



Turkish Property Market Report 2025

A Comprehensive Analysis for Investors

February 2026



Executive Summary

The Turkish property market achieved unprecedented growth in 2025, breaking all historical records with total housing transactions reaching 1.688 million units, marking a 14.3% year-over-year increase. This performance exceeded the previous peak of 1.5 million units set in 2020, establishing 2025 as the strongest year in Turkey's real estate history.

Total real estate transactions across all categories—including residential properties, land plots, commercial units, and workplaces—reached 3.33 million transactions, representing an 8.7% annual increase. The market demonstrated exceptional resilience despite elevated borrowing costs and persistent inflationary pressures, with the Central Bank's benchmark policy rate standing at 37-38% throughout most of the year.

Key performance indicators for 2025:

- Total Housing Sales: 1,688,910 units (+14.3% YoY)
- Total Real Estate Transactions: 3,332,994 (+8.7% YoY)
- Land Registry Fee Revenue: TRY 168.15 billion (+74.9% YoY)
- National Homeownership Rate: 57.1%
- Second-Hand Property Share: 68% of total sales
- Mortgage-Backed Sales: 236,668 units (+49.3% YoY)

The market's strength was underpinned by unique economic dynamics where housing prices rose below inflation rates, creating a favorable environment for buyers and positioning real estate as a hedge against currency depreciation.



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1. Market Performance Overview

1.1 Historical Transaction Volumes

Turkey's residential property market has maintained structural strength above the 3 million threshold for total real estate transactions since 2021, demonstrating long-term demand stability.

Year	Housing Sales	YoY Growth	Total RE Transactions
2023	1,220,000	-	3,064,000
2024	1,477,000	+21.1%	3,066,000
2025	1,688,910	+14.3%	3,332,994

Table 1: Turkey Housing Sales Performance 2023-2025

Source: TurkStat Official Data

1.2 Monthly Sales Dynamics

December 2025 recorded particularly strong performance with 254,777 housing units sold, representing a 19.8% year-over-year increase. The monthly average for 2025 stood at approximately 140,742 units per month, demonstrating consistent market activity throughout the year.

Peak months in 2025:

January 2025: 112,173 units (+39.7% YoY)

May 2025: 130,025 units (+25.4% Jan-May cumulative)

October 2025: 164,306 units (+16.2% Jan-Oct cumulative)

December 2025: 254,777 units (+19.8% YoY)

1.3 Sales Composition

The market composition revealed strong preference for established properties:

Property Type	Units Sold 2025	Market Share
Second-Hand Properties	1,148,124	68%
New Construction	540,786	32%
Total	1,688,910	100%

Table 2: Market Segmentation by Property Age

Source: TurkStat

Second-hand properties increased by 27.31% in the January-July 2025 period, while first-hand sales grew at a more moderate 17.51%, indicating buyer preference for move-in ready properties and established neighborhoods.

2. Regional Market Analysis

2.1 Top Performing Cities

Three major metropolitan areas dominated the market, collectively accounting for approximately 31% of all housing transactions:

City	Units Sold 2025	Market Share	Avg. Price/m ²
Istanbul	280,262	16.6%	\$1,300
Ankara	152,534	9.0%	\$750
Izmir	96,998	5.7%	\$1,118
Top 3 Total	529,794	31.3%	-

Table 3: Top Three Cities by Transaction Volume

Source: TurkStat

2.2 Istanbul Market Deep Dive

Istanbul maintained its position as Turkey's largest and most dynamic property market with 280,262 transactions in 2025. The city's market characteristics include:

Premium Districts Performance:

Bosphorus corridor properties commanded premium valuations

Historic Peninsula areas sustained strong demand

Central prestigious neighborhoods (Nişantaşı, Etiler, Bebek) significantly exceeded city averages

Average Pricing: Istanbul residential properties averaged \$1,300 per m², with significant variation across districts. Total property values in Istanbul averaged 19,347 TRY per property transaction.

Price Growth: Istanbul recorded +25.83% nominal price growth and +2.7% monthly growth in October 2025.

Buyer Behavior: Purchase decisions evolved beyond price and size considerations, with buyers prioritizing:

Location value and accessibility

Construction quality and building standards

Overall lifestyle amenities

Environmental characteristics

2.3 Ankara - The Stable Capital

Ankara recorded 152,534 housing transactions in 2025, driven by public administration employment and student population.

