure financing. Use of consumer credits has increased rapidly with the usage of credit cards and increasing expenditures with these methods resulted into the rapid growth of retail markets.

Dissolution of the rural and the rapid urbanization affects acceleration of the increase in retail expenditures. From the closed economic relations, rapidly passed to expenditure relations of market conditions. As a result of the diversification and expansion of needs in the urban spaces, urbanization has very important role in the development of retail markets.

Consumer tendencies are changing rapidly as well. Consumers decide where, how and how much they will spend, and these preferences and tendencies shape retail markets. More educated and more demanding consumer profile is formed that prefers more functional goods, demanding more comfortable service conditions.

As a result of all these developments and changes, there are important changes in the institutional structure of the retail market. While the share of the organized markets is increasing in the retail channels, share of the traditional retail market is declining. Players of the retail market are gradually being differentiated.

Rapid development of organized retail market is gripping and determinative in the growth of retail markets. National, regional and international chains, local single markets, discount chains, cash and carry markets are developing in the retail market where mostly food and beverage expenditures are met.

In the non-food organized market, there is a rapid development process of shopping centers, life and recreation centers, outlet centers, retail parks, construction markets and technology markets.

Another tendency that is both affected from the development of retail market and accelerate the development of retail market is investments of foreign investors, enterprisers, retailers, chains and brands in Turkey.

Another important tendency in the retail market is the rise of competition in the market with the entrance of foreigners. While the rise of competition is increasing productivity, it considerably decreases margins of profit. Competition and decreasing margins of profit necessitates institutional purchasing and mergers in the sector.

II.1.2 Volume of Retail Market in Turkey

Data on volume of retail market in Turkey are presented in this section. Volume of retail market has increased significantly since 2002. While the retail market volume was 86.7 billion dollars, it reached to 221.6 billion dollars in 2007. Growth of national

income, individual incomes and private consumption expenditures are determinative and effective in the rapid growth of the retail market. Valuation of Turkish lira is also effective like in all other economic indicators.

Share of the organized retail market is increasing in Turkey. While the share of the organized retail market share was 28 percent in the total retail market in 2002, it increased to 35 percent in 2007. On the other hand, the share of the traditional market decreased from 72 percent to 65 percent.

In accordance with these ratios, while the volume of organized retail market was 24.3 billion dollars in 2002, it increased to 77.6 billion dollars in 2007. Although the share of the traditional retail market is decreasing in the total retail market, while it was 62.4 billion dollars in 2002, it rose to 144 billion dollars in 2007.

Another important differentiation in the retail market is food and beverage market and non-food retail market differentiation.

The share of the food and beverage market is 56.7 percent in Turkey in 2007 and its volume is 125.6 billion dollars. Non-food retail market share is 43.3 percent and its volume is 96 billion dollars.

It is observed the share of food and non-food retail market shares has not changed importantly since 2002. Retail market volume is growing in similar rates both in food and non-food markets. The main characteristic of retail market in Turkey is that food-beverage expenditure is still over 50 percent.

TABLE.18 RETAIL MARKET IN TURKEY AND ITS DEVELOPMENT BILLION DOLLAR

MARKETS	2002	2003	2004	2005	2006	2007
RETAIL MARKET	86.7	118.0	147.3	176.5	183.3	221.6
SHARE OF ORGANIZED RETAIL MARKET %	28	29	30	31	33	35
SHARE OF TRADITIONAL MARKET %	72	71	70	69	67	65
ORGANIZED RETAIL MARKET	24.3	34.2	44.2	54.7	60.5	77.6
TRADITIONAL MARKET	62.4	83.9	103.1	121.8	122.8	144.0
FOOD-BEVERAGE MARKET %	55.1	55.8	53.8	54.9	55.2	56.7
NON-FOOD RETAIL MARKET %	44.9	44.2	46.2	45.1	44.8	43.3
FOOD-BEVERAGE MARKET	47.8	65.8	79.3	96.8	101.2	125.6
NON-FOOD RETAIL MARKET	38.9	52.2	68.0	79.7	82.1	96.0

Dispersion of food and non-food markets between organized and traditional market is important in the retail market.

Share of the organized market in food and beverage market is 31 percent, share of the traditional market is 69 percent in 2007. Volume of the organized food and beverage market is 38.9 billion dollars and volume of the traditional market is 86.7 billion dollars in 2007.

It is observed that organized market share has increased significantly in the food-beverage market since 2002.

Share of the organized market in the non-food retail market is 35 percent and the market volume is 33.6 billion dollars in 2007. The share of the traditional market is 65 percent and its volume is 62.4 billion dollars. It is observed that the share of the organized market in the non-food retail market has increased since 2002.

TABLE.19 ORGANIZED RETAIL MARKET IN TURKEY AND ITS DEVELOPMENT BILLION DOLLAR

MARKETS	2002	2003	2004	2005	2006	2007
ORGANIZED FOOD MARKET %	23	24	27	28	29	31
TRADITIONAL FOOD MARKET %	77	76	73	72	71	69
ORGANIZED FOOD MARKET	11.2	15.8	21.7	26.4	28.9	38.9
TRADITIONAL FOOD MARKET	36.6	50.0	57.6	70.4	72.3	86.7
ORGANIZED NON-FOOD MARKET %	30	31	32	33	34	35
TRADITIONAL NON-FOOD MARKET %	70	69	68	67	66	65
ORGANIZED NON-FOOD MARKET	11.7	16.2	21.8	26.3	27.9	33.6
TRADITIONAL NON-FOOD MARKET	27.2	36.0	46.2	53.4	54.2	62.4

Food and beverage market and non-food retail market are the two important sub-markets of retail market. Food and beverage market is comprised of fast moving consumer goods. In the organized part of this market, there are hypermarkets, supermarkets and chain markets. In the scope of the traditional market, there are middle scale (50-100 m²) markets, groceries and single shops (canteen, seller of dried fruits, pharmacy, perfumery etc.) Dispersion of food and beverage market among the above-mentioned sale chains is presented in Table.20. Chains constituting food and beverage market also constitute sale chains of other fast moving consumer goods. For this reason, food and beverage market has to be taken into consideration together with fast moving consumer goods.

It is observed that number of selling points have been increasing in the organized part of food and beverage market. While the number of middle and large scale organized selling points was 2.135 in 1998, it rose to 6.474 in 2006. It is estimated that it will reach to 8.575 in 2008. In accordance with this development, organized markets continue to increase its share in the food and beverage market.

Number of selling points has been decreasing in the traditional part of the food and beverage (fast moving consumer goods) market. While the number of selling points was 223 thousand in 1998, it decreased to 196 thousand in 2006. it is observed that the number of traditional groceries is decreasing in the traditional market, on the other hand, number of middle size markets (50-100 m2) and single shops is increasing. Volume of the non-food retail market in the total retail market is 96 billion dollars in 2007. 35 percent of the non-food market is comprised of the organized market and the volume of the organized market is 33.6 billion dollars.

TABLE.20 CHANNELS IN THE FOOD BEVERAGE (FAST MOVING CONSUMER GOODS) MARKET

RETAIL CHANNELS	1998	2000	2002	2004	2005	2006	2008 EST.
ORGANIZED MARKET	2.135	2.979	4.005	4.809	5.545	6.474	8.575
HYPERMARKET 2500 M2	91	129	151	152	159	164	
SUPERMARKET 1000-2500 M2	210	306	368	396	440	504	
SUPERMARKET 400-1000 M2	464	726	909	1.082	1.271	1.567	
SUPERMARKET 400 M2	1.370	1.818	2.577	3.179	3.675	4.239	
TRADITIONAL MARKET	223.091	209.308	198.510	201.487	199.215	196.444	196.169
MIDDLE SIZE MARKET 50-100 M2	12.192	13.232	13.555	15.197	15.076	14.475	16.141
GROCERY 50 M2	155.420	136.763	122.342	122.781	120.397	116.857	113.028
SINGLE MARKET	55.479	59.313	62.613	63.509	63.742	65.112	67.000
TOTAL	225.226	212.287	202.515	206.296	204.760	203.218	204.744

RESOURCE: AC Nielsen

Clothing and footwear, furniture and houses appliances, recreation and culture and restaurant and hotels are the sub-markets of non-food retail market. Volumes of these markets and the organized retail market volumes are presented in Table. 21.

Volume of the clothing and footwear in the sub-markets is 30.2 billion dollars and 50 percent of it is organized market and the volume of the organized market of clothing and footwear is 15.1 billion dollars.

Furniture decoration, technology-informatics and electronic goods, white goods and house construction and development equipments constitute the sub-market of

furniture and houses appliances. The volume of this sub-market is 37.5 billion dollars. The share of the organized market is 30 percent and its volume is 11.25 billion dollars. There is an important competition between the organized market and classic dealer (distributor) system.

Organized market in this sub-market is rapidly developing. There are many local and foreign retail park, technology market and construction market. Expenditures of households constitute the recreation and culture sub-market. Jewelry and precious stones, book-publication-music, cinema, sports-recreation expenditures are the important components of this sub-market. Volume of this market is 20.9 billion dollars and 25 percent of the market is organized market and the volume of the organized market is 5.0 billion dollars.

In the restaurant and hotels market, there are daily expenditures of households and consumers excluding accommodation and the volume of this market is 7.4 billion dollars. Share of the organized market is 30 percent and the volume of the organized market is 2.3 billion dollars.

TABLE.21 DISPERSION OF NON-FOOD RETAIL MARKET 2007

MARKETS	RETAIL MARKET BILLION DOLLAR	SHARE OF THE ORGANIZED MARKET %	ORGANIZED MARKET BILLION DOLLAR	TRADITIONAL MARKET BILLION DOLLAR
CLOTHING FOOTWEAR	30.2	50.0	15.1	15.1
FURNITURE HOUSE APPLIANCES	37.5	30.0	11.25	26.25
FURNITURE	10.0	30.0	3.0	7.00
ELECTRONICS	10.0	30.0	3.0	7.00
WHITE GOODS	10.0	25.0	2.5	7.50
HOUSING DEV. AND OTHERS	7.5	35.0	5.75	4.75
RECREATION CULTURE	20.9	25.0	5.0	15.9
RESTAURANT AND HOTELS	7.4	30.0	2.3	5.1
TOTAL	96.0	35.0	33.6	62.4

II.2 SHOPPING CENTERS IN TURKEY

Shopping centers are the most important institutions of the organized retail markets. Shopping centers accelerate the development of the organized markets parallel to the development of retail markets in Turkey.

While the shopping centers are the most important institution of the retail markets, they are also important as commercial real-estate investments. Shopping centers that has increased in recent years, supplement the development of real-estate investments.

In this framework, we have made a detailed analysis and evaluation of the shopping centers in Turkey in this part of the report.

This analysis and evaluation is presented under the sub-titles shopping centers and their size, international comparisons and shopping centers as a real estate investment. In all of the analysis and evaluations, standards are confirmed and applied by International Council of Shopping Centers are used and shopping centers fitting to these standards are examined. These standards are presented in Table.22.

TABLE.22 INTERNATINAL STANDARTS OF SHOPPING CENTERS		
QUALITY	PROJECT TYPE	LEASABLE AREA M2
TRADITIONAL	VERY LARGE	80.000 and above
	LARGE	40.000-79.999
	MIDDLE	20.000-39.999
	SMALL	5.000-19.999
SPECIALIZED	RETAIL PARK	
	LARGE	20.000 and above
	MIDDLE	10.000-19.999
	SMALL	5.000-9.999
	OUTLET	5.000 and above
	THEMATIC-ORIENTED CENTER	
	LEISURE BASED	5.000 and above
NON-LEISURE BASE	5.000 and above	

RESOURCE: International Council of Shopping Centers

II.2.1 Shopping Centers and Their Size

Shopping centers are pioneer players in the development of the organized retail markets and the growth of commercial real-estate investments in the retail market in Turkey.

The first shopping center in Turkey was opened in 1988. The development of shopping centers since 1988 has become in two important different waves. The first wave shopping centers emerged between 1988-2001 and the main characteristics of this wave are mentioned below:

- a- concentration of shopping centers in three major cities
- b- less number of projects by years

- c- need for high quality space of local retailers
- d- individual investors

As a result of this first wave, there have become 53 shopping centers and 1.37 million m² leasable area and 21.2 m² leasable area per 1000 inhabitants at the end of 2001.

The second wave shopping center investments have started after 2002. The main characteristics of this period is mentioned below:

- a- Increasing proportions of concentration in other cities as well as the three major cities
- b- Increasing number and proportion of projects
- c- Need of high quality space of both local retailers and international and foreign retailers and increasing number of foreign retailers in the shopping centers.
- d- Institutional investors
- e- Projects, purchasing and partnerships of foreign investors
- f- Regional concentration and massification
- g- Differentiation of projects depending on the location; high-profiled projects in the city centers, recreation-life centers are on the periphery, outlet are out of town, small-scale, conceptual and boutique projects are in the specialty locations.

With the second wave development, 101 shopping centers were built between 2002-2007. In the same period additional 2.15 million m² leasable area capacity was created. As a result, total 154 shopping centers and 3.52-million m² leasable space volume in accordance with the ICSC standards were reached at the end of 2007.

Total number of shopping centers and total leasable area size since 1988 are presented year by year in Table.23 below.

TABLE.23 NUMBER OF SHOPPING CENTERS OPENED IN TURKEY BY YEARS

YEARS	NUMBER OF SHOPPING CENTERS OPENED	GROSS LEASABLE AREA OPENED SHOPPING CENTERS M2	TOTAL NUMBER OF SHOPPING CENTERS	TOTAL GROSS LEASABLE AREA M2
1988	1	42.974	1	42.974
1989	2	21.775	3	64.749
1990	-	-	3	64.749
1991	1	23.500	4	88.249
1992	-	-	4	88.249
1993	2	65.600	6	153.849
1994	2	82.032	8	235.881
1995	2	32.171	10	268.052
1996	2	56.850	12	324.902
1997	4	87.027	16	411.929
1998	7	200.665	23	612.594
1999	11	295.366	34	907.960
2000	10	240.186	44	1.148.146
2001	9	225.949	53	1.374.095
2002	9	176.504	62	1.550.599
2003	18	244.233	80	1.794.832
2004	15	161.046	95	1.955.878
2005	19	304.961	114	2.260.839
2006	19	392.507	133	2.653.346
2007	21	864.728	154	3.518.074

Shopping centers are the most important institution of organized market. Organized retail markets are expanding with the shopping center investments. The advancement indicator is the size of leasable area created by shopping centers. More importantly, size of leasable area has to be proportional to population.

Development of leasable area size per 1000 inhabitants in Turkey since 2000 is presented in Table.24 below. Accordingly, while the leasable area size per 1000 inhabitants was 18.0 m2 in 2000, it rose to 49.8 m2 in 2007. While making calculations per capita, ABPRS data is used. ABPRS only declared 2007 population size. Population size of the previous years is calculated by the report team, in accordance with the population increase rate projections.

TABLE.24 LEASABLE AREA SIZE PER THOUSAND INHABITANTS IN THE SHOPPING CENTERS IN TURKEY

YEARS	TOTAL SHOPPING CENTERS	TOTAL GROSS LEASABLE AREA M2	GROSS LEASABLE AREA PER THOUSAND INHABITANT M2
2000	44	1.148.146	18.0
2001	53	1.374.095	21.2
2002	62	1.550.599	23.6
2003	80	1.794.832	26.9
2004	95	1.955.878	28.8
2005	114	2.260.839	32.8
2006	133	2.653.346	38.1
2007	154	3.518.074	49.8

Total leasable area in the shopping centers and the leasable area size per thousand inhabitants are the important development indicators. These indicators are given above by years and for Turkey in general. 154 shopping centers in total and 3.52 million m² leasable area and 49.8 m² leasable area size per thousand inhabitant are the 2007 figures for Turkey.

