

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş



## PROJECT APPRAISAL REPORT

Date: 30.09.2011

R.No: 2011REV368



ISO9001:2008  
FS 509685

AKFEN  
GAYRİMENKUL  
YATIRIM ORTAKLIĞI  
A.Ş.

İBİS HOTEL PROJECT

ESENYURT/İSTANBUL

# **AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

We hereby state the following matters regarding the appraisal report prepared by **TSKB Gayrimenkul Değerleme A.Ş.** for **Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.**, on the date of **30.09.2011** with the report number **2011REV368**;

- The findings presented in the report are correct to the best of the knowledge of the appraiser
  - The analyses and the results are only limited to the specified assumptions and conditions;
  - The appraiser has no interest whatsoever related to the property which is subject to the valuation;
  - The appraiser's remuneration does not depend on any section of the report;
  - The appraiser was realized in accordance with the ethic rules and the performance standards;
  - The appraiser possesses the professional education requirements;
  - The appraiser has previous experience in the subject of the location and type of the property which is being valuated;
  - The Appraiser has personally inspected the property; with the exclusion of the persons mentioned in the report no other person has contributed professionally to the preparation of this report.
  - This appraisal report has been prepared further to the related provisions of the Capital Markets Regulation.
-

## EXECUTIVE SUMMARY

### OPEN ADDRESS OF PROPERTY

Yakuplu Quarter, section 404, parcel no: 39, Esenyurt/İSTANBUL.

### USE OF PROPERTY

Plot of 1,755.37 sqm, on which a 3-star hotel construction has been started.

### TITLE DEED INFORMATION

The immovable property under the ownership of "Akfen Gayrimenkul Yatırım Ortaklığı A.Ş." with a surface area of 1.755,37 square meters qualified as "ground plot" with plate F21d24d3a, block 404, parcel 39, in the location of Londra Asfaltı, in the neighborhood of Yakuplu, Esenyurt Administrative District in the province of Istanbul.

### ZONING STATUS

Subject immovable property has been declared "Touristic Facility Area" with Equivalent: 2,75 with the council decision dated 08 April 2010 and numbered 2010/82 of Esenyurt Municipality and the council decision dated 17 September 2010 and numbered 2010/2033 of the Metropolitan Municipality of Istanbul. Conditions are as follows;

- E:2,75
- The setback distances are 20 m. from the front, 5 m. from the sides

#### TOTAL FAIR MARKET VALUE OF THE PROJECT AS OF 30.09.2011 (Excluding VAT)

34.460.000.-TL

(Thirtyfourmillionfourhundredsixtythousand.-  
TurkishLiras)

13.700.000.- EURO

(Thirteenmillionsevenhundredthousand.-  
EURO)

#### TOTAL FAIR MARKET VALUE OF THE PROJECT AS OF 30.09.2011 (Including VAT)

40.622.800.-TL

(Fourtymillionsixhundredtwentytwothousand.-  
TurkishLiras)

16.166.000.-EURO

(Sixteenmilliononehundredsixtysixthousand.-  
EURO)

#### TOTAL PRESENT STATUS VALUE OF THE PROJECT ON 30.09.2011 (Excluding VAT)

10.130.000- TL

(Tenmilliononehundredthirtythousand  
.-TurkishLiras)

4.030.000- EURO

(Fourmillionthirtythousand  
.-EURO)

#### TOTAL PRESENT STATUS VALUE OF THE PROJECT ON 30.09.2011 (Including VAT)

11.953.400.-TL

(Elevenmillionninehundredfiftythreehousand  
fourhundred.-TurkishLiras)

4.755.400.-EURO

(Fourmillionsevenhundredfiftyfivethousandfour  
hundred.-EURO)

- Exchange rate has been taken as EURO 1 = TL 2,5157. The value in EURO is given only for information.
- This page is an inseparable part of the appraisal report, it is complete with the detailed information in the report and it can not be used separately

Mehmet ASLAN  
Appraiser (401124)

Fatih TOSUN  
Appraiser in Charge (400812)