Market Characteristics:

Average price: \$750 per m² (average 10,791 TRY per transaction)

Price growth: +33.22% annual nominal growth

Regional index: +38.4% (highest regional increase in October 2025)

Rental yields: 5-6%

Ankara's market demonstrates stability with less dependence on foreign buyers compared to Istanbul, offering lower volatility but also reduced international liquidity.

Key Districts:

Çankaya: 5-6% rental yields

Yenimahalle: 6-7% rental yields (more affordable)

2.4 Izmir - The Aegean Hub

Izmir completed 96,998 housing transactions in 2025, positioning as Turkey's third-largest market.

Market Profile:

Average price: **\$1,118 per m²** (average 6,899 TRY per transaction)

Price growth: +30% annual nominal

Monthly growth: +1.8% (October 2025)

Rental yields: 5-7%

As a liberal Aegean lifestyle hub with coastal advantages, Izmir attracts both student renters and family demographics, providing diversified rental income opportunities.

2.5 Emerging Markets

Antalya and other coastal cities benefited from tourism recovery:

Average price: \$1,097 per m² (6,480 TRY per transaction)

Price growth: +21.72% annual nominal

Rental yields: 7-9% (highest among major cities)

Tourist rental potential: 13-16 year ROI

Bursa and industrial centers:

Average price: \$700-850 per m²

Price growth: +6% nominal

Rental yields: 5-6%

Focus: Industrial workforce housing

3. Housing Price Index Analysis

3.1 Nominal vs Real Price Performance

The Central Bank of Turkey's Residential Property Price Index (RPPI) revealed a unique market dynamic in 2025 where nominal prices rose significantly while real prices (inflation-adjusted) declined for most of the year.

Period	Nominal Growth	Real Growth	CPI Inflation
December 2025	+29.0% YoY	-1.4%	30.9%
November 2025	+31.6% YoY	+0.2%	31.1%
October 2025	+31.6% YoY	-1.0%	32.9%
Q3 2025 Average	+31.6% YoY	-0.84%	33.1%

Table 4: Housing Price Index Performance vs Inflation

Source: Central Bank of Turkey (CBRT)

3.2 RPPI Index Values

The Housing Price Index (2023=100) demonstrated steady appreciation:

Q1 2025: 162.2 index points

Q2 2025: 193.3 index points

Q3 2025: 204.4 index points

October 2025: 198.8 index points

November 2025: 204.2 index points

December 2025: 204.5 index points

The index reached an all-time high of 204.5 points in December 2025, compared to the historical minimum of 4.57 points in February 2010.

3.3 Price Growth Below Inflation - Market Implication

For 22 out of 23 months through December 2025, housing prices declined in real terms despite strong nominal growth. This created a unique market dynamic:

For Buyers:

Improved affordability in real terms

Property as inflation hedge remained attractive

Cash buyers gained significant advantage

Foreign currency holders benefited from favorable exchange rates

For Sellers:

Nominal gains masked real value erosion
Incentive to hold quality assets
Increased transaction velocity in late 2025
Investment Thesis: Properties appreciated at approximately 29-32% nominally while inflation ran at 30.9-42.2%, making real estate one of the few asset classes maintaining value against Turkish Lira depreciation

4. Financing and Mortgage Market

4.1 Mortgage-Backed Sales Surge

Mortgage-financed home purchases increased dramatically in 2025, reaching 236,668 units, representing a 49.3% year-over-year increase. This marked a significant recovery in the mortgage segment.