There are shopping centers in 31 provinces in Turkey by 2007. Shopping center investments spread to other cities other than the three major cities. For this reason, total leasable area of the shopping centers and leasable area size per thousand inhabitants by provinces is important.

Table.25 presents the size of the shopping centers by provinces in 2007 in Turkey.

TABLE.25 INDICATORS OF SHOPPING CENTERS BY PROVINCES 2007			
PROVINCES	NUMBER OF SHOPPING CENTERS	TOTAL GROSS LEASABLE AREA M2	LEASABLE AREA PER THOUSAND INHABITANTS M2
ISTANBUL	54	1.363.572	108.4
ANKARA	19	645.527	144.5
IZMIR	11	263.187	70.4
BURSA	5	166.984	68.4
KONYA	4	122.054	62.3
ADANA	3	109.010	54.3
ANTALYA	8	101.849	56.9
MERSIN	3	95.736	60.0
DENIZLI	3	83.250	91.8
ESKIŞEHİR	2	79.890	110.2
MUĞLA	8	64.315	84.0
KOCAELI	5	61.857	43.0
GAZIANTEP	2	60.308	38.7
KAYSERİ	4	48.652	41.8
AYDIN	3	35.000	37.0
SAMSUN	2	29.452	24.0
DIYARBAKIR	2	28.020	19.2
TEKİRDAĞ	2	27.288	37.5
SAKARYA	1	23.500	28.1
BALIKESİR	2	18.585	16.0
ZONGULDAK	1	13.000	21.1
ERZINCAN	1	12.600	58.9
ÇANAKKALE	1	12.000	25.2
MALATYA	1	11.251	15.6
ELAZIĞ	1	8.861	16.4
AKSARAY	1	8.500	23.2
KARAMAN	1	7.912	35.0
TRABZON	1	5.500	7.4
UŞAK	1	4.500	13.5
ORDU	1	3.414	4.8
VAN	1	2.500	2.6

According to this data, there are shopping centers in 31 provinces in Turkey. 84 shopping centers in Istanbul, Ankara and İzmir in total, and in other 28 provinces there are 70 shopping centers.

Total leasable area size of the shopping centers in three major cities is 2.27 million m² and 1.25 million m² in other provinces in total.

The first three provinces for the size of the leasable area per thousand inhabitants are Ankara 144.5 m², Eskişehir 110.2 m² and İstanbul 108.4 m². These provinces are also the three provinces which have leasable area over 100 m² per thousand inhabitants. In other provinces as well the leasable area size per thousand inhabitants is increasing.

Leasable area of the shopping centers and the leasable area per thousand inhabitants are important indicators. Nevertheless, comparing the effectiveness of the shopping centers in the retail market and yields of shopping center investments with the volumes of retail expenditures in terms of productivity is also important. Retail expenditure volumes indicate the potential expenditure volume for shopping centers.

In this framework, we make comparisons of total leasable area size and retail expenditure volumes of the provinces. Potential expenditure volumes per leasable area by provinces are presented in Table.26.

Total retail expenditure is 221.6 billion dollars, total leasable area is 3.52 million m² and potential retail expenditure per leasable m² is 63.070 dollars. This figure is not the retail expenditures made in the shopping centers actually, but it indicates an average expenditure potential per m².

In İstanbul, which has the largest leasable space, potential retail expenditure volume per rentable m² is 30.140 dollars. Ankara is the province where the potential retail expenditure volume per m² is the lowest among 30 provinces with 24.260 dollars. For leasable space size and potential retail expenditure volume, Ankara is gradually approach to saturation point. Other provinces should be evaluated similarly.

TABLE.26 POTENTIAL RETAIL EXPENDITURE PER LEASABLE M² IN THE SHOPPING CENTERS BY PROVINCES 2007

PROVINCES	TOTAL GROSS LEASABLE	RETAIL EXPENDITURE	POTENTIAL RETAIL
	AREA M2	BILLION DOLLAR	EXPENDITURE PER LEASABLE AREA DOLLAR
ISTANBUL	1.363.572	41.10	30.140
ANKARA	645.527	15.66	24.260
IZMIR	263.187	14.75	56.050
BURSA	166.984	8.36	50.060
KONYA	122.054	6.07	49.730
ADANA	109.010	6.98	64.030
ANTALYA	101.849	5.23	51.350
MERSIN	95.736	6.20	64.760
DENIZLI	83.250	3.38	40.600
ESKIŞEHİR	79.890	2.59	32.420
MUĞLA	64.315	3.74	58.150
KOCAELI	61.857	9.97	161.180
GAZIANTEP	60.308	3.79	62.840
KAYSERİ	48.652	3.07	63.100
AYDIN	35.000	3.38	96.570
SAMSUN	29.452	3.35	113.740
DIYARBAKIR	28.020	2.88	102.780
TEKİRDAĞ	27.288	2.25	82.450
SAKARYA	23.500	2.42	102.980
BALIKESİR	18.585	3.68	198.000
ZONGULDAK	13.000	2.85	219.230
ERZINCAN	12.600	0.57	45.240
ÇANAKKALE	12.000	1.96	163.300
MALATYA	11.251	2.03	180.430
ELAZIĞ	8.861	1.65	186.210
AKSARAY	8.500	0.67	78.825
KARAMAN	7.912	0.82	103.640
TRABZON	5.500	2.26	410.910
UŞAK	4.500	0.83	184.450
ORDU	3.414	1.38	404.220
VAN	2.500	1.45	580.000
TURKEY	3.518.074	221.6	62.989

II.2.2 Shopping Centers and International Comparisons

Retail market and shopping centers has entered into a rapid growth phase in Turkey since 2001. While the retail expenditures and retail market is growing depending on the economic growth and increase in the national income, number of shopping centers and leasable space size are increasing as well.

These developments in the shopping center size and indicators emerged in Turkey are compared with international stage. In the international comparisons data of European countries are used.

Turkey has entered into an interaction with European real-estate market and has been integrating with these markets. Real-estate investments and tendencies in Europe are more effective and determinative in Turkey. For this reason, indicators of the selected European countries and total volume of European market encompassing 34 countries are used in the comparisons

One of the determinative factors in the indicators of shopping centers is volume of private consumption expenditures and retail expenditures. For this reason, firstly, comparisons are made with private consumption and retail expenditure volumes of European countries.

In Table.27 below, disposable income, consumption expenditures, proportion of retail expenditures to consumption expenditures and retail expenditure volumes of the selected European countries are presented. All of the volumes are projections for 2008. Consequently, very up-to-date comparison has become possible. Volumes calculated with new national income calculations and 2008 projections are used for Turkey.

Turkey is the 7th largest economy among the European countries with disposable income and consumption expenditure volumes by 2008. Turkey is following Germany, Great Britain, France, Italy, Spain and Russia with 581.3 billion dollars of disposable income and 484.4 billion dollars consumption expenditure.

Share of the retail expenditures in consumption expenditures differs in Europe among countries. This rate is the lowest in Italy with 31.3 percent, and highest in Czech Republic with 55.8 percent. It is about 38-40 percent in large countries like Germany, Great Britain and France. In Turkey, the share of the retail expenditures in consumption expenditures is 48 percent and it is estimated that the retail expenditures will be 232.5 billion dollars in Turkey in 2008.

Turkey is again the 7th country with its retail expenditure of 232.5 billion dollars and with its retail market among the European countries. The largest retail market in Europe is Germany's with 678.3 billion dollars.

TABLE.27 ECONOMIC VOLUMES AND RETAIL EXPENDITURES IN EUROPEAN COUNTRIES 2008 BILLION DOLLAR

COUNTRIES	POPULATION MILLION	DISPOSABLE INCOME	CONSUMPTION EXPENDITURES	RETAIL EXPENDITURE / CONSUMPTION EXPEND. %	RETAIL EXPENDITURES
ENGLAND	61.2	1.828.2	1.673.8	38.5	644.6
FRANCE	61.9	1.730.3	1.435.4	39.5	567.0
SPAIN	45.3	884.2	850.0	42.4	360.4
ITALY	59.0	1.491.7	1.264.4	31.3	395.8
GERMANY	82.2	2.210.8	1.780.2	38.1	678.3
NETHERLANDS	16.4	394.3	357.9	41.6	148.9
POLAND	38.0	280.2	259.7	49.9	129.6
RUSSIA	141.1	673.9	684.2	47.1	322.3
SWEDEN	9.2	221.9	207.3	37.2	77.1
PORTUGAL	10.7	168.5	150.7	33.0	49.7
CZECH REP.	10.3	88.2	86.1	55.8	48.1
IRELAND	4.4	134.7	113.3	53.7	60.9
BELGIUM	10.6	268.3	229.2	41.2	94.4
HUNGARY	10.0	85.9	89.6	49.5	44.4
ROMANIA	21.5	122.3	124.6	32.8	40.9
SLOVAKIA	5.4	48.1	44.8	37.7	16.9
GREECE	11.2	213.9	238.8	33.3	79.5
TURKEY	71.5	581.3	484.4	48.0	232.5

RESOURCE: Euro Monitor

Retail market is comprised of sub-markets where food expenditures and non-food expenditures are made. Dispersion of food and non-food markets and their volume put forth the retail size in these markets. In this framework, comparisons are made about the dispersion of retail expenditures between food and non-food markets in the European countries. Retail expenditure dispersion data is presented with 2008 volumes in Table.28.

Dispersion of retail expenditures between food and non-food expenditures differentiates among the countries. This difference is affected from the factors like development level and per capita income.

Share of the food expenditures in retail expenditures shifts in an interval between 13.6 percent and 55.4 percent in the selected countries. While the rate is 19.2 percent in Great Britain, it is 31.8 in France, 26 percent in Germany. The share of the food expenditures in retail expenditures is 56 percent in Turkey and it is the highest rate in the selected 18 countries.

Necessary food expenditures are still high in Turkey in terms of development level and per capita income. For this reason, larger part of the retail market is food market in Turkey. The larger part of the retail market in European countries is non-food retail market.

When compared in terms of absolute values, Turkey is the 5th largest market passing both Great Britain and Spain with its 130.2 billion dollars of food expenditures or food market. Even though the share of the non-food expenditures is low, with 102.3 billion dollars of expenditure, it is the 8th largest market.

**TABLE.28 DISPERSION OF RETAIL MARKET IN EUROPEAN COUNTRIES 2008
BILLION DOLLAR**

COUNTRIES	RETAIL EXPENDITURES	FOOD EXPENDITURES	NON-FOOD RETAIL EXPENDITURES	SHARE OF FOOD EXPENDITURES %
ENGLAND	644.6	123.5	521.1	19.2
FRANCE	567.0	180.3	386.7	31.8
SPAIN	360.4	106.9	253.5	29.7
ITALY	395.8	169.1	226.7	42.7
GERMANY	678.3	176.5	501.8	26.0
NETHERLANDS	148.9	33.6	115.3	22.6
POLAND	129.6	48.5	81.1	37.4
RUSSIA	322.3	178.4	143.9	55.4
SWEDEN	77.1	21.7	55.4	28.1
PORTUGAL	49.7	24.5	25.2	49.3
CZECH REP.	48.1	12.3	35.8	25.6
IRELAND	60.9	8.3	52.6	13.6
BELGIUM	94.4	27.2	67.2	28.8
HUNGARY	44.4	12.6	31.8	28.4
ROMANIA	40.9	29.6	11.3	72.4
SLOVAKIA	16.9	7.1	9.8	42.0
GREECE	79.5	32.2	47.3	40.5
TURKEY	232.5	130.2	102.3	56.0

RESOURCE: Euro Monitor

Indicators of total leasable area size in the shopping centers, leasable area size per thousand inhabitants, and potential retail expenditure volume per leasable m2 are used in comparisons of shopping centers.

Total leasable area sizes of the shopping centers are presented in Table.29 by 2004, 2006, 2008. For those in construction and those will be opened in 2008, 2008 projections are used.

Consequently, with the 4.85 million m2 leasable area size that will be attained in the end of 2008, Turkey will be the country with 9th largest leasable area in Europe.

Turkey is the 10th in 2004 with 1.95-million m² leasable area and 11th in 2006 with 2.3-million m² leasable area.

In other countries compared in Europe leasable space size of shopping centers are increasing as well. England will have the largest rentable space size by 2008 with 17.8 million m².

TABLE. 29 LEASABLE AREA SIZE OF SHOPPING CENTERS IN EUROPEAN COUNTRIES MILLION M²

COUNTRIES	2004	2006	2008
ENGLAND	14.95	15.85	17.80
FRANCE	14.45	14.85	15.70
SPAIN	9.00	10.20	12.80
ITALY	8.55	10.30	11.40
GERMANY	9.10	9.90	11.00
NETHERLANDS	6.90	7.40	8.00
POLAND	3.65	5.20	7.00
RUSSIA	3.60	3.80	4.00
SWEDEN	1.55	3.70	8.00
PORTUGAL	2.10	2.40	3.00
CZECH REPUBLIC	1.80	2.00	2.80
IRELAND	1.40	1.80	2.20
BELGIUM	1.45	1.60	1.80
HUNGARY	1.45	1.60	1.75
ROMANIA	0.35	0.60	1.40
SLOVAKIA	0.25	0.50	0.70
GREECE	0.25	0.50	0.65
TURKEY	1.95	2.30	4.85

RESOURCE: Jones Lang Lasalle, Retail Driver 2007

Another indicator used in shopping center volume comparisons is leasable area size per thousand inhabitants. This size indicates the development or potential of the leasable space size of shopping centers in proportion to population.

Table.30 present the size of the leasable area of the shopping centers per thousand inhabitants in European countries. Norway is the first with 825-m² leasable area per thousand inhabitants. In the developed countries of Europe leasable area per thousand inhabitants is over 200 m².

Leasable area size per thousand inhabitants on average is 180 m² in Europe. In Middle and East European countries, the leasable area size per thousand inhabitants is over 100 m². It is 35 m² in Russia.

Leasable area size per thousand inhabitants was 49.8 m² in 2007 in Turkey. Turkey is the low ranks with this indicator in the comparisons. Just taking this comparison as basis, it is observed that leasable area size in Turkey has not reached to saturation point and there is potential for creating additional leasable space.

Nevertheless, leasable space per thousand inhabitants is not a sufficient indicator to measure the shopping center investment potential.

TABLE.30 LEASABLE AREA SIZE PER THOUSAND INHABITANTS IN THE SHOPPING CENTERS IN EUROPEAN COUNTRIES M² 2007

COUNTRIES	M2
NORWAY	825
SWEDEN	410
NETHERLANDS	391
IRELAND	369
ENGLAND	260
FRANCE	243
SPAIN	221
PORTUGAL	183
AVERAGE	180
CZECH REPUBLIC	178
ITALY	171
HUNGARY	128
POLAND	127
GERMANY	124
BELGIUM	120
SLOVAKIA	80
GREECE	41
RUSSIA	35
ROMANIA	18
TURKEY	49.8

RESOURCE: Jones Lang Lasalle

Another indicator to measure and compare leasable area size and potential of shopping centers is potential retail expenditure volume per leasable m². Volume of purchasing power and potential together with population is important for shopping centers. In the condition that there isn't sufficient purchasing power, population size is not adequate.

In this framework, potential retail expenditure volume per leasable m² in European countries is presented in Table.31. This figure does not show the retail expenditures

made in the shopping centers actually, but it indicates an average expenditure potential per m² in the country that is made by de facto expenditure made in the country in general.

In the European countries, potential retail expenditure per leasable m² in relation to different retail expenditure volumes and leasable area size differs between 16.570 dollars and 122.310 dollars in European countries. In the developed countries like England, France and Italy where leasable area size is the highest, potential retail expenditure per leasable m² is around 35-36 thousand dollars.