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**SECTION 1**  
**REPORT,**  
**COMPANY AND CUSTOMER INFORMATION**

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## SECTION 1

### REPORT, COMPANY AND CUSTOMER INFORMATION

#### 1.1 Report Date and Number

This report was issued by our company on 30.09.2011 and number 2011REV368 with reference to the request dated 06.09.2011 and made by the firm, titled as Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

#### 1.2 Report Type

This is the project appraisal report prepared in order to determine the fair market value in Turkish Liras on 28.02.2011 for the project to be developed in Istanbul province, Esenyurt district, Yakuplu quarter, in the location of Londra Asfaltı, plot F21d24d3a, section 404, parcel no. 39. The report has been prepared according to the provisions of the declaration of the Board of Capital Markets.

#### 1.3 People Issuing the Report

This appraisal report has been prepared through using the information obtained from the people – organizations – institutions as a result of the inspection at the place of the property. This report has been prepared by Mehmet ASLAN and by appraiser in charge Fatih TOSUN.

#### 1.4 Appraisal Date

This appraisal report is prepared with reference to the studies started on 13.09.2011 and finished on 30.09.2011. Not only examinations conducted at real estate location, municipality and land registry but also office work is done during appraisal study.

#### 1.5 Base Contract

This appraisal report was issued in accordance with the provisions of the base contract that was executed by and between Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and our Company on 07.09.2011 and has determined the rights and obligations of the contractual parties.

#### 1.6 Factors Affecting the Appraisal Process Negatively

There are not any negative factors that affect or limit the appraisal process in general aspect.

#### 1.7 The Scope of the Client Demands and Delimitation

This real estate appraisal report has been prepared further to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş request dated 06.09.2011, and in accordance with the provisions of the capital markets legislation in effect on the subject property. No restrictions were imposed by the customer during the valuation study.

#### 1.8 The Information on the Last Three Appraisal Studies Performed by Our Company on the Subject Property of the Study on Previous Dates

	Report-1	Report-2	Report-3
Report Date	30.06.2010	31.12.2010	28.02.2011
Report No	2010REV195-8	2010REV387-8	2011REV78-8
People Issuing the Report	Hüsniye BOZTUNÇ Adem YOL	Hüsniye BOZTUNÇ Adem YOL	Hüsniye BOZTUNÇ- Adem YOL
Total Fair Market Value Of The Project (TL)	8.447.000	20.297.000.-TL	25.468.000.-TL

# **AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

## **1.9 Company's Information**

Our Company was established with a capital amount of NTRL 300.000 in order to engage in providing works and services described as Expertise and Appraisal according to the Articles of Association of the Company published in the Trade Registration Journal dated September 13, 2002 and issue no. 5676.

Our Company is taken on the lists of companies, which will offer appraisal services, within the framework of the Capital Market Board (SPK) legislation by the letter of SPK dated February 03, 2003 and no. KYD-66/001347, of Capital Market Board of the Prime Ministry.

## **1.10 Client Information**

This appraisal report has been prepared for Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., located at the address of Büyükdere Avenue, No: 201, Block C, Floor: 8, Levent / İSTANBUL.

**SECTION 2**

**DEFINITION AND SCOPE OF THE APPRAISAL**



## SECTION 2

### DEFINITION AND SCOPE OF THE APPRAISAL

#### 2.1 The Methods Used in the Appraisal

There are three different valuation methods, which can be utilized in our country. There are respectively, "Sales Comparison Approach", "Income Capitalization Approach" and the "Cost Approach" methods.

##### 2.1.1 Sales Comparison Approach

This sales comparison approach takes into account the sales of similar or substitute properties and the related market datas and realizes the appraisal based on a comparative transaction. In general the property, which is being evaluated, is compared with the sales of similar properties in the open market.

##### 2.1.2 Income Capitalization Approach

This comparative approach takes into account the income and expense datas related to the property being evaluated and makes the appraisal with the reduction method. The reduction is related to the income converting the income amount to value appraisal and to the type of value. This transaction, takes into account product or discount rates or both. In general the principle of substitution with the income flow providing the highest investment income with a defined risk level is proportionate with the most probable value figure.