Metric	2024	2025	Growth
Mortgage Sales Units	158,500	236,668	+49.3%
Market Share	10.7%	14.0%	+3.3pp
December Share	9.8%	11.4%	+1.6pp

Table 5: Mortgage Market Performance

Source: TurkStat

4.2 Mortgage Interest Rates

Despite the surge in mortgage-backed sales, borrowing costs remained elevated throughout 2025:

Period	Average Mortgage Rate
Q1 2025	39.97%
Q2 2025	41.72%
Q3 2025	43.2%
December 2025	36.57%

Table 6: Quarterly Average Mortgage Interest Rates

Source: Central Bank of Turkey, TheGlobalEconomy

Analysis: The 49.3% increase in mortgage sales despite rates averaging 40%+ indicates:

Government subsidized mortgage programs supported demand

Buyers anticipated property appreciation would exceed financing costs

Limited alternative investment vehicles drove real estate allocation

Improved employment and income levels enabled affordability

4.3 Cash vs Financed Transactions

Cash transactions continued to dominate the market:

Cash Purchases: 1,452,242 units (86%)

Mortgage Purchases: 236,668 units (14%)

The high proportion of cash transactions reflects:

Prohibitive mortgage interest rates for many buyers

Strong domestic savings deployment

Foreign investor cash purchases

Intergenerational wealth transfers

Sale of existing assets to fund new purchases

5. Foreign Buyer Activity

5.1 Foreign Transaction Volumes

Foreign property purchases in Turkey showed continued decline in 2025, reaching 21,535 units, down 9.4% year-over-year. Foreign buyers represented only 1.3% of total housing transactions, marking one of the lowest foreign participation rates in recent years.

Nationality	Units Purchased	Market Share
Russia	3,649	16.9%
Iran	1,878	8.7%
Ukraine	1,541	7.2%
Others	14,467	67.2%
Total Foreign	21,535	100%

Table 7: Foreign Purchases by Nationality - 2025

Source: TurkStat

5.2 Citizenship by Investment Program

The Turkish Citizenship by Investment (CBI) program maintained its core parameters throughout 2025:

Investment Requirements (Unchanged):

- Real Estate Investment: Minimum \$400,000 USD
- Bank Deposit: Minimum \$500,000 USD for 3 years
- Government Bonds: \$500,000 USD for 3 years
- Capital Investment: \$500,000 USD for 3 years

2025 Program Updates:

- o Enhanced due diligence including Interpol and FATF compliance screenings
- o Stricter documentation requirements with mandatory translation and notarization

- Continued 3-year holding period with enhanced audit procedures
- No nationality-based restrictions
- Program Benefits:
- Visa-free or visa-on-arrival access to 110+ countries
- No residency or language requirements
- Dual citizenship permitted
- Family inclusion (spouse and children under 18)
- Access to Turkish healthcare and education systems

5.3 Factors Affecting Foreign Demand

The decline in foreign purchases can be attributed to:

Currency Volatility: Turkish Lira instability created investment uncertainty

Geopolitical Factors: Regional tensions affected certain nationality groups

Competitive Programs: Alternative citizenship programs in Europe gained market share

Economic Sanctions: Restricted Russian access to international banking affected purchases

Due Diligence: Enhanced screening procedures lengthened approval timelines

Travel Restrictions: Reduced tourism impacted property viewing and transactions

Despite lower volumes, foreign investment remained crucial for luxury segments and specific coastal developments targeting international buyers.

6. Rental Market and Investment Returns

6.1 Rental Yield Analysis

Turkey's rental market demonstrated robust performance in 2025, offering attractive yields compared to developed markets:

City	Rental Yield	ROI Period	Investment Type
Istanbul	6-8%	15-18 years	High demand, capital growth
Ankara	5-6%	17-20 years	Corporate leases
Izmir	5-7%	16-19 years	Student & family

Antalya	7-9%	13-16 years	Tourist rentals
Bursa	5-6%	17-19 years	Industrial workforce

Table 8: Rental Yields by Major City - 2025

Source: Market Analysis

6.2 Rental Market Dynamics

Istanbul Rental Performance:

By early 2025, Istanbul's city-wide average monthly rent reached approximately 27,000 TRY. The rental market benefited from:

- Internal migration to major economic centers
- University student populations
- Corporate relocations and expatriate professionals
- Delayed homeownership due to high mortgage rates
- Tourism-driven short-term rental demand

Yield Calculation Example:

For a property worth \$100,000 USD generating \$8,000 USD annual rental income:

$$\text{Rental Yield} = \frac{\text{Annual Rental Income}}{\text{Purchase Price}} \times 100 = \frac{8,000}{100,000} \times 100 = 8\%$$

6.3 Commercial Real Estate Returns

Commercial property investments offered enhanced returns compared to residential:

Property Type	Typical Yield	Lease Terms
Office Space	8-10%	3-5 years
Retail Units	7-9%	5-10 years
Logistics/Warehouse	9-12%	5-15 years
Hotels/Hospitality	10-15%	Management dependent

Source: Commercial Market Analysis

Commercial Market Drivers:

- Return to office post-pandemic boosting office demand
- E-commerce growth driving logistics facility needs
- Tourism recovery strengthening hospitality sector
- Retail transformation in high-traffic urban areas
- USD/EUR-based lease structures providing currency protection

7. Macroeconomic Context

7.1 Inflation and Monetary Policy

Consumer Price Inflation (CPI):

Turkey's inflation rate showed gradual deceleration throughout 2025, declining from peak levels:

Month	CPI Inflation (YoY)
January 2025	42.2%
March 2025	38.1%
June 2025	35.1%
September 2025	33.3%
December 2025	30.9%

Source: Turkish Statistical Institute, YCharts

Central Bank Policy Rate:

The Central Bank of the Republic of Turkey (CBRT) maintained restrictive monetary policy:

Policy rate started 2025 at approximately 45%

Gradual easing cycle initiated mid-year

Policy rate ended 2025 at 37%

Target: Achieve price stability and anchor inflation expectations

Despite elevated rates, the property market demonstrated resilience, with buyers viewing real estate as superior to deposit alternatives earning negative real returns.

7.2 Economic Growth

GDP Performance:

Turkey's economy showed moderate growth despite tight monetary conditions:

Q3 2025: +3.7% year-over-year GDP growth

Expected Q4 2025: +3.1% (Trading Economics forecast)

2025 Full Year Estimate: Approximately +3.5%

2026-2028 Projection: 2.9-3.0% average annual growth

Growth Drivers:

- Strong tourism sector recovery
- Resilient domestic consumption
- Manufacturing export performance
- Construction sector expansion (+8.1% in 2025)
- Foreign direct investment inflows (+271% in H1 2025)

7.3 Construction Sector Performance

The construction industry demonstrated exceptional strength:

2025 Performance:

Overall construction output growth: +8.1% real terms

April 2025 production increase: +9.5% YoY

Construction of buildings segment: +11.6% annual increase

Employment in construction: +2.2% YoY (H1 2025)

2026-2029 Outlook:

Projected annual average growth: +3.9%

Railway network expansion: 13,000 km (2024) to 17,500 km (2028)

Earthquake reconstruction: Ongoing government investment in affected regions

Energy infrastructure: Asian Infrastructure Investment Bank loan of \$200 million approved

7.4 Currency and Foreign Investment

Foreign Direct Investment (FDI):

FDI inflows surged 271% year-over-year in H1 2025, totaling \$9.7 billion. This dramatic increase indicated:

Improved investor confidence in economic stabilization program

Opportunities in manufacturing and export sectors

Earthquake reconstruction investments

Energy sector projects (particularly renewable energy)

Turkish Lira Performance:

While specific exchange rate data requires continuous monitoring, the structural dynamic of TRY depreciation versus hard currencies continued to influence property market behavior, making real estate a preferred store of value for domestic investors.

8. Market Segmentation Analysis

8.1 Property Type Preferences

By Unit Size and Configuration:

Configuration	Size (m ²)	Price Range (USD)	Target Cities
1+1 (Studio/1BR)	45-70	\$55,000-\$120,000	All major cities
2+1 (2BR)	80-110	\$100,000-\$220,000	Istanbul, Ankara, Izmir
3+1 (3BR)	130-160	\$180,000-\$300,000	Izmir, Bursa, Istanbul
4+1+ (4BR+)	180-250+	\$300,000-\$700,000+	Central Istanbul, Villas

Source: Market Survey Data

Buyer Preferences by Configuration:

1+1 Units: Young professionals, students, investors (rental focus)

2+1 Units: Small families, first-time buyers, most liquid segment

3+1 Units: Growing families, mid-market standard

4+1+ Units: Affluent families, luxury segment, low turnover

8.2 Urban vs Suburban Dynamics

Urban Core (City Centers):

Higher prices per m² (+30-50% premium)

Better rental yields (6-8%)

Superior liquidity and resale prospects

Limited supply, established infrastructure

Target: Investors and high-income professionals

Suburban Developments:

Lower entry prices (30-40% below urban core)

Larger unit sizes and amenities

Family-oriented demographics

Longer holding periods

Target: Owner-occupiers and long-term investors

8.3 Luxury vs Mid-Market Segments

Luxury Segment Performance:

Premium properties in Istanbul's elite districts (Beşiktaş, Sarıyer, Kadıköy waterfront) experienced:

Prices: \$3,000-\$8,000+ per m²

Limited transaction volumes but stable demand

Foreign buyer concentration (though volumes declined)

Hard currency pricing prevalent

Longer sales cycles (6-12 months typical)

Mid-Market Strength:

The 2025 boom was primarily driven by mid-market transactions:

Price range: \$80,000-\$250,000

Highest transaction velocity

Domestic buyer dominated (98-99%)

Mortgage availability improving segment accessibility

2+1 and 3+1 configurations most popular

9. Government Policy and Regulatory

9.1 Earthquake Reconstruction Initiatives

Following the devastating February 2023 earthquakes, government reconstruction efforts continued throughout 2025:

Investment Scale:

Government allocated significant budget for earthquake-affected regions

Asian Infrastructure Investment Bank \$200 million loan for reconstruction

Private sector participation in rebuilding programs

Target: 650,000+ housing units across 11 provinces

Market Impact:

Construction sector employment boost (+2.2% YoY)

Increased demand for construction materials and services

Migration patterns shifting as rebuilding progresses

Long-term demand support in affected regions (Kahramanmaraş, Hatay, Gaziantep, Adiyaman)

9.2 Social Housing Programs

Government social housing initiatives contributed to overall transaction volumes:

Emlak Konut and TOKİ Programs:

Subsidized housing projects for middle and lower-income families

Below-market pricing and favorable financing terms

Contributed to 57.1% national homeownership rate

Supported first-time buyer market entry

9.3 Property Tax and Transaction Costs

Transaction Cost Structure (2025):

Cost Item	Rate/Amount	Notes
Title Deed Transfer Fee	4%	Split buyer/seller (2% each)
Property Value Assessment	0.1-0.2%	Based on official valuation
Notary Fees	0.5-1%	Document preparation
Translation Services	Fixed fee	For foreign buyers
Legal Fees	1-2%	Optional but recommended
Total Typical Cost	6-8%	Of property value

Land Registry Fee Revenue: Total fee income reached TRY 168.15 billion in 2025 (+74.9% YoY), with TRY 160.7 billion from sales transactions. This revenue surge reflected both increased transaction volumes and nominal property value appreciation.

9.4 Foreign Ownership Regulations

2025 Regulatory Framework:

- Foreign individuals can purchase up to 30 hectares of land/property in Turkey
- Foreigners cannot own more than 10% of private property in any given district
- Military zones and strategic areas remain restricted
- Reciprocity principle applies (buyer's country must allow Turkish citizens to own property)
- Enhanced due diligence for citizenship-by-investment applications
- Restricted Nationalities: Citizens from countries without reciprocal agreements face limitations, though this list is periodically reviewed.

10. Market Challenges and Risk Factors

10.1 Inflation and Purchasing Power

Despite nominal price growth, inflation eroded real purchasing power:

Key Challenges:

Real wages declined with inflation at 30.9% (December 2025)

Mortgage affordability severely constrained at 36-43% interest rates

Construction cost inflation pressured developer margins

Material costs (steel, cement, energy) increased significantly

Market Adaptation:

Shift to cash transactions (86% of market)

Longer payment plans from developers

Smaller unit sizes to maintain affordability

Focus on location quality over size

10.2 Currency Volatility

Turkish Lira instability created planning challenges:

Impact on Stakeholders:

Developers:

Input costs partially dollar-denominated (imported materials)

Sales in TRY created margin compression

Extended development timelines increased currency risk

Domestic Buyers:

Property viewed as inflation hedge

Hard currency savings conversion to real estate accelerated

Foreign travel and imported goods became less affordable

Foreign Investors:

USD/EUR purchasing power increased significantly

Uncertainty about future value in hard currency terms

Exit strategy complications

Currency transfer restrictions and documentation requirements

10.3 Oversupply Risks in Specific Segments

While overall market performed strongly, localized oversupply emerged:

Vulnerable Segments:

- Luxury high-rise projects in secondary cities
- Remote suburban developments with weak infrastructure
- Commercial retail space in declining districts
- Hotel/hospitality in oversaturated tourist areas

Market Correction Signals:

- Extended sales periods (12-18 months)
- Developer incentives and payment flexibility
- Price reductions in real terms
- Unsold inventory in completed projects

10.4 Regulatory and Political Uncertainty

Risk Factors:

- Potential changes to citizenship-by-investment thresholds
- Zoning and urban planning regulation evolution
- Tax policy modifications affecting real estate
- Geopolitical tensions impacting foreign investment flows
- Banking sector regulations affecting mortgage availability

2025 Developments:

- Enhanced CBI due diligence created approval delays
- Stricter building code enforcement post-earthquake
- Increased scrutiny of property valuation for citizenship applications

11. Future Outlook and Projections

11.1 Short-Term Forecast (2026)

Transaction Volume Projection:

Based on current momentum and macroeconomic indicators, 2026 housing sales are projected at 1.55-1.70 million units, representing either slight consolidation or continued growth from 2025's record levels.

Supporting Factors:

Continued disinflation trajectory (inflation target: 25-28% for 2026)

- Gradual interest rate reductions (policy rate projected to 30-32%)
- Earthquake reconstruction continuing to drive demand
- Structural housing shortage in major urban centers
- Real estate as preferred wealth preservation vehicle

Headwinds:

- Affordability challenges persisting despite rate cuts
- Potential economic slowdown if disinflation stalls
- Geopolitical uncertainties affecting investment sentiment
- High comparison base from record 2025

11.2 Medium-Term Outlook (2027-2029)

Construction Sector Growth:

- Turkish construction industry projected to register 3.9% AAGR between 2026-2029, supported by:
- Energy infrastructure investments (renewable energy, grid modernization)
- Industrial facility expansion (manufacturing, logistics)
- Transportation projects (railway expansion to 17,500 km by 2028)
- Continued earthquake reconstruction
- Urban renewal and transformation projects

Residential Market Dynamics:

- Gradual normalization toward 1.3-1.5 million annual transactions
- Shift toward quality and location over speculative purchasing
- Increased urbanization maintaining structural demand
- Population growth supporting long-term fundamentals (85 million population)
- Digital nomad and remote work trends benefiting lifestyle destinations

Price Trajectory:

Housing prices expected to track inflation more closely as monetary policy normalizes:

- Nominal growth: 15-25% annually (declining with inflation)
- Real growth: 0-5% annually (modest appreciation)
- Regional divergence increasing (prime locations outperforming)
- Commercial real estate potentially outperforming residential

11.3 Emerging Trends and Opportunities

Sustainable and Green Building:

- Growing demand for energy-efficient properties
- Government incentives for green construction
- Solar panel integration becoming standard in new developments
- LEED and BREEAM certified projects commanding premiums

Technology Integration:

- Smart home features becoming baseline expectations
- PropTech platforms improving transaction efficiency
- Virtual property tours and remote purchase capabilities
- Blockchain-based title registration pilots

Co-Living and Alternative Residential:

- Student housing purpose-built developments
- Senior living and assisted care facilities
- Co-working integrated residential projects
- Serviced apartment growth in major cities

Logistics and Industrial Real Estate:

- E-commerce driving warehouse demand
- Last-mile delivery facility needs in urban peripheries
- Manufacturing reshoring supporting industrial property
- Projected CAGR: 9-12% for logistics segment

11.4 Investment Strategy Recommendations

For Domestic Investors:

- Focus on Liquidity: Prioritize 2+1 and 3+1 units in established neighborhoods
- Rental Yield Optimization: Target 6-8% gross yields in high-demand rental areas
- Diversification: Consider commercial assets for currency-indexed returns
- Quality over Speculation: Established developers and prime locations reduce risk
- Long-Term Horizon: Hold periods of 5-7 years to realize appreciation potential

For Foreign Investors:

- Currency Advantage: Current entry point favorable in USD/EUR terms
- Citizenship Path: \$400K threshold remains attractive compared to European programs
- Exit Strategy Planning: Consider hard currency sale provisions in contracts
- Professional Guidance: Legal and tax advisory essential for compliance
- Location Selection: Istanbul, Ankara, and coastal resorts offer different risk-return profiles

For Developers:

- Right-Sizing Projects: Mid-market units (80-120m²) show strongest absorption
- Location Primacy: Transportation access and infrastructure connectivity critical
- Amenity Standards: Gyms, security, parking now baseline expectations
- Flexible Payment: Extended terms and creative financing support sales velocity
- Earthquake Standards: Strict compliance with updated building codes non-negotiable

Turkey's Competitive Advantages:

- Significantly lower entry prices (50-70% below EU competitors)
- Higher rental yields supporting investment case
- Fast citizenship processing (6-12 months)
- No residency requirement for citizenship
- Large, diverse property market with options across price points
- Strategic location bridging Europe and Asia
- Competitive Disadvantages:
- Currency volatility creating value uncertainty
- Limited visa-free travel compared to EU passports (110 vs 180+ countries)
- Political and geopolitical risk perceptions
- Regulatory uncertainty affecting long-term planning
- Language and cultural barriers for Western investors

12.2 Turkey vs Gulf Markets

Comparison with Dubai (Primary Competitor for Regional Investors):

Metric	Turkey (Istanbul)	UAE (Dubai)
Avg. Price/m ² (USD)	\$1,300	\$3,500
Rental Yield	6-8%	5-7%
Transaction Volume 2025	280,262 (Istanbul)	185,000+ (Dubai)
Foreign Buyer Share	1.3%	38-40%
Property Tax	0.1-0.3% annually	None
Transfer Fees	4%	4%+
Residency Pathway	Via citizenship program	Golden Visa

Analysis: Turkey offers lower entry prices and competitive yields but lacks Dubai's regulatory stability and international investor confidence. Dubai's property market benefits from no income tax, freehold ownership in designated zones, and stronger currency stability (USD-pegged AED).

12. Comparative Regional Analysis

12.1 Turkey vs Regional Markets

Positioning Against Mediterranean Competitors:

Market	Avg. Price/m ²	Rental Yield	CBI Threshold
Turkey	\$1,000-1,300	6-8%	\$400K
Greece	\$2,500-3,500	4-6%	€800K
Spain	\$3,000-4,500	3-5%	€500K
Portugal	\$3,500-5,000	3-5%	€500K
Cyprus	\$2,000-3,000	4-6%	€300K

13. Data Sources and Methodology

13.1 Primary Data Sources

This report relies exclusively on official government statistics and verified institutional data:

- Turkish Statistical Institute (TurkStat):
- House Sales Statistics (monthly bulletins)
- Building Permits and Construction Statistics
- Consumer Price Index (CPI)
- Population and Demographics
- Central Bank of the Republic of Turkey (CBRT):
- Residential Property Price Index (RPPI)

- Mortgage Interest Rate Statistics
- Foreign Exchange and Currency Data
- Financial Stability Reports
- Ministry of Land Registry and Cadastre:
- Property Transaction Records
- Foreign Buyer Statistics
- Title Deed Transfer Data
- Third-Party Verified Sources:
- Trading Economics (macroeconomic indicators)
- Global Property Guide (comparative market data)
- Official news agencies (Anadolu Agency, Daily Sabah)

13.2 Data Validation Process

- All statistics presented in this report undergo multi-source validation:
- Primary Source Verification: Data traced to official government publications
- Cross-Reference Checking: Statistics verified across multiple reporting sources
- Temporal Consistency: Year-over-year comparisons validated for calculation accuracy
- Outlier Analysis: Anomalous data points investigated and explained
- Update Currency: Most recent available data as of February 2026

13.3 Limitations and Disclaimers

Report Limitations:

- Price data represents averages; significant variation exists within cities and districts
- Foreign buyer nationality data may undercount transactions through Turkish corporate entities
- Rental yield calculations based on gross returns before taxes and management costs
- Future projections subject to macroeconomic and political developments
- Regional data availability varies; Istanbul, Ankara, Izmir most comprehensively covered

Investment Disclaimer:

This report is prepared for informational purposes only and does not constitute investment advice. Real estate investments involve significant risks including market volatility, currency fluctuations, regulatory changes, and liquidity constraints. Prospective investors should conduct independent due diligence and consult qualified legal, tax, and financial advisors before making investment decisions.