New EU member states like Poland, Hungary, Czech Republic and where shopping centers are developing in the recent years, potential retail expenditure per leasable m² is about 18-19 thousand dollars. It is 29 thousand dollars in Romania which is one of the newest member states of EU and a developing market, in Russia which is marked as one of the most attractive investment area, it is 40 thousand dollars.

Potential retail expenditure per leasable m² is calculated as 47.940 dollars (for 2008) in Turkey. It is observed that potential is high in Turkey depending on this data and the comparisons made with other countries.

TABLE.31 POTENTIAL RETAIL EXPENDITURE PER LEASABLE M² IN THE EUROPEAN COUNTRIES 2008

COUNTRIES	RETAIL EXPENDITURES BILLION DOLLARS	GROSS LEASABLE AREA MILLION M2	POTENTIAL RETAIL EXPENDITURE PER LEASABLE M2 DOLLAR
ENGLAND	644.6	17.80	36.210
FRANCE	567.0	15.70	36.120
SPAIN	360.4	12.80	28.160
ITALY	395.8	11.40	34.720
GERMANY	678.3	11.00	61.660
NETHERLANDS	148.9	8.00	18.610
POLAND	129.6	7.00	18.510
RUSSIA	322.3	8.00	40.290
SWEDEN	77.1	4.00	19.275
PORTUGAL	49.7	3.00	16.570
CZECH REPUBLIC	48.1	2.80	17.180
IRELAND	60.9	2.20	27.680
BELGIUM	94.4	1.80	52.440
HUNGARY	44.4	1.75	25.380
ROMANIA	40.9	1.40	29.210
SLOVAKIA	16.9	0.70	24.140
GREECE	79.5	0.65	122.310
TURKEY	232.5	4.85	47.940

II.2.3 Shopping Centers as Real-Estate Investments

Shopping centers are the most developed institutions of the retail market. Development of shopping centers secures the development of organized, orderly, and qualified markets in the retail market. In this framework, shopping centers are significant for the development of organized retail markets.

On the other hand, shopping centers are important real-estate investment elements. They have important status in the commercial real-estate investments. While the shopping centers are part of the retail market, they also observed and appreciated as a real-estate investment by the investors.

When evaluated as a real-estate investment, capital and investment yields of shopping center investments can be measured and depending on these yields investment decision can be taken.

The first main variable in used in measuring the investment yields of shopping centers is investment amount. It changes depending on the location, size and quality of the shopping center. Land prices are important determinative factor in the investment amount. Second main variable is earnings yields. The main yields are the rent revenues obtained from the leasable area in the shopping center investments. Proportion between the total annual revenues composed of annual rent revenues and other revenues, and investment expenditures constitute annual yields.

Shopping centers, as a real-estate investment in Turkey is being developed and implemented.

As a real-estate investment, the factors determining investment decisions are investment costs and estimated revenues. With the yield calculations depending on these factors, investment decisions are taken.

Shopping center investments as a real-estate investment in Turkey provides relatively high yields. Yields of shopping center investments differ for every project. Size, quality, location of the project, size of the leasable area and their dispersion, quality of the retail

corporations that rent, rent prices and investment expenditures are determinative factors. There are yield differences between the provinces as well. With all these factors a general annual yield level emerges.

Accordingly, annual yields of shopping center investments in Istanbul, Ankara and İzmir, depending on the different projects was about 8-9 percent between 2000-2005, after 2006 it has become about 7-8 percent. In other provinces yields are limitedly higher. Between 2000-2004, yields were 9-10 percent; it has become 8-9 percent after 2005.

Shopping center investments were first made in three major provinces. In the first phase, in these provinces there have emerged high yields depending on the need of rapid development of organized retail market and shopping centers that met this need. With the entrance of the foreign retailers, competition increased, and yields continued to rise. However, as a result of the increase in the investment costs in the metropolitan area and increasing prices of lands and as a result of the saturation in the city-centers, a limited decrease in the yields are observed in the following years.

In this period, shopping center investments started in other provinces, which have development and investment potential for retail sector, low land and investment costs and relatively sufficient rent revenues. Investment yields in these provinces are limitedly higher than the metropolitans and for this reason investments increase in other provinces as well. Increasing number of foreign investors as well as local investors are making investments in other provinces as well.

The most important factor determining the yields in the shopping centers as a real-estate investment is rents in the leasable areas. Regular, continuous and sufficient rent revenues shapes the shopping center investment yields. Rents in the shopping centers both constitute the revenues of real-estate investments and cost of the retail enterprises.

In this framework, sufficient endorsement and revenue obtainment of retail enterprises in the shopping centers, their payment of rents and enough yield of rent payments and real-estate investments are the rings of a financial chain.

Rents are significantly different in the shopping centers in Turkey. The main factors determining rents in the shopping centers are the location of the shopping centers, its quality, size, quality of the retail enterprises that rent stores and etc. Rents of parts of shopping center where semi durable consumption goods and durable consumption goods sold, rents of the recreation site, large hypermarket sites, food-beverage site rents differ as well. Shopping centers' rents in the same province and in different provinces differ may differ as well. Accordingly, rents of leasable areas m² in Turkey in general differs between 15-150 dollars interval.

Shopping center investments in Turkey brings relatively high yields as real-estate investments. Compared to shopping center investment yields in Europe, Turkey has higher yields.

Even though a significant leasable area size of shopping centers has been reached in Europe in general, it is observed that shopping center investments continue. In parallel to the developments in the retail expenditures and retail sector after 2000, shopping center investments continue as well.

Development of shopping centers in Europe in terms of leasable area size since 2000 is presented below in Table.32. Total leasable area size in Europe encompassing 34 countries (including Turkey) was 65.1 million m²; leasable area size per thousand inhabitants is 104 m² in 2000. Leasable area size has increased year by year with the new shopping center investments. It is estimated that the total leasable area size will increase to 122 million m², and leasable area per thousand inhabitants will increase to 200 m².

TABLE.32 DEVELOPMENT OF SHOPPING CENTERS IN EUROPE BY LEASABLE AREA MILLION M²

YEARS	GROSS LEASABLE AREA MILLION M ²	LEASABLE AREA PER THOUSAND INHABITANTS M ²
2000	65.1	104
2001	70.4	113
2002	77.5	125
2003	83.0	135
2004	86.5	142
2005	88.0	144
2006	100.0	165
2007	108.5	180
2008	122.0	200

RESOURCE: Cushman Wakefield

In Europe, taking into consideration shopping center investments as real-estate investments, England, France, Germany, Scandinavian countries and Netherlands are considered as saturated markets; Spain, Portugal, Italy as developed markets; Eastern Europe, Russia, Greece and Turkey as developing markets.

In spite of this grouping of the countries, shopping center investments that create leasable area rentable spaces continue in almost all markets in Europe. In Table.33 below, shopping center investments made between 2005-2006 in Europe and the additional leasable area sizes are presented in terms of countries.

Between the years 2005-2008 the country that creates the highest additional leasable area is Russia with 6.45 million m². Spain is following it with 3.8 million m² that is a developed market and England with 2.85 million m² that is a saturated market. Poland and Italy are very important investment areas. In Germany, France, Czech Republic, Romania and Holland and additional leasable area over 1 million m² has being created.

Limited shopping center investments continue in other countries as well. The additional leasable area size created with shopping center investments in Turkey is 2.8 million m² between 2005-2008.

TABLE.33 LEASABLE AREA SIZE IN THE NEW SHOPPING CENTERS IN EUROPE MILLION M² 2005-2008

COUNTRIES	2005 - 2006	2007 - 2008	2005 - 2008
RUSSIA	2.15	4.30	6.45
SPAIN	1.20	2.60	3.80
ENGLAND	0.90	1.95	2.85
POLAND	1.55	1.80	3.35
ITALY	1.75	1.10	2.85
GERMANY	0.80	1.10	1.90
FRANCE	0.40	0.85	1.25
CZECH REPUBLIC.	0.20	0.80	1.00
ROMANIA	0.25	0.80	1.05
PORTUGAL	0.30	0.60	0.90
NETHERLANDS	0.50	0.60	1.10
IRELAND	0.40	0.40	0.80
BELGIUM	0.15	0.20	0.35
SWEDEN	0.20	0.20	0.40
SLOVAKIA	0.25	0.20	0.45
HUNGARY	0.15	0.15	0.30
GREECE	0.25	0.15	0.40
TURKEY	0.70	2.10	2.80

RESOURCE: Jones Lang Lasalle

Even though the annual yields of shopping centers has reached to a certain saturation point as a real-estate investment, investments continue in Europe. Annual yields of shopping centers in the selected cities of Europe and the annual rent amounts are presented in Table.34 below.

In selected cities, rents of stores that are 100 m2 located in prime class shopping centers in the city-centers and the yields of shopping centers these rent revenues gained are used.

In the developed cities annual yields are between 5.00-5.50 percent except Dublin 3.25 percent, Paris 4 percent and Edinburgh 6.25 percent. Moscow with 8.00 percent, Budapest with 6.25 percent and Prague with 6.25 percent brings higher yields as developing markets. Annual yield is 7 percent in Istanbul.

TABLE.34 RENTS AND YIELDS OF SHOPPING CENTERS IN THE SELECTED CITIES OF EUROPE 2008 APRIL

CITY	RENT DOLLAR / M2 / YEAR	YIELD %
AMSTERDAM	1.800	5.00
BARCELONA	2.160	5.25
BRUSSELS	1.800	5.25
BUDAPEST	1.800	6.25
COPENHAGEN	1.500	5.25
DUBLIN	6.750	3.25
EDINBURGH	3.840	5.75
FRANKFURT	2.880	5.50
GENEVA	975	5.25
LISBON	1.260	5.25
LONDON	9.640	5.00
MADRID	2.400	5.00
MILANO	1.200	5.00
MOSCOW	2.150	8.00
MUNICH	2.700	5.50
PARIS	3.750	4.00
PRAGUE	900	6.25
ROME	900	5.00
STOCKHOLM	1.650	5.00
VIENNA	1.260	5.25
WARSAW	1.260	5.50
ISTANBUL	1.800	7.00

RESOURCE: Knight Frank

Another rent and yield evaluation encompassing shopping centers other than the prime class shopping centers in the selected cities presented above is below. It encompasses the shopping centers having different characteristics and located in

different regions and the rents of stores that are 100-200 m2. in these shopping centers and annual yields that are collected from the rent revenues. Taking into consideration the shopping centers in all over the countries, gaps between the annual yields of the shopping centers are narrowed and it is concentrated between 4.00-5.00 percent annually on average. Russia and Turkey create higher annual yields differently.

TABLE.35 RENTS AND YIELDS OF SHOPPING CENTERS IN THE SELECTED COUNTRIES OF EUROPE ON AVERAGE 2007

COUNTRIES	RENT DOLLAR /M2 / YEAR	YIELD%
BELGIUM	1.400-1.820	4.75-5.25
CZECH REPUBLIC	840-1.260	5.00-5.50
DENMARK	630-770	4.00-4.50
FRANCE	2.100-2.520	4.50-5.00
GERMANY	2.100-2.520	4.75-5.75
HUNGARY	840-2.030	5.00-6.00
IRELAND	2.380-2.800	4.25-4.75
ITALY	980-1.120	5.00-5.75
NETHERLANDS	910-1.050	4.75-5.50
POLAND	840-1.540	5.00-5.50
PORTUGAL	1.260-1.400	5.25-5.75
RUSSIA	2.800-4.200	9.50-10.50
SPAIN	980-1.400	4.25-5.00
SWEDEN	840-1.120	5.00-5.50
ENGLAND	3.500-4.060	4.50-5.00
TURKEY	840-980	7.00-8.00

RESOURCE: Cushman Wakefield

Shopping center investments as real-estate investment brings higher yields in Turkey compared to European countries. Thus, shopping centers become attractive area for real-estate investments.

PriceWaterhouse Coopers consultancy firm, a corporation of Urban Land Institute, publishes every year a study titled "Emerging Trends in Real Estate Europe". Selected 27 cities in Europe are evaluated for their commercial real-estate investments. In addition to the general evaluation, sub-groups like shopping centers are taken into evaluation as well. Istanbul is included into the study from Turkey.

In the evaluations about the shopping centers in Europe, Istanbul is the most attractive city of 2005 for real-estate investments and the second most attractive city of 2007.

Evaluations on shopping centers of the study of ULI and PWC about real-estate investments are presented below in Table.36. About the shopping center investments in the cities evaluations are made year by year with the buy, keep, sell differentiation.

Istanbul together with Moscow is the most attractive city about shopping center investments and purchase.

TABLE.36 INTERNATIONAL STATUS OF SHOPPING CENTER INVESTMENT OF ISTANBUL

CITIES	BUY			KEEP			SELL		
	2003	2005	2007	2003	2005	2007	2003	2005	2007
MOSCOW	45	61.9	80.9	23	28.6	170	32	9.5	2.1
ISTANBUL	47	85.2	73.9	35	11.1	23.9	18	3.7	2.2
MUNICH	41	60.0	53.6	49	31.4	44.6	10	8.6	1.8
PARIS	60	61.1	49.3	27	35.2	38.4	13	3.7	12.3
ATHENS	40	63.6	48.1	20	31.8	33.3	40	4.5	18.5
WARSAW	62	50.0	46.2	21	36.1	35.9	17	13.9	17.9
HAMBURG	32	58.3	45.5	57	33.3	47.3	11	8.3	7.3
HELSINKI	63	65.0	45.5	29	30.0	48.5	8	5.0	6.1
FRANKFURT	26	41.0	44.8	67	48.7	50.0	7	10.3	5.2
LYON	58	68.4	43.5	21	23.7	45.7	21	7.9	10.9
MILANO	67	51.3	41.7	20	35.9	45.8	13	12.8	12.5
BERLIN	38	53.3	41.3	44	37.8	46.0	18	8.9	12.7
PRAGUE	65	74.2	40.5	23	19.4	43.2	12	6.5	16.2
BUDAPEST	50	68.8	38.9	38	25.0	36.1	12	6.3	25.0
VIENNA	36	33.3	38.7	41	55.6	54.8	23	11.1	6.5
ROME	61	52.9	38.6	32	29.4	54.5	8	17.6	6.8
STOCKHOLM	43	45.0	38.5	43	45.0	51.3	14	10.0	10.3
LISBON	41	38.2	37.8	41	44.1	56.8	18	17.6	5.4
MADRID	41	54.9	35.1	36	27.5	50.0	23	17.6	14.9
BARCELONA	45	55.3	34.2	45	34.0	49.3	10	10.6	16.4
BRUSSELS	52	35.5	29.7	36	51.6	54.1	12	12.9	16.2
LONDON	30	24.1	29.7	47	44.4	37.5	23	31.5	32.8
ZURICH	40	37.5	27.6	47	56.3	58.6	13	6.3	13.8
AMSTERDAM	25	25.0	26.5	41	60.7	64.7	14	14.3	8.8
EDINBURGH	33	20.7	20.6	52	55.2	55.9	34	24.1	23.5
COPENHAGEN	33	37.5	20.0	56	43.8	70.0	11	18.8	10.0
DUBLIN	21	20.0	14.8	37	55.0	55.6	42	25.0	29.6

RESOURCE: Urban Land Institute PriceWaterhouse Coopers, "Emerging Trends In Real Estate Europe"

Participation of the foreign investors increase as shopping centers as a real-estate investment brings relatively higher yields.

There are 33 shopping centers in Turkey by the end of 2007 that 9 foreign corporation are owners or partners of these shopping centers. Total leasable area ize of these shopping centers is 1.16 million m². It constitutes the 32.7 percent of the total leasable area in Turkey.

Metro Group, Carrefour and Tesco in the foreign retailers came as predominantly retail investors to Turkey. However, they created important leasable area size with the

shopping centers they built or they own. Investors like Turkmall, ECE, Corio, Krea are functioning as real-estate developer corporations and made investments in Turkey. Quinn Group and St Martins are real-estate investment fund and they made investments in Turkey with partnerships and purchasing.

TABLE.37 SHOPPING CENTERS THAT FOREIGN INVESTORS OWNER OR PARTNER IN TURKEY 2007

COUNTRY	CORPORATION	SHOPPING CENTERS	İSTANBUL	OTHER CITIES	LEASABLE AREA M2
GERMANY	METRO GRUP	7	1	6	277.247
NETHERLANDS	TURK MALL	2	-	2	139.400
USA	KREA	1	-	1	35.890
NETHERLANDS	CORIO	3	1	2	104.850
GERMANY	ECE GRUP	1	-	1	45.000
ENGLAND	ST MARTINS	1	1	-	117.972
IRELAND	QUINN GRUP	1	1	-	11.000
FRANCE	CARREFOUR	11	5	6	309.363
ENGLAND	TESCO	6	-	6	123.839
TOTAL		33	9	24	1.164.561

Chapter III

PROGNOSES FOR RETAIL MARKET AND SHOPPING CENTERS 2015

INTRODUCTION

In the third section of the report, prognoses are made for the retail market and shopping centers in Turkey. Prognoses encompass the time period until 2015. Firstly, prognoses are made for the retail market. For this reason, economic growth, national income, population and income per capita are presented with various scenarios. Depending on these scenarios, retail expenditure prognoses are made.

Later on development and investment prognoses of shopping centers for Turkey and the provinces are presented and prognoses and evaluations are made for shopping centers as a real-estate investment.

III.1 PROGNOSES FOR THE RETAIL MARKET

III.1.1 Prognoses for Economic Growth, National Income, Population and Income Per Capita

The main determinative factors in the prognoses made for shopping centers are economic growth and development in the private consumption expenditures and retail expenditures.

For this reason, first of all, projections on economic growth are made and projections are presented about the volumes of national income till 2015.

There are three growth scenarios for economic growth. It is presupposed that in the first scenario, economy will grow 3 percent annually every year till 2015, in the second scenario economy will grow 5 percent and in the third scenario it grow 7 percent.

Depending on the annual growth assumptions of these three scenarios, volumes of the national income that will be reached in 2015 are presented in Table.38 below. Accordingly, with the annual 3 percent growth rate on average, national income will be 835 billion dollars in 2015, 974 billion dollars with 5 percent growth and 1.13 trillion dollars with 7 percent growth.

TABLE.38 NATIONAL INCOME PROJECTIONS BILLION DOLLAR			
YEARS	% 3 GROWTH	% 5 GROWTH	% 7 GROWTH
2008	679	692	705
2009	699	727	754
2010	720	763	807
2011	742	801	864
2012	764	841	924
2013	787	883	989
2014	811	927	1.058
2015	835	974	1.133

Another important figure is population changes in the prognoses for retail expenditures and shopping centers. Address Based Population Registration System (ABPRS) of Turkish Statistical Institute population data is used in the report. In this framework, this new population data are taken as basis in the population developments and projections. The population growth rate is 1.26 percent in 2007 and population is 70.58 million people.

It is estimated that depending on the present demographic development tendencies of Turkey, population growth rate will continue to limitedly decrease in the period until 2015. Accordingly, when the annual population growth rate will decrease to 1.24 percent in 2008, it will continue to decrease and it will be 1.10 percent in 2015.

According to these annual population growth rate predictions, population increase will continue to increase on a descending scale and population will reach to 77.47 million people in 2015. Projections on population size by years till 2015 are presented in Table.39.

TABLE.39 POPULATION GROWTH AND POPULATION SIZE PROJECTIONS

YEARS	POPULATION GROWTH RATE %	POPULATION (000)
2008	1.24	71.461
2009	1.22	72.332
2010	1.20	73.200
2011	1.18	74.064
2012	1.16	74.923
2013	1.14	75.777
2014	1.12	76.626
2015	1.10	77.469

Another important figure is per capita income volumes for the retail expenditure and shopping center projections. We make projections on per capita national income in accordance with three scenario data about economic growth and national income and population growth.

According to three different economic growth scenarios, we calculate three different figures of national income per capita.

With the first scenario estimating 3 percent economic growth rate, per capita national income will be 10.779 dollars in 2015. With the 5 percent annual growth rate scenario, per capita national income will be 12.573 dollars. And according to the third scenario that assumes 7 percent economic growth rate, per capita income will be 14.625 percent in 2015.

National income per capita volumes calculated by each three scenarios in 2015 reflects powerful consumption and retail expenditure potential in retail sector and shopping centers.

TABLE.40 PROJECTIONS OF NATIONAL INCOME PER CAPITA DOLLAR

YEARS	% 3 GROWTH	% 5 GROWTH	% 7 GROWTH
2008	9.502	9.685	9.865
2009	9.663	10.050	10.425
2010	9.836	10.425	11.025
2011	10.018	10.815	11.665
2012	10.197	11.225	12.335
2013	10.386	11.652	13.050
2014	10.585	12.098	13.807
2015	10.779	12.573	14.625

III.1.2 Prognoses for Private Consumption and Retail Expenditure

Based on the estimations on economic growth and national income volume, we make projections on private consumption expenditures and retail expenditures.

There are two important assumptions used in the projections on retail expenditure volumes. The first one is the private consumption expenditures/GNP proportion that was 70.6 percent in 2007, will be 70 percent in 2015. As a result of the rapid urbanization and young population, proportion of consumption expenditures to incomes will continue to be high.

The second assumption used is proportion of retail expenditures/private consumption expenditures that was 48.0 percent in 2007, will increase limitedly till 2015 and it will be 50 percent in 2015. As a result of the rapid urbanization and expenditure tendencies of the young population again and the levels of per capita income, results into the limited increase of retail expenditure share.

TABLE.41 DEVELOPMENT ASSUMPTIONS FOR THE PRIVATE CONSUMPTION AND RETAIL EXPENDITURES

YEARS	PRIVATE CONSUMPTION EXPENDITURES / GNP %	RETAIL EXPENDITURE/ PRIVATE CONSUMPTION EXPENDITURE %
2008	70.0	48.0
2009	70.0	48.0
2010	70.0	49.0
2011	70.0	49.0
2012	70.0	49.0
2013	70.0	50.0
2014	70.0	50.0
2015	70.0	50.0

Retail expenditure projections till 2015 in Turkey are presented in Table.42 below. Figures calculated by growth scenarios are used in these projections.

With the first scenario that economy will grow 3 percent annually till 2015, retail expenditures will reach to 292.3 billion dollars in 2015.

According to the 5 percent annual growth, retail expenditures will be 340.9 billion dollars in 2015, and according to 7 percent annual growth prediction retail expenditures will be 396.6 billion dollars in 2015.

While the retail expenditure volume was 226.1 billion dollars in 2007, it will increase significantly in all scenario projections till 2015.

TABLE.42 RETAIL EXPENDITURE PROJECTIONS BILLION DOLLARS

YEARS	% 3 GROWTH	% 5 GROWTH	% 7 GROWTH
2008	228.1	232.5	236.9
2009	234.9	244.3	253.3
2010	250.0	261.7	276.8
2011	254.5	274.7	296.4
2012	265.1	288.5	316.9
2013	275.5	309.1	346.2
2014	283.9	324.5	370.3
2015	292.3	340.9	396.6

Retail expenditure volumes, that are displayed depending on economic growth assumptions in Turkey, are reflecting significant potential for retail expenditures and shopping centers.

Retail expenditures and retail market is continuing to grow depending on the economic growth in Turkey. Growth potential of Turkey in the retail market creates attractiveness on the international scale as well.

Turkey offers an important potential in the retail sector among the developing countries in the international area. In the study of "Growth Opportunities For Global Retailers" that A.T Kearney consultancy and research firm prepared every year, Turkey is the 13th country among 30 developing countries for its development potential in the retail sector in 2007.

Development potential of the retail market of Turkey in comparison with other countries is presented in Table.43 below. Countries are arranged in accordance with the index data of growth potential of the retail market in the study of A.T Kearney. Turkey is the 13th country with 62 points.

Four different factors are determinative in this index. Country risk with 25 percent, market attractiveness with 25 percent, market saturation with 30 percent and development of the organized retail market with 20 percent. Country risk of Turkey is relatively low, market attractiveness is high, market saturation and development of organized market is at the middle levels.

TABLE.43 INDEX OF DEVELOPMENT POTENTIAL OF RETAIL MARKET IN THE DEVELOPING COUNTRIES 2007

2007 RANK	COUNTRY	COUNTRY RISK	MARKET ATTRACTIVENESS	MARKET SATURATION	DEVELOPMENT OF ORGANIZED MARKET	GROWTH INDEX OF THE RETAIL MARKET
1	INDIA	67	42	80	74	92
2	RUSSIA	62	52	53	90	89
3	CHINA	75	46	46	84	86
4	VIETNAM	57	34	76	59	74
5	UKRAINE	41	43	44	88	69
6	CHILE	80	51	42	43	69
7	LATVIA	77	32	21	86	68
8	MALAYSIA	70	44	46	54	68
9	MEXICO	83	58	33	33	64
10	S.ARABIA	65	40	66	35	64
11	TUNISIA	60	33	77	37	64
12	BULGARIA	62	32	42	68	63
13	TURKEY	52	50	57	43	62
14	EGYPT	43	37	85	35	61
15	MOROCCO	59	33	70	37	60
16	THAILAND	71	39	30	55	59
17	SLOVENIA	100	33	13	47	58
18	UAE	100	35	33	24	57
19	CROATIA	73	38	10	70	56
20	BRAZIL	53	61	59	18	56
21	URUGUAY	35	41	65	49	56
22	PERU	42	34	79	34	55
23	PHILIPPINES	41	46	63	37	54
24	INDONESIA	36	40	70	37	52
25	ALGERIA	25	30	90	35	51
26	HUNGARY	96	36	2	46	51
27	ROMANIA	60	31	22	66	50
28	LITHUANIA	75	38	17	54	50
29	ARGENTINA	31	50	43	54	50
30	COLOMBIA	44	50	52	26	47

RESOURCE: A.T Kearney, "Growth Opportunities For Global Retailers", 2007

Up to present, projections on the retail expenditures and market development are made for Turkey in general. Nevertheless, dispersion of retail expenditures by the provinces and development of retail markets in the provinces are more important for the shopping centers.

In this part of the report, economic growth, population, per capita income and retail expenditure projections by provinces are stated. Mentioned 42 provinces are those which have shopping centers or which will have a shopping center until 2010.

Projections of gross products of provinces for 2015 are presented in Table.44, according to three growth scenarios. An important assumption is that the provinces will preserve

TABLE.44 PROJECTIONS OF GROSS PRODUCTS OF PROVINCES 2015 BILLION DOLLAR

PROVINCES	2007	% 3 GROWTH	% 5 GROWTH	% 7 GROWTH
ADANA	20.4	25.9	30.2	35.1
AFYON	4.7	5.9	6.9	8.0
ANKARA	52.7	66.8	77.9	90.6
ANTALYA	17.2	21.7	25.3	29.5
AKSARAY	1.9	2.7	2.8	3.3
AYDIN	9.2	11.7	13.6	15.9
BALIKESIR	9.9	12.5	14.6	17.0
BURSA	25.7	32.6	38.0	44.2
ÇANAKKALE	5.3	6.8	7.9	9.1
DENİZLİ	9.2	11.7	13.6	15.9
DIYARBAKIR	7.2	9.2	10.7	12.5
EDİRNE	4.8	6.1	7.1	8.3
ELAZIĞ	4.3	5.4	6.3	7.2
ERZURUM	4.3	5.4	6.3	7.2
ERZINCAN	1.6	2.0	2.3	2.7
ESKİŞEHİR	7.9	10.0	11.7	13.6
GAZİANTEP	10.5	13.4	15.6	18.1
HATAY	9.9	12.5	14.6	17.0
İSTANBUL	151.5	192.0	224.0	260.6
ISPARTA	3.6	4.5	5.3	6.1
İZMİR	48.1	60.9	71.1	82.7
K.MARAŞ	6.6	8.4	9.7	11.3
KARAMAN	2.2	2.8	3.3	3.9
KAYSERİ	8.6	10.9	12.7	14.7
KÜTAHYA	4.9	6.2	7.2	8.4
KOCAELİ	30.3	38.4	44.8	52.1
KONYA	16.8	21.3	24.8	28.9
MALATYA	5.3	6.8	7.9	9.1
MERSİN	18.1	23.0	26.8	31.2
MANİSA	13.8	17.5	20.5	23.8
MUĞLA	10.2	12.9	15.1	17.6
NEVŞEHİR	3.0	3.8	4.4	5.1
ORDU	4.0	5.1	5.9	6.9
SAKARYA	7.3	9.3	10.8	12.6
SAMSUN	8.9	11.3	13.1	15.3
TEKİRDAĞ	6.9	8.8	10.2	11.9
TOKAT	4.9	6.2	7.2	8.4
TRABZON	5.9	7.5	8.8	10.2
UŞAK	2.2	2.8	3.3	3.9
URFA	6.1	7.8	9.1	10.5
VAN	3.2	4.1	4.8	5.6
ZONGULDAK	7.8	9.9	11.5	13.4

their shares in national income until 2015. Projection on the change of shares of provinces in the national income is the topic of a completely different and very comprehensive study; so this assumption is used in this report. 2015 gross product projections are presented according to annual 3, 5 and 7 percent economic development scenarios.

For instance, gross product volume of Istanbul in 2015 is 192 billion dollars with 3 percent growth, 224 billion dollars with 5 percent growth and 260.6 billion dollars with 7 percent growth.

Population and per capita income projections by provinces are presented in Table.45. First of all, depending on the population growth rate assumptions of provinces until 2015, population sizes of 2015 are calculated. Later on, per capita income projections are calculated using population projections of 2015 and gross net product projections of 2015 depending on three scenarios.

Accordingly, Kocaeli will be the province that has highest per capita income with 22.965 dollars in 2015 with 3 percent growth rate scenario. Kocaeli again is the province that has highest per capita income with 5 percent and 7 percent growth rates and 26.795 dollars and 31.160 dollars respectively in 2015.

Number of provinces that will have per capita income over 10.000 dollars and over with 3 percent economic growth will be 20 in 2015, it is 31 with 5 percent and 36 with 7 percent.

The most important indicator for shopping centers is projections of retail expenditure volumes of provinces. Retail expenditure projections for provinces are presented in Table.46. Estimations are calculated for 2015 and concerning three economic growth scenarios.

In this calculation proportion of consumption expenditures of the province to net product of the province is the same and 70 percent, for the proportion of retail expenditures to consumption expenditures, the proportions of that province is used.

In 2015 in all growth scenarios, the highest retail expenditures is made in Istanbul.