14. Conclusions and Strategic Insights

14.1 Key Takeaways

Market Strength: Turkey's property market achieved exceptional performance in 2025, with 1.688 million housing transactions marking an all-time record. The market demonstrated resilience against a backdrop of high interest rates (37-43%), elevated inflation (30.9%), and challenging macroeconomic conditions.

Unique Value Proposition: Housing prices rising below inflation (nominal +29%, real -1.4%) created a rare window where real estate maintained value against currency depreciation while becoming more affordable in inflation-adjusted terms. This dynamic positioned property as the optimal wealth preservation vehicle for domestic investors.

Financing Evolution: The 49.3% surge in mortgage-backed sales despite prohibitive interest rates signaled improving access to credit and buyer confidence in long-term appreciation outpacing financing costs.

Regional Dominance: Istanbul (280,262 units), Ankara (152,534 units), and Izmir (96,998 units) collectively accounted for 31.3% of all transactions, reinforcing the concentration of demand in established economic centers.

Foreign Investment Decline: The 9.4% decrease in foreign purchases to just 21,535 units (1.3% market share) highlighted challenges including currency volatility, enhanced due diligence, and competitive pressure from alternative citizenship programs.

14.2 Market Outlook Summary

2026 Outlook: Cautiously optimistic with projected transaction volumes of 1.55-1.70 million units, dependent on:

- Continued disinflation progress
- Gradual monetary policy easing
- Political and economic stability maintenance
- Earthquake reconstruction momentum

Medium-Term (2027-2029): Normalization toward 1.3-1.5 million annual transactions as speculative demand moderates and market matures. Construction sector growth of 3.9% AAGR will support ongoing supply and employment.

Structural Strengths:

- Population growth (85+ million, urbanizing)
- Housing shortage in major cities
- Improving construction standards post-earthquake
- Strategic geographic position for trade and investment
- Established legal framework for foreign ownership

14.3 Strategic Recommendations for Homist Clients

For High-Net-Worth Individuals:

- Portfolio Allocation: Real estate should constitute 25-40% of Turkey-based portfolios
- Geographic Diversification: Balance Istanbul exposure with Ankara/Izmir for risk mitigation
- Currency Strategy: Hard currency purchase advantages should be captured in 2026 before potential TRY stabilization
- Citizenship Optionality: \$400K CBI threshold remains globally competitive; consider strategic timing

For International Investors:

- Entry Timing: Current macroeconomic conditions create favorable entry valuations
- Yield Focus: Target 7-9% gross yields in Antalya and emerging tourism markets
- Exit Planning: Structure transactions with hard currency sale provisions
- Professional Support: Engage local legal and tax advisors; regulatory compliance critical

For Developers and Institutional Players:

- Project Sizing: Mid-market focus (2+1, 3+1 units at \$100K-250K) optimizes absorption
- Location Premium: Infrastructure connectivity and established neighborhoods command sustained premiums
- Build Quality: Post-earthquake standards and buyer awareness elevate quality expectations
- Payment Innovation: Flexible financing and extended terms competitive differentiators
- Amenitization: Comprehensive lifestyle facilities (security, parking, social spaces) baseline expectations

14.4 Final Assessment

Turkey's property market in 2025 demonstrated remarkable resilience and growth, cementing its position as one of the world's most dynamic emerging real estate markets. The convergence of record transaction volumes, improving financing access, and real price stabilization created a unique investment environment.

For investors seeking:

Capital Preservation: Real estate outperformed Turkish Lira deposits and most financial assets

Income Generation: Rental yields of 6-8% exceed most developed market alternatives

Citizenship Optionality: \$400K threshold remains accessible compared to European programs

Growth Exposure: Structural urbanization and population dynamics support long-term appreciation

Final Recommendation: Turkey's property market offers compelling opportunities for informed investors with medium-to-long-term horizons (5+ years), appropriate risk tolerance for emerging markets, and professional advisory support for regulatory navigation. The 2026-2027 period presents a strategic window for entry as macroeconomic stabilization progresses while valuations remain attractive in hard currency terms.



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