TABLE.45 PROJECTIONS OF PER CAPITA INCOME FOR PROVINCES 2015 DOLLAR

PROVINCES	POPULATION 2015 (000)	% 3 GROWTH	% 5 GROWTH	% 7 GROWTH
ADANA	2.184	9.340	13.830	16.070
AFYON	714	8.265	9.665	11.205
ANKARA	5.001	13.360	15.580	18.115
ANTALYA	2.225	9.750	11.370	13.260
AKSARAY	400	6.750	7.000	8.250
AYDIN	1.003	11.665	13.560	15.850
BALIKESIR	1.133	11.030	12.885	15.005
BURSA	2.864	11.380	13.270	15.430
ÇANAKKALE	474	14.345	16.650	19.200
DENİZLİ	942	12.420	14.440	16.880
DIYARBAKIR	1.638	5.615	6.530	7.630
EDİRNE	370	16.485	19.190	22.430
ELAZIĞ	561	9.625	11.230	12.835
ERZURUM	796	6.785	7.915	9.045
ERZINCAN	205	9.755	11.220	13.170
ESKİŞEHİR	738	13.550	15.855	24.525
GAZİANTEP	1.793	7.475	8.700	10.095
HATAY	1.437	8.700	10.160	11.830
İSTANBUL	14.686	13.075	15.250	17.745
İSPARTA	454	9.910	11.675	13.435
İZMİR	4.211	14.460	16.885	19.640
K.MARAŞ	1.034	8.125	9.380	10.930
KARAMAN	238	11.765	13.865	16.385
KAYSERİ	1.211	9.000	10.487	12.140
KÜTAHYA	610	10.165	11.800	13.770
KOCAELİ	1.672	22.965	26.795	31.160
KONYA	2.209	9.505	11.230	13.085
MALATYA	794	8.565	9.950	11.460
MERSİN	1.848	12.445	14.500	16.885
MANİSA	1.329	13.165	15.425	17.910
MUĞLA	870	14.830	17.360	20.230
NEVŞEHİR	272	13.970	16.175	18.750
ORDU	707	7.215	8.345	9.760
SAKARYA	849	10.955	12.720	14.840
SAMSUN	1.185	9.535	11.055	12.910
TEKİRDAĞ	852	10.330	11.970	13.970
TOKAT	654	9.480	11.010	12.845
TRABZON	821	9.135	10.720	12.425
UŞAK	342	8.190	9.650	11.400
URFA	1.866	4.180	4.875	5.630
VAN	1.173	3.495	4.090	4.775
ZONGULDAK	570	17.370	20.175	23.510

TABLE.46 RETAIL EXPENDITURE PROJECTIONS OF THE PROVINCES 2015 BILLION DOLLAR

PROVINCES	2007	% 3 GROWTH	% 5 GROWTH	% 7 GROWTH
ADANA	6.98	8.97	10.46	12.16
AFYON	1.72	2.19	2.55	2.97
ANKARA	15.66	20.10	23.45	27.27
ANTALYA	5.23	6.71	7.83	9.13
AKSARAY	0.67	1.00	1.10	1.20
AYDIN	3.38	4.34	5.05	5.90
BALIKESIR	3.68	4.73	5.52	6.43
BURSA	8.36	10.77	12.55	14.60
ÇANAKKALE	1.96	2.57	2.99	3.44
DENİZLİ	3.38	4.34	5.05	5.90
DIYARBAKIR	2.88	3.70	4.31	5.03
EDİRNE	1.55	2.00	2.33	2.67
ELAZIĞ	1.65	2.11	2.46	2.82
ERZURUM	1.55	2.00	2.33	2.67
ERZINCAN	0.57	0.74	0.85	0.99
ESKİŞEHİR	2.59	3.30	3.87	4.49
GAZİANTEP	3.79	4.89	5.70	6.61
HATAY	3.90	4.96	5.79	6.75
İSTANBUL	41.10	52.90	61.78	71.87
ISPARTA	1.08	1.39	1.64	1.89
İZMİR	14.75	18.92	22.10	28.81
K.MARAŞ	2.60	3.33	3.85	4.48
KARAMAN	0.82	1.02	1.20	1.42
KAYSERİ	3.07	3.92	4.57	5.29
KÜTAHYA	1.82	2.30	2.67	3.12
KOCAELİ	9.97	12.79	14.93	17.36
KONYA	6.07	7.75	9.03	10.52
MALATYA	2.03	2.66	3.09	3.56
MERSİN	6.20	7.97	9.29	10.81
MANİSA	5.08	6.49	7.60	8.83
MUĞLA	3.74	4.78	5.60	6.53
NEVŞEHİR	1.09	1.40	1.62	1.88
ORDU	1.38	1.80	2.08	2.43
SAKARYA	2.42	3.09	3.60	4.20
SAMSUN	3.35	4.29	4.97	5.80
TEKİRDAĞ	2.25	2.89	3.35	3.91
TOKAT	1.86	2.35	2.73	3.19
TRABZON	2.26	2.88	3.38	3.91
UŞAK	0.83	1.04	1.22	1.45
URFA	2.43	3.14	3.66	4.23
VAN	1.45	1.81	2.12	2.47
ZONGULDAK	2.85	3.67	4.26	4.96

III.2 PROGNOSES FOR SHOPPING CENTERS 2015

Prognoses for shopping centers in Turkey are made and presented in two main titles. Firstly, shopping center development prognoses for Turkey in general and in provinces are stated. Secondly, shopping centers as a real-estate investment is evaluated and prognoses are made.

III.2.1 Prognoses for Shopping Center Investments in Turkey and in the Provinces 2015

Prognoses are made for shopping centers in Turkey till 2015. Prognoses are made in terms of the leasable area sizes of the shopping centers.

Assumptions on population and retail expenditure volumes are used in making prognoses for shopping centers in Turkey. For population, leasable area per thousand inhabitants figures are used and for retail expenditures, potential expenditure volume per leasable m² is used.

Another important data used in the prognoses for shopping centers is continuing shopping center investments. For this reason, shopping center investments that will continue in the period till 2010 are taken into consideration.

Shopping centers that are in the construction or planning phase and those will be opened at the end of 2010 compose de facto projections. About the shopping centers in Turkey and in the provinces that will be opened till 2010, those shopping center investments that construction and planning information and opening date informations are shared with the public are until 1 May 2008, the date the report is concluded, used in the report. Total list of these shopping centers and information are presented in Appendix I at the end of the report.

Accordingly, 55 shopping centers with 1.331.622 m² leasable area in 2008, 52 shopping centers with 2.181.021 m² leasable area in 2009 and 27 shopping centers with 1.363.094 m² leasable area in 2010 will be opened in Turkey.

Between the years 2008-2010 134 shopping centers with 4.875.737 m2 leasable area will be opened in Turkey.

By the end of 2007, there are 154 shopping centers in Turkey and 3.518.074 m2 leasable area. With the shopping centers that will be opened between 2008-2010, there will be 288 shopping centers in total and 8.393.811 m2 leasable area size by the end of 2010. Between the years 2008-2010, 1.4 times more leasable area size will be created compared to that area created between 1998-2007 in 20 years.

In the shopping center investments, 2008-2010 period will be a boom period. With this boom, a significant size will be reached in terms of leasable area . As a matter of fact, leasable area size per thousand inhabitants that was 49.8 m2 will be 114.6 m2 in 2010.

Growth projections of the shopping centers in Turkey since 2010 are presented in Table.47. It is estimated that Turkey will realize its growth potential till 2010 with the leasable area size of 8.39 million m2 in 2010, that can be extended till 2015 and in 2010 it will be close to a saturation point.

TABLE.47 SHOPPING CENTERS AND THEIR SIZE THAT WILL BE OPENED TILL 2010 IN TURKEY

YEARS	NUMBER OF SHOPPING CENTERS THAT WILL BE OPENED	NUMBER OF SHOPPING CENTERS	GROSS LEASABLE AREA IN THE OPENING SHOPPING CENTERS M2	TOTAL GROSS LEASABLE AREA M2	GROSS LEASABLE AREA PER THOUSAND INHABITANTS M2
2007		154		3.518.074	49.8
2008	55	209	1.331.622	4.849.696	67.9
2009	52	261	2.181.021	7.030.717	97.2
2010	27	288	1.363.094	8.393.811	114.6

Shopping center projections are made for provinces as well as for Turkey in general. Shopping centers are extended to middle scale provinces as well. While there were shopping centers in 31 provinces in 2007, according to projections number of provinces with shopping centers will rise to 42 in 2010.

De facto shopping center projections till 2010 by provinces is presented in Table.48. Number of shopping centers that will be opened in 2008, 2009 and 2010 in the provinces and total leasable area size are presented. Shopping centers that have been opened till 30 April 2008 and shopping centers that will be opened in May-December period are presented separately for the year 2008.

Between 2008-2010 new shopping centers will be opened in 33 provinces. The number of shopping centers that will be de facto opened in 2008-2010 period in Istanbul is 68, and leasable area size is 2.573.436 m2. Istanbul will be the province where the highest additional leasable area size will be created in the following three years. Between 2008-2010 there will be created 9 shopping centers and 300.478 m2 leasable area in Ankara, 3 shopping centers and 223.000-m2 additional leasable area in Adana. Between the years 2008-2010, there are 11 provinces in which the first shopping centers will be built. These provinces are Afyon, Edirne, Erzurum, Hatay, Isparta, Kahramanmaraş, Kütahya, Manisa, Nevşehir, Urfa and Tokat.

TABLE.48 SHOPPING CENTERS THAT WILL BE OPENED IN THE PROVINCES TILL THE END OF 2010 AND THEIR SIZE

PROVINCES	2008									
	OPENED JANUARY-APRIL		WILL BE OPENED MAY-DECEMBER		2009		2010		2008-2010	
	NUM.	M2	NUM.	M2	NUM.	M2	NUM.	M2	NUM.	M2
ADANA					1	140.000	2	83.000	3	223.000
AFYON	1	7.200			1	16.000			2	23.200
AKSARAY							1	25.000	1	25.000
ANKARA	2	32.978	5	192.500	2	75.000			9	300.478
ANTALYA			1	17.000	3	160.000			4	177.000
AYDIN			1	30.000	3	49.000			4	79.000
BURSA			1	23.857			1	80.000	2	103.857
DENIZLI	1	32.000			1	35.232			2	67.232
DIYARBAKIR			1	25.000	1	55.000			2	80.000
EDIRNE							1	27.000	1	27.000
ELAZIĞ			1	12.000					1	12.000
ERZURUM					2	46.000			2	46.000
GAZIANTEP	2	24.400			1	40.000	1	55.000	4	119.400
HATAY					1	40.000			1	40.000
ISPARTA					1	12.000			1	12.000
ISTANBUL	5	150.000	25	603.853	21	900.489	17	919.094	68	2.573.436
IZMIR			1	8.000					1	8.000
K.MARAŞ					1	58.000	1	55.000	2	113.000
KAYSERİ					2	126.500			2	126.500
KOCAELİ					1	52.000			1	52.000
KÜTAHYA					1	50.000			1	50.000
MERSİN			1	15.000					1	15.000
MALATYA			1	34.434			1	50.000	2	84.434
MANISA					2	64.000			2	64.000
NEVŞEHİR					1	25.000			1	25.000
SAMSUN					1	62.000			1	62.000
URFA			1	17.000			1	45.000	2	62.000
TEKİRDAĞ			1	8.000	2	75.600			3	83.600
TOKAT							1	24.000	1	24.000
TRABZON			1	45.000	1	24.000			2	69.000
VAN					1	20.000			1	20.000
ZONGULDAK			2	32.000					2	32.000
SAKARYA			1	21.400	1	55.200			2	76.600
TOTAL	11	246.578	44	1.085.044	52	2.181.021	27	1.363.094	134	4.875.737

TABLE.49 SHOPPING CENTERS AND THEIR SIZE IN THE PROVINCES BY THE END OF 2010

PROVINCES	2007		2008-2010		2010	
	NUMBER OF SHOP. CENTER	M2	NUMBER OF SHOP. CENTER	M2	NUMBER OF SHOP. CENTER	M2
ADANA	3	109.100	3	223.000	6	332.100
AFYON			2	23.200	2	23.200
AKSARAY	1	8.500	1	25.000	2	33.500
ANKARA	19	645.527	9	300.478	28	946.005
ANTALYA	8	101.849	4	177.000	12	278.849
AYDIN	3	35.000	4	79.000	7	114.000
BALIKESIR	2	18.585	-	-	2	18.585
BURSA	5	166.984	2	103.857	7	270.841
ÇANAKKALE	1	12.000	-	-	1	12.000
DENİZLİ	3	83.250	2	67.232	5	150.482
DIYARBAKIR	2	28.020	2	80.000	4	108.020
EDİRNE			1	27.000	1	27.000
ELAZIĞ	1	8.861	1	12.000	2	20.861
ERZINCAN	1	12.600	-	-	1	12.600
ERZURUM			2	46.000	2	46.000
ESKİŞEHİR	2	79.890	-	-	2	79.890
GAZİANTEP	2	60.308	4	119.400	6	179.708
HATAY			1	40.000	1	40.000
ISPARTA			1	12.000	1	12.000
İSTANBUL	54	1.363.572	68	2.573.436	122	3.937.008
İZMİR	11	263.187	1	8.000	12	271.187
KARAMAN	1	7.912	-	-	1	7.912
KONYA	4	122.054	-	-	4	122.054
K.MARAŞ			2	113.000	2	113.000
KAYSERİ	4	48.652	2	126.500	6	175.152
KOCAELİ	5	61.857	1	52.000	6	113.857
KÜTAHYA			1	50.000	1	50.000
MERSİN	3	95.736	1	15.000	4	110.736
MALATYA	1	11.251	2	84.434	3	95.685
MANİSA			2	64.000	2	64.000
MUĞLA	8	64.315	-	-	8	64.315
NEVŞEHİR			1	25.000	1	25.000
ORDU	1	3.414	-	-	1	3.414
SAKARYA	1	23.500	2	76.600	3	100.100
SAMSUN	2	29.452	1	62.000	3	91.452
URFA			2	62.000	2	62.000
TEKİRDAĞ	2	27.288	3	83.600	5	110.888
TOKAT			1	24.000	1	24.000
TRABZON	1	5.500	2	69.000	3	74.500
UŞAK	1	4.500	-	-	1	4.500
VAN	1	2.500	1	20.000	2	22.500
ZONGULDAK	1	13.000	2	32.000	3	45.000
TOTAL	154	3.518.074	134	4.875.737	288	8.393.811

At the end of 2010 in Turkey, there will be 288 shopping centers and 8.393.811 m² leasable area size. Between the years 2008-2010 134 shopping centers and 4.875.737 m² leasable area size are added to the 154 shopping centers and 3.518.074 m² leasable area size of 2007.

There are projections on number of shopping centers and leasable area size for the end of 2010 in the provinces in Table.49 above. Number of shopping centers and leasable area size of the provinces by the end of 2007 and those shopping centers that will be built between 2008-2010 are given together.

Accordingly, there will be 122 shopping centers and 3.937.008 m² leasable area size in 2010 in Istanbul. There will be 28 shopping centers and 946.005 m² leasable area size in Ankara. There will be 6 shopping centers and 332.100 m² leasable area size in Adana. Following these three provinces there are 14 provinces with leasable area size between 100-300 thousand m².

De facto realization projections are used for the prognoses for shopping centers till 2010. Put it differently, realization projections are de facto shaped for the period till 2010.

For this reason, prognoses on the assumptions for shopping centers are made for the time period between 2011-2015. For the prognoses made between the period 2011-2015, de facto size that will be reached in 2010 and potential expenditure volume per leasable m² and leasable area per thousand inhabitants figures are used.

Accordingly, firstly, prognoses are made using the data of potential retail expenditure volume per leasable m². Retail expenditure volumes of the provinces were calculated according to 3, 5, and 7 percent economic growth scenarios. At this level, annually 30.000 dollars retail expenditure volume per leasable m² is taken as given data and maximum leasable area of the provinces are calculated with three different growth scenarios. 30.000 dollars potential retail expenditure volume per leasable m² is accepted as the minimum value that makes shopping centers attractive and profitable.

With this approach, maximum leasable area sizes of the provinces in 2015 with three different scenarios are presented in Table.50.

TABLE.50 MAXIMUM LEASABLE AREA SIZES WITH 30.000 DOLLARS OF RETAIL EXPENDITURE PER M² 2015

PROVINCES	% 3 GROWTH	% 5 GROWTH	% 7 GROWTH
ADANA	299.000	348.665	405.330
AFYON	73.000	85.000	99.000
AKSARAY	33.335	36.665	40.000
ANKARA	670.000	781.665	909.000
ANTALYA	223.665	261.000	304.330
AYDIN	144.665	168.330	196.665
BALIKESIR	157.665	184.000	214.330
BURSA	359.000	418.330	486.665
ÇANAKKALE	85.665	99.665	121.330
DENİZLİ	144.665	168.330	196.665
DIYARBAKIR	123.330	143.665	167.665
EDİRNE	66.665	77.665	89.000
ELAZIĞ	70.330	82.000	94.000
ERZINCAN	24.665	28.330	33.000
ERZURUM	66.665	77.665	89.000
ESKİŞEHİR	110.000	129.000	149.665
GAZİANTEP	163.000	190.000	220.330
HATAY	165.330	193.000	225.000
ISPARTA	46.330	54.665	63.000
İSTANBUL	1.763.330	2.059.330	2.395.665
İZMİR	630.665	736.665	960.330
KARAMAN	34.000	40.000	47.330
KONYA	258.330	301.000	350.665
K.MARAŞ	111.000	128.330	149.335
KAYSERİ	130.665	152.330	176.330
KOCAELİ	426.330	497.665	578.665
KÜTAHYA	76.665	89.000	104.000
MERSİN	265.665	309.665	360.330
MALATYA	88.665	103.000	118.665
MANİSA	216.330	253.330	294.330
MUĞLA	159.330	186.665	217.665
NEVŞEHİR	46.665	54.000	62.665
ORDU	60.000	69.330	81.000
SAKARYA	103.000	120.000	140.000
SAMSUN	143.000	165.665	193.330
URFA	104.665	122.000	141.000
TEKİRDAĞ	96.330	111.665	130.330
TOKAT	78.330	91.000	106.330
TRABZON	96.000	112.665	130.330
UŞAK	34.665	40.665	48.330
VAN	60.330	70.665	82.330
ZONGULDAK	122.330	142.000	165.330
TOTAL	8.136.650	9.519.880	11.138.260

For instance, for Adana the maximum leasable area size in 2015 is 299.000 m² with 3 percent annual economic growth, 348.665 m² with 5 percent annual economic growth and 405.330 m² with 7 percent annual economic growth.

Maximum leasable area size of the each province for 2015 provides for the calculation of potential for shopping center investments of the provinces.

For the potential evaluation of the period between the years 2011-2015, de facto leasable area size for 2010 and maximum leasable area size calculated for 2015 are compared.

Additional investment potential of the provinces for shopping centers calculated with three different economic scenarios and leasable area size are presented in Table.51.

Accordingly, İzmir is the province with highest additional shopping center investment potential. İzmir will have 359.478 m² additional leasable area for shopping center investments with 3 percent economic growth scenario in 2011-2015, 465.478 m² with 5 percent economic growth scenario and 689.143 m² with 7 percent economic growth scenario.

Similarly, investment potentials are displayed for all other provinces between the years 2011-2015. İstanbul, Ankara, Antalya, Tekirdağ and Kayseri are seems to reach their 2015 maximum potential volumes in 2010.

For this reason, there isn't any additional investment potential in these provinces between the years 2011-2015

TABLE.51 ADDITIONAL SHOPPING CENTER INVESTMENT POTENTIALS OF THE PROVINCES M² 2011-2015

PROVINCES	% 3 GROWTH	% 5 GROWTH	% 7 GROWTH
ADANA	-	16.565	73.230
AFYON	49.800	61.800	75.800
AKSARAY	-	3.165	6.500
ANKARA	-	-	-
ANTALYA	-	-	25.481
AYDIN	30.665	54.330	82.665
BALIKESIR	139.080	165.415	195.745
BURSA	88.159	147.489	215.824
ÇANAKKALE	73.665	87.665	109.330
DENİZLİ	-	17.848	46.183
DIYARBAKIR	15.310	35.645	59.645
EDİRNE	39.665	50.665	62.000
ELAZIĞ	49.469	61.139	73.139
ERZİNCAN	12.065	15.730	20.400
ERZURUM	20.665	31.665	43.000
ESKİŞEHİR	30.110	49.110	69.775
GAZİANTEP	-	10.292	40.622
HATAY	125.330	153.000	185.000
ISPARTA	34.330	42.665	51.000
İSTANBUL	-	-	-
İZMİR	359.478	465.478	689.143
KARAMAN	26.088	32.088	39.418
KONYA	136.276	178.946	228.611
K.MARAŞ	-	15.330	36.335
KAYSERİ	-	-	-
KOCAELİ	312.473	383.808	464.808
KÜTAHYA	26.665	39.000	54.000
MERSİN	154.929	198.929	249.594
MALATYA	-	7.315	22.980
MANİSA	152.330	189.330	230.330
MUĞLA	95.015	122.350	153.350
NEVŞEHİR	21.665	29.000	37.665
ORDU	56.586	65.916	77.586
SAKARYA	-	19.900	39.900
SAMSUN	51.548	74.213	48.548
URFA	42.665	60.000	79.000
TEKİRDAĞ	-	-	19.442
TOKAT	54.330	67.000	82.330
TRABZON	21.500	38.165	55.830
UŞAK	30.165	36.165	43.830
VAN	37.830	48.165	59.830
ZONGULDAK	77.330	97.000	120.330

In the shopping center prognoses, together with retail expenditure volume, leasable area per thousand inhabitants is an important indicator, as well. For this reason, prognoses are made for leasable area size per thousand inhabitants for 2015 in the provinces.

In making these prognoses, 30.000 dollars potential retail expenditure volume per m² and leasable area size for 2015 are used. For each province and with three different growth scenarios, leasable area size per thousand inhabitants in 2015 projections is presented in Table. 52.

Accordingly, in Adana maximum leasable area size per thousand inhabitants is 136.9 m² with three percent growth scenarios, 159.6 m² with 5 percent growth scenarios and 185.6 m² with 7 percent growth scenarios. Projections are made for all other provinces for maximum leasable area size per thousand inhabitants in 2015.

Potential retail expenditure volume and leasable area size per thousand inhabitants should be evaluated together for shopping center investment potentials.

For instance, leasable area size per thousand inhabitants is calculated with potential retail expenditure volume is 200 m² and over for Edime and this figure is considerably high for a province that is among developing provinces.

Additional investment potential of the provinces between 2011-2015 period are evaluated together with retail expenditure and leasable area size per thousand inhabitants.

Investment potentials of the provinces are presented in the investment matrix in Table.53.

It is presented with groupings like provinces with high investment potential, provinces with investment potential, and provinces with limited investment potential and saturated provinces, three major provinces, developed provinces, developing provinces and less-developed provinces. Leasable area groupings per m² investment potentials are described as well.

The provinces with highest investment potentials that have 100.000 m² and over leasable area between the years 2011-2015 are Izmir, Bursa, Konya, Kocaeli, Mersin, Hatay and Manisa.

TABLE.52 MAXIMUM LEASABLE AREA SIZE PER THOUSAND INHABITANTS WITH 30.000 DOLLARS POTENTIAL RETAIL EXPENDITURE VOLUME PER M² 2015

PROVINCES	% 3 GROWTH	% 5 GROWTH	% 7 GROWTH
ADANA	136.9	159.6	185.6
AFYON	102.2	119.0	138.6
AKSARAY	83.3	91.7	100.0
ANKARA	134.0	156.3	181.8
ANTALYA	100.5	117.3	136.8
AYDIN	144.2	167.8	196.1
BALIKESIR	139.2	162.4	189.2
BURSA	125.3	146.1	169.9
ÇANAKKALE	180.7	210.3	255.9
DENİZLİ	153.6	178.7	208.8
DIYARBAKIR	75.3	87.7	102.4
EDİRNE	180.2	209.9	240.5
ELAZIĞ	125.4	146.2	167.6
ERZINCAN	120.3	138.2	161.0
ERZURUM	83.8	97.6	111.8
ESKİŞEHİR	149.1	174.8	202.8
GAZİANTEP	90.9	106.0	122.9
HATAY	115.0	134.3	156.6
ISPARTA	102.0	120.4	138.8
İSTANBUL	120.0	140.2	163.1
İZMİR	149.8	175.9	228.0
KARAMAN	142.9	168.1	198.9
KONYA	116.9	136.2	158.7
K.MARAŞ	107.4	124.1	144.4
KAYSERİ	107.9	125.8	145.6
KOCAELİ	255.0	297.6	346.1
KÜTAHYA	125.7	145.9	170.5
MERSİN	143.8	167.6	195.0
MALATYA	111.7	129.7	149.5
MANİSA	162.8	190.6	221.5
MUĞLA	183.1	214.6	250.2
NEVŞEHİR	171.6	198.5	230.4
ORDU	84.9	98.1	114.6
SAKARYA	121.3	141.3	164.9
SAMSUN	120.7	139.8	163.1
URFA	56.1	65.4	75.6
TEKİRDAĞ	113.0	131.1	153.0
TOKAT	119.8	139.1	162.6
TRABZON	116.9	137.2	158.7
UŞAK	101.4	118.9	141.3
VAN	51.4	60.2	70.2
ZONGULDAK	214.6	249.1	290.0
TURKEY	124.7	145.8	170.6

All other provinces are put into the investment matrix. İstanbul, Ankara, Antalya, Tekirdağ and Kayseri constitute saturated markets.

TABLE.53 INVESTMENT POTENTIALS OF THE SHOPPING CENTERS IN THE PROVINCES 2011-2015

INVESTMENT MATRIX	THREE MAJOR PROVINCES	DEVELOPED PROVINCES	DEVELOPING PROVINCES	LESS DEVELOPED PROVINCES
HIGH INVESTMENT POTENTIAL 100.000 m2 +	IZMIR	BURSA, KONYA KOCAELI, MERSIN	HATAY MANISA	
INVESTMENT POTENTIAL 30.000-100.000 m2			AYDIN, DIYARBAKIR EDIRNE, SAMSUN TRABZON ZONGULDAK MUĞLA BALIKESIR	AFYON, ELAZIĞ ERZURUM, ORDU KÜTAHYA, URFA, TOKAT, UŞAK, VAN, ISPARTA
LIMITED INVESTMENT POTENTIAL 10.000- 30.000 m2		ADANA DENİZLİ GAZİANTEP ESKİŞEHİR	K.MARAŞ SAKARYA	ERZINCAN NEVŞEHİR ÇANAKKALE KARAMAN
SATURATED MARKETS	ANKARA İSTANBUL	ANTALYA	TEKİRDAĞ KAYSERİ	

Investment potentials of the provinces that are presented in the investment matrix for 2011-2015 period are made by using numerical assumptions. Nevertheless, in addition to the potential calculated with these numerical data for taking decisions of shopping center investments in the provinces, many other variables should be taken into consideration.

In other words, numerical datas are not sufficient for the shopping center investment potentials of the provinces. Every province has its own characteristics. Variables like socio-cultural structure of the province, income distribution, urbanization rate, shopping habits, development levels of organized and traditional markets, university and youth potentials would be effective.

Other variables as well as numerical data have to be evaluated in shopping center investment decisions.

Turkey will realize important part of its potential with de facto volumes it will reach until 2010. Development that is estimated to extend till 2015 will be completed in a much shorter period of time. In this framework and just as it is stated in the projections

about 2011-2015 period of time above, shopping center investments will be slow down after 2010. In case of the realization of the potential that is stated above between the years 2011-2015, additional 1.65 million m² leasable area of shopping centers will be built and in 2015 there will be 10 million m² leasable area in 2015. With this volume total leasable area per thousand inhabitants will be 129.1 m² in 2015.

New investments will be concentrated out of Istanbul and Ankara and comprised of more middle size shopping centers. With these new investments total leasable area size that will be reached in 2015 are presented in Table.54 below. Shopping center investments will slow down between 2011-2015, and in every year additional 300-400 thousand m² leasable area investments will be made.

TABLE.54 PROGNOSES FOR THE LEASABLE AREA SIZE OF SHOPPING CENTERS 2010-2015		
YEARS	GROSS LEASABLE AREA M2	LEASABLE AREA PER THOUSAND INHABITANTS M2
2010 (1)	8.393.811	114.6
2011	8.900.000	120.2
2012	9.200.000	122.8
2013	9.500.000	125.3
2014	9.700.000	126.6
2015	10.000.0000	129.1

(1) De facto realization projections

III.2.2 Prognoses for Shopping Centers as a Real-Estate Investment

Prognoses for shopping centers in Turkey were made in the previous section. Accordingly, Turkey will use the potential of shopping center investments that can be spanned till 2015, with the additional leasable area size created in 2008-2010 period. According to these de facto realization projections, there will be a limited but steady increase will be seen in the shopping center investments between the years 2011-2015.

The most important factor under the rapid development motive of the shopping centers is the expectation for high yields in shopping centers as a real-estate investment. Shopping center investments as a real-estate investment in Turkey will continue to bring relatively high yields compared to other countries. Yields of shopping center investments as a real-estate investment in Turkey will be limitedly recessed between the years 2008-2015; however, yields will be relatively high compared to other countries.

There are three main factors that will affect the yields of shopping center investments as real-estate investment between the years 2008-2015 in Turkey.

1- While the yields in Europe are diminishing, interest in the developing markets (to Turkey) will remain high

Shopping center investments have been reached to a certain saturation point in Europe in general and for this reason, investment yields are diminished to 5 percent on average, especially in the developed countries. This ratio is in 6-7 percent interval in the Middle and Eastern European countries. Global economic crisis that have started in the middle of 2007, results into the slow down in the retail sector in Europe. It is predicted that the effects of this slowdown will continue until the end of 2010. In this framework, as a result of the projections that rent increases will slowdown in the investments that are financed with the rising interest rates and a new pricing will be made, yields of shopping centers will decrease in this period.

It is predicted that investment interest will remain high to the countries like Turkey that offers relatively higher yields depending on this expectation.

2- Realization and protection of high economic growth potential of Turkey

Economic growth and development potential of retail expenditures are the main reasons that attract shopping center investments in Turkey and result into the high yields. Income projections of the investments can be kept up high depending on the expansion in the retail expenditures. For this reason, it is predicted that after the economic slowdown in 2008, Turkey will have at least 5 percent growth annually and retail expenditures will increase by gaining the consumer trust.

3- Rent Increases will be Slow Down, while the investment costs will increase

After the concentration in the shopping centers, as a result of the decrease/exhaustion of the feasible lands, sector will enter into a period that investment costs will increase because of high land costs. On the other hand, new pricing will be made in the rents and rent increases will slowdown. With the strengthening of this development tendency, yields of shopping center investments will recede limitedly.

Three main factors that affect shopping center investments as a real-estate investment in Turkey are evaluated above.

In this framework, annual yields of the shopping center investments will limitedly recede between 2008-2015. In three major provinces, while the annual yields are in 7-8 percent interval in 2008, it will recede to 6-7 percent in 2015. In other provinces, while the annual yields are between the 8-9 percent interval in 2008, they will recede to 7-8 percent interval in 2015.

Even though shopping center investment yields will be limitedly receded until 2015, shopping center investments yields will be relatively remain high in Turkey. In this framework, it is projected that interests of the foreign investors in shopping center investments will continue.

In 1st May 2008 that the study is completed, 35 shopping center investments of 9 foreign corporations (construction and planning) have been continued. Information on these corporations and investments are presented in the table below. The total leasable area size of 35 shopping centers until 2010 is 2.024.254 m².

TABLE.55 SHOPPING CENTER INVESTMENTS OF FOREIGN INVESTORS IN TURKEY		
CORPORATION	NUMBER OF SHOPPING CENTERS	LEASABLE AREA M2
METRO GROUP	1	64.000
TURKMALL	11	831.454
KREA	3	150.200
CORIO	5	273.600
ECE	1	100.000
CARREFOURSA	2	20.000(1)
REDEVCO	5	173.000
ACTEUM	6	350.000
TULIP	1	62.000

(1) m² size of the Şirinevler Project is not included.

Main trends that will affect shopping center investments as a real-estate investment that will be effective till 2015 are emerging. These trends and their possible effects are presented in Table.56 below. Emerging ten trends will be effective in shopping center investments.

The top trend among these trends is the difficulties that will emerge in the financial chain among renter-investor-creditor that will affect growth and development in the short-term and search for new balance. Inability of the retailers to reach predicted

endorsements in the retail sector and the pressure of increasing rents in the return of the investments break the financing flow. In order to overwhelm the difficulties in the credits and financing flow of the investments, establishing a new balance is necessary between renter-investor-creditor. Solving this problem in the new balance will accelerate the growth process of the sector.

Another important trend that will emerge in the coming period is emergence of negative conditions as a result of rapid development of the sector and a consolidation process to get over these conditions. It is projected that while the shopping center investments are extended, simultaneous consolidation, change and restructuring period will provide a more healthy and sustainable growth.

TABLE.56 MAIN TRENDS THAT WILL AFFECT SHOPPING CENTER INVESTMENTS 2008-2015

MAIN TRENDS	EFFECTS
EXTENDING IN THE ORGANIZED RETAIL	CONTRIBUTION TO THE GROWTH IN THE RETAIL SECTOR
TRANSITION FROM RAPID DEVELOPMENT TO A MODERATE AND STABLE DEVELOPMENT IN THE RETAIL SECTOR	RENEWAL IN THE RETAIL DECISIONS AND PROJECTIONS
CONCENTRATION AND MASSIFICATION IN THE CERTAIN LOCATION AND WRONG PROJECTS OF SHOPPING CENTERS	CONSOLIDATION, MERGERS, RE-FUNCTIONING
INCREASE IN THE PARTICIPATION OF THE FOREIGN INVESTORS	INSTITUTIONALIZATION AND INCREASING COMPETITION
TRANSITION FROM INDIVIDUAL INVESTORS TO INSTITUTIONAL INVESTORS	MORE HEALTHY GROWTH ETHICAL COMPETITION CONDITIONS
A NEW BALANCE IN THE RENTER-INVESTOR-CREDITOR RELATIONS	DIFFICULTIES IN SOME PROJECTS AND CONTINUATION WITH SUSTAINABLE AND HEALTHY INVESTMENTS (FINANCING CHAIN) LATER ON
TRANSITION FROM REAL-ESTATE-LAND INVESTMENT MOTIVE TO RETAIL-REAL-ESTATE INVESTMENT MOTIVE	MORE HEALTHY GROWTH IN THE SHOPPING CENTERS
CONFORMITY BETWEEN THE SUPPLY IN THE RETAIL SECTOR AND SUPPLY IN THE SHOPPING CENTERS	DEVELOPMENT OF NEW RETAIL BRANDS
INCREASING COMPETITION BETWEEN THE SHOPPING CENTERS	DIFFERENTIATION, INCREASE IN THE SERVICE QUALITY, SPECIALIZATION, DIVERSIFICATION OF BRANDS, EFFECTIVE SHOPPING CENTER MANAGEMENT
NEW LEGAL ARRANGEMENT	DEGRADATION OF COMPETITION IN THE RETAIL SECTOR AND SLOWDOWN IN THE GROWTH

APPENDIX.I

EXISTING SHOPPING CENTERS AND SHOPPING CENTERS THAT ARE AT CONSTRUCTION OR PLANNING STAGE IN TURKEY

Shopping centers separated as "existing" and "in construction and planning stage" that are used in the preparation of the report, are presented in two separated lists in the Appendix.I section of the report.

Only those shopping centers are included in to the lists of the shopping centers, those shopping centers that fit to the standards of International Council of Shopping Centers.

Existing shopping centers that have been opened until 30 April 2008 are presented in Table.57.

In Table.58 those shopping center investments that construction and planning information and opening date information are shared with the public until 1 May 2008 are presented. Those shopping centers that are at the level of opinion project are not included into the list.

Information of name, city, district, opening date and m² size of the leasable area are presented in both of the lists. Information is directly taken from the corporate resources of these shopping centers and data of association like Trade Council of Shopping Centers and Retailers.

Needless to say that changes that emerge later and that is not shared with the public in the data that are taken from institutional resources cannot be shown in the lists.

For this reason, lists are up-to-date by the date that they are prepared. Responsibility for differ data belongs to the report team.

**TABLE.57 EXISTING SHOPPING CENTERS IN TURKEY
(THOSE OPENED TILL 30 APRIL 2008)**

SHOPPING CENTER	PROVINCE	DISTRICT	OPENING DATE	LEASABLE AREA M2
M1 TEPE SHOPPING CENTER	ADANA	Zincirlibağlar	2000	60.753
GALLERIA	ADANA	Fuzuli Caddesi	1994	30.718
CARREFOURSA SHOPPING CENTER	ADANA	100. Yıl Mahallesi	1998	17.539
ADA SHOPPING CENTER	ADAPAZARI	Esenler	2007	23.500
ZEYLAND	AFYON		2008	7.200
OPTIMUM OUTLET CENTER	ANKARA	Eryaman	1994	51.314
MILLENIUM	ANKARA	Batkent	2005	15.500
ANKAMALL SHOP. CEN./MIGROS	ANKARA	Akköprü	1999	106.480
BILKENT CENTER	ANKARA	Bilkent	1998	47.350
ARMADA	ANKARA	Söğütözü	2002	32.000
KARUM İŞ SHOPPING CENTER	ANKARA	Kavaklıdere	1991	23.500
CARREFOURSA SHOPPING CENTER	ANKARA	Batkent	2001	15.769
ARCADIUM	ANKARA	Ümitköy	2003	15.000
MESA PLAZA SHOPPING CENTER	ANKARA	Çayyolu	1999	14.000
PLANET	ANKARA	Etimesgut	2005	12.000
ATAKULE SHOPPING CENTER	ANKARA	Çankaya	1989	10.543
GALLERIA SHOPPING CENTER	ANKARA	Ümitköy	1995	7.771
FTZ SHOPPING CENTER	ANKARA	Keçiören	2003	7.000
PLAZA	ANKARA		2005	6.500
DOLPHIN	ANKARA	Eryaman	2006	3.000
CEPA	ANKARA	Eskişehir Yolu	2007	70.335
PANORA	ANKARA	Oran Yolu	2007	60.000
A CITY OUTLET SHOPPING CENTER	ANKARA		2008	22.000
ANTARES	ANKARA	Etilik Kasalar	2007	112.100
MINASERA	ANKARA	Çayyolu	2008	10.978
KC GÖKSU SHOPPING CENTER	ANKARA	Eryaman	2006	35.365
DEEPO OUTLET CENTER SHOPPING	ANTALYA	Havalimanı Karşısı	2004	18.000
MIGROS SHOPPING CENTER	ANTALYA	100.Yıl Bulvarı	2001	33.024
WHITEWORLD	ANTALYA	Lara	2005	18.000
LAURA SHOPPING CENTER	ANTALYA	Lara	2004	10.065
TESCO KIPA	ANTALYA	Ahatlı	2006	9.300
G-MALL	ANTALYA		2004	4.960
DOĞUŞ 2000	ANTALYA	Haşim İçcan Mah	2004	4.500
MAKRO CENTER	ANTALYA		2005	4.000
AFRA SHOPPING CENTER	AKSARAY	Kuşadası	2002	8.500
EGEPORT	AYDIN		2004	4.500
TESCO KIPA	AYDIN	Kuşadası	2006	15.000
TESCO KIPA	AYDIN	Bursa Yolu	2007	15.500
YAYLADA SHOPPING CENTER	BALIKESİR	Altınoluk	2007	15.000
MOLIDA SHOPPING CENTER	BALIKESİR		2006	3.585
XL MALL AS MERKEZ	BURSA		2001	34.600
CARREFOURSA SHOPPING CENTER	BURSA	Nilüfer	2001	33.946
ZAFER PLAZA SHOPPING CENTER YAŞAM	BURSA		1999	20.850
REAL SHOPPING CENTER	BURSA		2000	3.008
KORUPARK SHOPPING CENTER EĞLENCE	BURSA	Mudanya Yolu	2007	74.580
TESCO KIPA	ÇANAKKLE	İzmir Yolu Çıkışı	2006	12.000
EGS PARK SHOPPING CENTER EĞLENCE	DENİZLİ	Gümüşler	1998	23.000
MARKETIX	DENİZLİ	Akkale	2005	12.750
FORUM ÇAMLIK	DENİZLİ	Demokrasi Meydan	2008	32.000
TERASPARK	DENİZLİ	Yenişehir	2007	47.500

**TABLE.57 EXISTING SHOPPING CENTERS IN TURKEY
(THOSE OPENED TILL 30 APRIL 2008)**

SHOPPING CENTER	PROVINCE	DISTRICT	OPENING DATE	LEASABLE AREA M2
MEGA CENTER SHOPPING CENTER	DIYARBAKIR	Urfa Yolu Emek k	2002	14.520
DIYAR GALERIA	DIYARBAKIR		1999	13.500
AKGÜN CENTER	ELAZIĞ	Bahçelievler	2004	8.861
ERMERKEZ	ERZINCAN		2003	12.600
ESPAK	ESKİŞEHİR	Eskişehir Mah	2007	44.000
NEO SHOPPING CENTER	ESKİŞEHİR	Tepebaşı	2007	35.890
M1 TEPE SHOPPING CENTER	GAZİANTEP		1999	51.708
MIGROS SHOPPING CENTER	GAZİANTEP	Şahinbey	2002	8.000
ŞİREHAN SHOPPING CENTER	GAZİANTEP	İsmetpaşa Mah	2008	12.400
UĞUR PLAZA OUTLET CENTER	GAZİANTEP		2008	12.000
OLIVUM OUTLET CENTER	İSTANBUL	Zeytinburnu	2000	33.560
COLONY OUTLET	İSTANBUL	Sefaköy	2005	7.000
KADIR HAS ÇOCUK DÜNYASI	İSTANBUL	Bahçelievler	2000	17.500
1000 a	İSTANBUL		2003	8.500
ADDRESS İSTANBUL	İSTANBUL	Şişli	2005	5.800
STARS ÇOCUK DÜNYASI	İSTANBUL		2005	5.000
MAYADROM	İSTANBUL	Akatlar	1998	2.976
CEVAHİR SHOPPING CENTER	İSTANBUL	Şişli	2005	117.972
CARREFOURSA SHOPPING CENTER	İSTANBUL	Ümraniye	2000	60.630
TEPE NAUTILUS	İSTANBUL	Acıbadem	2002	51.776
CARREFOURSA SHOPPING CENTER	İSTANBUL	İçerenköy	1996	47.250
MAXI SHOPPING CITY	İSTANBUL	Silivri	1998	45.000
GALLERIA SHOPPING CENTER	İSTANBUL	Ataköy	1988	42.974
M1 TEPE SHOPPING CENTER	İSTANBUL	Kartal	2000	41.000
PROFİLO SHOPPING CENTER	İSTANBUL	Mecidiyeköy	1998	40.800
KANYON	İSTANBUL	Levent	2006	37.500
AKMERKEZ	İSTANBUL	Levent	1993	34.600
MIGROS SHOPPING CENTER	İSTANBUL	Beylikdüzü	1997	33.000
METROCITY SHOPPING CENTER	İSTANBUL	Levent	2003	32.638
CAPİTOL SHOPPING CENTER	İSTANBUL	Altunizade	1993	31.000
CARREFOURSA SHOPPING CENTER	İSTANBUL	Maltepe	2005	30.500
CARREFOURSA SHOPPING CENTER	İSTANBUL	Bayrampaşa	2003	25.030
CAROUSEL SHOPPING CENTER	İSTANBUL	Bakırköy	1995	24.400
BEYLİCİUM SHOPPING CENTER	İSTANBUL	Beylikdüzü	2006	20.000
CARREFOURSA SHOPPING CENTER	İSTANBUL	Haramidere	2001	17.831
MKM MUSTAFA KEMAL MER	İSTANBUL	Akatlar	2005	15.000
MAXİ CITY	İSTANBUL	Çengelköy	2003	13.500
FLYINN SHOPPING CENTER	İSTANBUL	Florya	2003	12.508
TOWN CENTER	İSTANBUL	Bakırköy	2003	12.000
ATRIUM SHOPPING CENTER	İSTANBUL	Ataköy	1989	11.232
ATIRUS SHOPPING CENTER	İSTANBUL	B.Çekmece	2005	11.000
MAXİ CENTER	İSTANBUL	İstinye	2003	11.000
AQUARIUM	İSTANBUL	Bayrampaşa	2005	10.234
PARADİSE SHOPPING CENTER	İSTANBUL	Gürpınar	2005	9.838
BAŞAK SHOPPING CENTER	İSTANBUL		2005	8.724
MESA STUDIO PLAZA SHOPPING CENTER	İSTANBUL	Kemerburgaz	2003	6.240
SUNFLOWER	İSTANBUL		2003	6.000
G-MALL T SHOPPING CENTER	İSTANBUL	Dolmabahçe	2003	4.228
KULE ÇARŞI	İSTANBUL	Levent	2000	3.720
ÖMÜR PLAZA	İSTANBUL	Bahçelievler	2002	4.000

**TABLE.57 EXISTING SHOPPING CENTERS IN TURKEY
(THOSE OPENED TILL 30 APRIL 2008)**

SHOPPING CENTER	PROVINCE	DISTRICT	OPENING DATE	LEASABLE AREA M2
SINASOS	ISTANBUL		2003	2.500
PRESTIGE MALL	ISTANBUL		2007	11.000
KALE CENTER	ISTANBUL	Cüngören	2007	26.094
ISTINYE PARK	ISTANBUL	Istinye	2007	87.000
MEYDAN SHOPPING CENTER	ISTANBUL	Ümraniye	2007	70.000
CAPACITY	ISTANBUL	Bakırköy	2007	41.229
CITY'S	ISTANBUL	Nişantaşı	2008	23.000
DOĞUŞ POWER CENTER	ISTANBUL	Maslak	2006	42.000
DEPOZIT	ISTANBUL	İkitelli	2008	72.000
METROPORT	ISTANBUL	Bahçelievler	2008	18.000
ASYAPARK	ISTANBUL	Dudullu	2007	14.500
ASTORIA	ISTANBUL	Esentepe	2008	25.000
MASS PLAZA	ISTANBUL	Gaziosmanpaşa	1997	14.500
HAYATPARK	ISTANBUL	Güneşli	2008	12.000
AYMERKEZ	ISTANBUL	B.Çekmece	2002	23.600
KOZA PLAZA	ISTANBUL		2006	4.688
FOX CITY SHOPPING CENTER	ISTANBUL	Beylikdüzü	2006	12.000
ISATNBUL OUTLET PARK	ISTANBUL	B.Çekmece	2006	56.000
KEMERMALL	ISTANBUL	Kemerburgaz	2007	5.000
PARK BORNOVA OUTLET	IZMIR	Bornova	2004	11.000
CARREFOURSA SHOPPING CENTER	IZMIR	Karşıyaka	2001	37.695
KAM-ÇİÇLİ KIPA SHOPPING CENTER	IZMIR	Çiğli	1999	29.539
EGEPARK SHOPPING CENTER	IZMIR	Mavişehir	1999	22.000
AGORA SHOPPING CENTER	IZMIR	Balçova	2002	13.500
KONAK PIER	IZMIR	Konak	2004	13.500
PALMIYE SHOPPING CENTER	IZMIR	Balçova	2003	10.053
ORKIDE SHOPPING CENTER	IZMIR	Alsancak	2004	10.000
BALÇOVA TESCO KIPA	IZMIR	Balçova	2001	42.000
FORUM BORNOVA	IZMIR	Bornova	2006	67.900
SELWAY OUTLET PARK	IZMIR	Balçova	2006	6.000
AFRA SHOPPING CENTER	KARAMAN		2001	7.912
KAYSERİ PARK	KAYSERİ	Melikgazi	2006	25.152
IPEKSARAY	KAYSERİ	Sivas Bulvarı	2006	12.000
ALMER	KAYSERİ		1999	7.500
KASSERIA	KAYSERİ		2004	4.000
OUTLET CENTER	KOCAELİ		1997	28.777
CARREFOURSA SHOPPING CENTER	KOCAELİ		2000	10.937
DOLPHIN CENTER	KOCAELİ	Körfez Mahallesi	2004	6.500
REAL SHOPPING CENTER	KOCAELİ		2000	3.578
N CITY	KOCAELİ		2006	12.065
TRUVA OUTLET VE EĞLENCE MRK	KONYA		2002	20.608
M1 TEPE SHOPPING CENTER	KONYA		2003	47.200
KULESITE	KONYA	Nalçacı Caddesi	2004	45.246
AFRA SHOPPING CENTER	KONYA		1996	9.000
AFRA SHOPPING CENTER	MALATYA		1999	11.251
CARREFOURSA SHOPPING CENTER	MERSİN		2003	12.236
FORUM MERSİN	MERSİN		2007	71.500
MARINAVISTA	MERSİN	Çamlıbel	2007	12.000
MILTA BODRUM MARINA	MUĞLA	Bodrum	1999	2.000
OASIS SHOPPING CENTER	MUĞLA	Bodrum	1998	24.000

**TABLE.57 EXISTING SHOPPING CENTERS IN TURKEY
(THOSE OPENED TILL 30 APRIL 2008)**

SHOPPING CENTER	PROVINCE	DISTRICT	OPENING DATE	LEASABLE AREA M2
KARACAN POINT	MUĞLA	Marmaris	2004	14.000
PORT BODRUM YALIKAVAK MARINA	MUĞLA	Bodrum	2005	5.143
MALL MARINE	MUĞLA	Marmaris	2001	3.172
HIPODROM	MUĞLA	Marmaris	2003	6.000
TURGUTREIS PORT	MUĞLA	Bodrum	2005	4.500
NETCEL MARINA	MUĞLA	Marmaris	2000	5.500
MIGROS SHOPPING CENTER	ORDU		2004	3.414
AFRA SHOPPING CENTER	SAMSUN		2006	14.452
YEŞİLYURT SHOPPING CENTER	SAMSUN		2007	15.000
AVANTAJ FABRİKA MAĞAZALARI ÇARŞI	TEKİRDAĞ		1997	10.750
ORION SHOPPING CENTER	TEKİRDAĞ	Çorlu	1999	16.538
MIRAPARK	TRABZON	Yıldızlı	2005	5.500
EDDA OUTLET	UŞAK		2006	4.500
ROYAL	VAN		2004	2.500
EREYLİN	ZONGULDAK	Karadeniz Ereğlisi	2007	13.000

TABLE.58 SHOPPING CENTERS IN THE LEVEL OF CONSTRUCTION AND PLANNING IN TURKEY

SHOPPING CENTER	PROVINCE	DISTRICT	OPENING DATE	LEASABLE AREA M2
NEO CITY	ADAPAZARI		2009/09	55.200
PARK SHOP OUTLET CENTER	ADAPAZARI		2008/Q2	21.400
SOYAK/TAHINCIOĞLU	ADANA		2009	140.000
SOYAK/TAHINCIOĞLU	ADANA		2010	25.000
ANCORA	ADANA		2010	58.000
VARAN	AFYON		2009	16.000
AKSARAY SHOPPING CENTER TARGET	AKSARAY		2008	25.000
GALERIA	ANKARA	Eryaman	2008	10.000
KENTPARK	ANKARA		2008/03	68.000
FORUM ETLİK	ANKARA		2008	80.000
MALTEPE PROJESİ	ANKARA		2009	25.000
ZİRVEKENT (365)	ANKARA	Çankaya	2008/04	28.000
ÜSTÜN DEKOCITY SHOPPING CENTER	ANKARA	Ümitköy	2008	6.500
TULIP	ANKARA		2011	
GORDION SHOPPING CENTER	ANKARA	Çayyolu	2009/Q2	50.000
FORUM ANTALYA	ANTALYA		2009/01	110.000
SHEMALL TARGET	ANTALYA	Lara	2008/05	17.000
EDEN COURT	ANTALYA	Eski Otogar	2009	30.000
MURATPAŞA	ANTALYA		2009	20.000
ATAYKENT	AYDIN		2009	18.000
TARGET PROJE	AYDIN		2009	16.000
SÖKE ADAPARK	AYDIN		2009	15.000
FORUM AYDIN	AYDIN		2008/08	30.000
KENT MEYDANI SHOPPING CENTER	BURSA		2008	23.857
ANATOLIUM SHOPPING CENTER	BURSA	Osmangazi	2010/Q1	80.000
SÜMERBANK PROJECT	DENİZLİ		2009/10	35.232
TARGET	DIYARBAKIR		2008	25.000
FORUM DIYARBAKIR	DIYARBAKIR	Elazığ Yolu	2009/Q3	55.000
EDİRNE SHOPPING CENTER	EDİRNE		2010/Q1	27.000

TABLE.58 SHOPPING CENTERS IN THE LEVEL OF CONSTRUCTION AND PLANNING IN TURKEY

SHOPPING CENTER	PROVINCE	DISTRICT	OPENING DATE	LEASABLE AREA M2
MIS SHOPPING CENTER	ELAZIĞ		2008	12.000
TARGET	ERZURUM		2009	15.000
MEYDAN SHOPPING CENTER	ERZURUM	Dere Mah	2009/Q2	31.000
SHOPPING MALL SANKO CITY	GAZIANTEP		2010	55.000
FORUM GAZIANTEP	GAZIANTEP		2009/Q2	40.000
SOYAK TAHINCIOĞLU SHOPPING CENTER	HATAY		2009/Q1	40.000
BELEDİYE	ISPARTA		2009	12.000
GARDEN TOWERS	ISTANBUL	Esentepe	2010	54.000
FORUM TEM	ISTANBUL	Gaziosmanpaşa	2009/Q2	72.600
DEEPO II	ISTANBUL	Haramidere	2009	80.000
PALLADIUM	ISTANBUL	Kozyatağı	2008/10	36.713
WORLD ATLANTIS	ISTANBUL	Kurtköy	2008/09	22.000
MECİDİYEKÖY PROJE	ISTANBUL	Esentepe	2009	47.618
ORIENTAL LOUNGE	ISTANBUL	Piyalepaşa	2010	58.000
ARMONI PARK OUTLET CENTER	ISTANBUL	Sefaköy	2008/05	22.000
KILIA SHOPPING CENTER	ISTANBUL	Şile	2009	12.000
OLIVUM II	ISTANBUL	Ümraniye	2009	33.500
ÇİFTÇİLER	ISTANBUL	Zincirlikuyu	2011	65.000
MİLENYUM	ISTANBUL	Kurtköy	2010	11.000
SKYPORT RESIDENCE	ISTANBUL	Beylikdüzü	2008/Q4	7.500
VERDE MOLINO	ISTANBUL	Bahçeşehir	2008/09	25.000
EKINOKS	ISTANBUL	Beylikdüzü	2008/Q2	7.443
OPTIMUM FASHION	ISTANBUL	Kozyatağı	2008	40.000
MARMARA PARK SHOPPING CENTER	ISTANBUL	Beylikdüzü	2010/Q1	100.000
MOHINI ÇOCUK AİLE YAŞAM MRK	ISTANBUL	Etiler	2009/09	4.900
SURVAPI	ISTANBUL	Bayrampaşa	2010	70.000
VIAPORT	ISTANBUL	Kurtköy	2008/08	40.000
MARRYMALL	ISTANBUL	Ataköy	2008/05	14.599
AKKOZA	ISTANBUL	Esenyurt	2010/11	70.000
SONDURAK İNDİRİM MERKEZİ	ISTANBUL	Güneşli	2008/10	16.000
SAPPHIRE	ISTANBUL	Levent	2009	30.875
LEVENT MALL	ISTANBUL	Levent	2009	8.000
DIAMOND OF ISTANBUL	ISTANBUL	Maslak	2009	35.000
FORUM MERTER	ISTANBUL	Merter	2010	113.354
M1 MEYDAN	ISTANBUL	Merter	2009	64.000
CARREFOUR 2.FAZ	ISTANBUL	Maltepe	2009	20.000
KUYUMÇUKENT BAZAAR	ISTANBUL	Yenibosna	2008	53.452
TAT TOWERS	ISTANBUL	Zincirlikuyu	2009	10.000
FORUM ISTANBUL	ISTANBUL	Bayrampaşa	2009	163.000
NARMANLI HAN PROJESİ	ISTANBUL	Beyoğlu	2010	3.640
AIRPORT	ISTANBUL	Çobançeşme	2008	32.000
ATAKÖY KONAKLARI SHOPPING CENTER	ISTANBUL	Ataköy	2010	35.000
KKG PROJESİ	ISTANBUL	Avclar	2008	28.500
CARREFOUR SHOPPING CENTER	ISTANBUL	Şirinevler	2011	
PARKWAY	ISTANBUL	Bahçeşehir	2008	6.898
ŞEHİR-BAZAAR	ISTANBUL		2008	13.500
ISTANBUL TAKSİT CENTER	ISTANBUL	Beylikdüzü	2008/5	55.000
PERLAVISTA	ISTANBUL		2008	32.000
MARKA CITY	ISTANBUL	Beylikdüzü	2008/05	18.000
DEMİRÖREN	ISTANBUL	Beyoğlu	2009	12.000

TABLE.58 SHOPPING CENTERS IN THE LEVEL OF CONSTRUCTION AND PLANNING IN TURKEY

SHOPPING CENTER	PROVINCE	DISTRICT	OPENING DATE	LEASABLE AREA M2
TAT 2000	ISTANBUL	Etiler	2011	10.000
212 ISTANBUL	ISTANBUL	İkitelli	2009/05	68.000
TULIP İSPARTAKULE	ISTANBUL	Bahçeşehir	2010	62.000
ALISAMIYEN PROJESİ	ISTANBUL	Mecidiyeköy	2011	70.000
3.CADDE AVM	ISTANBUL	Bahçeşehir	2011	8.000
ANCORA	ISTANBUL	Göztepe	2011 Q2	105.000
ÖZDİLEK AVM	ISTANBUL	Levent	2010	35.000
HARMONY PARK	ISTANBUL	Beylikdüzü	2008	10.842
WORLD ATLAS	ISTANBUL		2008	18.650
FASHION CENTER	ISTANBUL	Kozyatağı	2008	32.000
FATİH KÜLTÜR TRADE CENTER	ISTANBUL	Fatih	2008	19.756
BAĞCILAR SHOPPING CENTER	ISTANBUL	Bağcılar	2009	44.996
MYWORLD SHOPPING CENTER	ISTANBUL	Ataşehir	2010	30.000
IDEALİSTKENT SHOPPING CENTER	ISTANBUL	Çekmeköy	2010	25.000
VAR MALL	ISTANBUL		2009/06	20.000
ACIBADEM PROJE	ISTANBUL	Acıbadem	2010/Q1	65.000
NEO SHOPPING CENTER	ISTANBUL	Pendik	2008/12	30.000
NEO SHOPPING CENTER	ISTANBUL	Bahçeşehir	2009/05	65.000
GINZA SHOPPING CENTER	ISTANBUL	Beylikdüzü	2010	45.000
KELEŞ SHOPPING CENTER	ISTANBUL	Bahçeşevler	2011	109.000
MAHMUTBEY SHOPPING CENTER	ISTANBUL	Mahmutbey	2011	200.000
AKKOM/EROĞLU SHOPPING CENTER	ISTANBUL	Merter/Vakko	2009/Q4	42.000
BUYAKA	ISTANBUL	Ümraniye	2010	106.000
UPHILL COURT SHOPPING CENTER	ISTANBUL	Ataşehir	2009	7.000
BEYLİKDÜZÜ SHOPPING CENTER	ISTANBUL	Beylikdüzü	2009/Q3	60.000
LANDMARKK TOWER	ISTANBUL	Levent	2010	36.000
PENDİK PARK OUTLET CENTER	ISTANBUL	Pendik	2008/09	10.000
ESPRI OUTLET CENTER	ISTANBUL	Esenler	2008/03	12.000
ÇİĞLİ SHOPPING CENTER	İZMİR	Çiğli	2008/12	8.000
ANCORA	K.MARAŞ		2010/Q2	55.000
TARGET	K.MARAŞ		2009	58.000
KAYSERİ ŞEKER FABRİKASI	KAYSERİ		2010	60.000
FORUM KAYSERİ	KAYSERİ	Eski Şehir Stadi	2010/Q2	66.500
İZMİT PARK AVM	KOCAELİ	Yahya Kaptan	2009/Q4	52.000
TORUNLAR KORUPARK	KÜTAHYA	Şeker Fabrikası	2009	50.000
REGMA SHOPPING CENTER	MERSİN	Tarsus	2008/09	15.000
MALATYA PROJECT	MALATYA		2008/09	34.434
CORIO/ACTEUM	MALATYA		2010	50.000
REDEVCO I – SÜMERBANK	MANİSA		2009/Q4	54.000
REDEVCO II – DOWNTOWN	MANİSA		2009/Q4	10.000
FORUM KAPADOKYA	NEVŞEHİR	Kayseri Yolu	2009/Q1	25.000
ANCORA	SAMSUN		2009/11	62.000
AURISPARK TARGET	ŞANLIURFA		2008/08	17.000
ANCORA	ŞANLIURFA		2010/Q1	45.000
ÇORLUPARK	TEKİRDAĞ	Çorlu	2009/06	45.000
TEKİRA	TEKİRDAĞ		2009	30.600
DREAM CENTER	TEKİRDAĞ	Çerkezköy	2008	8.000
ANCORA	TOKAT		2010/Q1	24.000
FORUM TRABZON	TRABZON		2008/04	45.000
CEVAHİR OUTLET	TRABZON	Yomra	2009/03	24.000
TATVAN SHOPPING CENTER	VAN	Tatvan	2009	20.000
TESCO KİPA	ZONGULDAK		2008	12.000
DEMİRPARK	ZONGULDAK		2008/Q4	20.000

BIBLIOGRAPHY

- Gross Domestic Product Update Results, 2008, TurkStat
- Address Based Population Registration System 2007, TurkStat
- Household, 2005 Consumption Expenditure Results, TurkStat
- Household, 2005 Income Distribution Results, TurkStat
- Institutional Changes in the Fast Moving Consumption Goods Market 2007 AC Nielsen
- www.ampd.org
- Institutional Web Sites for Shopping Centers and Annual Reports
- Pan European Economic Outlook and The Impact on The European Scene, Tony Mc Gough, Jones Lang Lasalle, 2008
- Growth Opportunities For Global Retailers, 2007 AT Kearney
- Turkey Real Estate Market Review, First Half, 2008, Colliers
- Shopping Centre Investment Quarterly, 2008 Knight Frank
- European Retail Market Indicators, Spring 2008, Knight Frank
- Transition of The Turkish Retail Sector and The Impact on The Economy, AMPD, Price Waterhouse Coopers, 2007
- International Investment Atlas 2007, Cushman Wakefield
- European Shopping Centre Digest 2007, CB Richard Ellis
- European Shopping Centres, Autumn 2007, Cushman Wakefield
- Emerging Trends in Real Estate Europe, ULI, PWC 2005-2006-2007
- Retail Driven, Leading European Shopping Centres, 2007 Jones Lang Lasalle
- Shopping Centre Development; The Boom Goes On, Jones Lang Lasalle 2007
- A Global Overview of The Shopping Centre Industry, Charles Grossman, ICSC
- Central and Eastern Europe; Designing A Strategy For The Future, Neville Moss Jones Lang Lasalle, 2007
- The Changing Nature Of Retail, Deloitte 2007
- Shopping Centers Standards, International Council For Shopping Centers, 2007
- www.euromonitor.org