##### 2.1.3 Cost Analysis Approach

In this method, the reconstruction cost of an existing building in the framework of the current economic conditions is considered as basis for a property valuation. In this respect, the main principle of the cost approach can be explained with the use value. The use value is described as 'Even if no one wants it and no one knows its price an asset has a real value'.

In this method, it is accepted that the real property has an important remaining economical life expectancy. For this reason, it is assumed that the property's value will decrease in time due to physical wear, as it becomes outmoded economically and functionally. In other words, it is accepted that the value of the building of an existing property will never be more than its reconstruction cost.

The building cost values of the property have been appraised by taking into account the Ministry of Public Works Construction unit costs, the technical specifications of the buildings, the materials used in the buildings, the construction costs of the buildings with same specifications constructed in the market, interviews with the contracting companies and costs calculated by us based on previous experiences.

The rate of depreciation in the buildings has been calculated by taking into account the table published in the Official Gazette indicating the depreciation in the buildings according to years and the visible state of the building.

It is accepted that the value of the property is consisting of two separate physical facts being the land and the buildings.

##### 2.1.4 Development Approach Method

The purpose of an investment is to produce goods or services, to put them into the market and make profit consequently. The commercial profitability of the investment depends on sufficient demand for the goods or services to be produced and their sales with the prices that would provide possibility to obtain the expected profitability. The examination of the

project for the entrepreneur covers the examination and evaluation of the industry where the subject product of the project is positioned and the anticipations regarding the future. The evaluation of the market where the subject goods or services of the project are positioned can be examined as the current situation and the expectations for the future.

The expenses to be made in the case the project is constructed have been estimated, and another estimations has been held considering the marketing policies of the company and the generally feasibility principles. The income estimation of the project in the case of its development has been made, and assumptions have been held during this estimation. In these assumptions, the condition of the industry and the statistical figures of the similar projects near to the location of the project have been benefited from.

Later, the performance estimation of the project was made and its net value under today's conditions in the case it was constructed have been calculated from this performance estimation. The assumptions made in the study were partially explained while the details were kept reserved by the expert.

## 2.2 Definitions and Model of the Calculation Methodology

### 2.2.1 Definitions and Model of the Calculation Methodology

#### Risk Free Rate

The foreign exchange bonds secured by the state treasury and sold on offshore markets, also covering the risk of country are named as "Eurobond". They are issued with various maturities, while they can be purchased or sold on a daily basis on the market. These bonds are used as an indicator of the risk free rate, which is used as the basis for financial calculations in Turkey. The most liquid Eurobond on the markets is the Eurobond with maturity in 2030, and it has the attributes required to be an indicator bond.

#### Variant on the risk-free rate<sup>1</sup>

There have been 3 different approaches for calculating risk-free rate.

**Variant 1:** A short term government security rate is used as the risk free rate, and the historical premium earned by a broad equity market index over and above this security rate is used to estimate the expected return on the market. The cost of equity, thus obtained, is then used as the discount rate for each year's cash flows.

**Variant 2:** The current short term government security rate and the market's historical premium are used to calculate the cost of the equity for the first period (year). The forward rates built in to future time periods, which are used to calculate the cost of equity for future years.

**Variant 3 :** The current long term government-bond rate (with the duration of the bond matched up to the duration of the asset) is used as the risk-free rate, and the historical premium earned by a broad market index above this long term government security rate is used to estimate the expected return on the market. The cost of equity, calculated using these inputs, is used as the discount rates each year's cash flows. Eurobond does not include the market risk for the performed work, although it includes the country and political risk.

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<sup>1</sup> Damodaran on Valuation ,Security Analysis for Investment and Corporate Finance, Section 3 : Estimation of Discount Rates p.25

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Variant 3 has been selected as the method in the assumptions our company has made by using all these data. However, especially when assessing the value of the real estates with long-term commercial lifetime, an asset appropriate for the commercial lifetime of the real estate does not exist. For that reason, our company suggests appropriate bonds for each projects regarding their duration as a risk free return rate. The chosen bonds vary according to the duration of projects and to the rate of exchange. This rate also covers the country risk. In addition to hat, the rates suggested by Damodaran for use in accordance with its Financial Market Characteristics are as follows:

Financial Market Characteristics <sup>2</sup>	Premium Cover Govt.Bond Rate
Emerging markets with political risk (South America, Eastern Europe)	8.5 % over govt. bond Rate
Developed Markets with limited listings (Western Europe, minus Germany and Switzerland)	4.5 - 5.5% over govt. bond rate
Developed Markets with limited listings and stable economies (Germany and Switzerland)	3.5 - 4% over govt. bond rate

## Market Risk Premium- Market Index

The market index shall be constituted from data and risks such as the conditions of the market and competition in which the real estate, the place, commercial status of the real estate, and its comparison with similar other ones in the industry. Consequently, the market risk of a real estate with a lower performance will be higher.

The figures used in our studies consist of the data, which has been obtained as a result of criticizing our experiences arising from the shopping centre appraisal studies we have performed so far in various cities of Turkey.

## Discount Rate (Risk Free Rate+ Market Risk Premium = Discount Rate)

A rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, i.e., the rate of return the capital can earn if put to other uses having similar risk. Also called yield value.

Discount rates contain all risk premiums. (Country risk, market risk...)

Discount rate is the sum of risk free rate and the market risk premium.

IAS 36 para. 48, states that “ the discount rate (or rates) should be a pre-tax rate (or rates) that reflect (s) current market assessments of the time value of money and the risks specific to the asset. The discount rate (s) should not reflect risks for which future cash flow estimates have been adjusted.” It is also true that other measures of income or cash flow may be used so long as the discount rate(s) are appropriately matched with the income flow(s).

<sup>2</sup> Damodaran on Valuation ,Security Analysis for Investment and Corporate Finance, Section 3 : Estimation of Discount Rates p.23

Income rate for a total real property interest that reflects the relationship between single year's net operating income and the total property price or value; used to convert net operating income into an indication of overall property value.

## **Other point of view: The Capital Asset Pricing Model (CAPM)**

CAPM model measures risk in terms of on diversifiable variance and relates expected returns to this risk measure. It is based upon several assumptions, that investors have homogeneous expectations about asset returns and variances, that they can borrow and lend at a risk-free rate, that all assets are marketable and perfectly divisible, that there are no transactions costs, and there are no restrictions on short sales. With these assumptions the non-diversifiable risk for any asset can be measured by the covariance of its returns with returns on a market index, which is defined to be asset's beta. If the beta for the equity in the company can be estimated, the cost of the equity will be the required return,

$$\text{Cost of equity} = R_f + \text{Equity beta} (E(R_m) - R_f)$$

Where  $R_f$  = Risk Free rate

$E(R_m)$  Expected Return on the market index

## **Analysis Of The Methods Used In The Appraisal**

CAPM Model has not been used within the scope of the appraisal study.

Discount rate: Calculated according to the total of Risk-Free Rate of Return and Risk Premium. The descriptions of the rates used in this total are as follows.

Risk-free rate of return has been identified according to the variable model 3 of the above article 2.2.1, and it has been identified with the average of last 6 months (the average is used for minimizing short-term market fluctuations) of the Eurobond with the longest maturity currently in effect. This rate includes the country risk.

Risk premium has been estimated according to the professional opinion of the appraiser in parallel to his/her experiences by taking into account the risks associated with the specifications of the project such as the region, sector, project, zoning, etc. as explained in article 2.2.1.

### **2.2.2 Project Development Approach**

Project development approach is similar to income capitalization method; however, it is different in certain essential aspects. Income capitalization method appraises an existing project with available architectural design and license. Development method capitalizes revenues that maybe obtained from the most convenient project which may be developed according to the existing zoning status on a land without any actually available designs or licenses. In the development approach, which is used as the 2nd method in land appraisal, the land value is identified by calculating the revenues in the landlord's share from the project to be developed on the land.

When appraising an empty land with a definite project or with a project being constructed, the cash flow statement is created with income capitalization method according to the details of the already approved architectural design and building license. When appraising the empty lands, the appraiser determines the marketability/leasability of the land according to his own predictions in parallel to the valid zoning plan conditions, and creates the cash flow statement accordingly.

## **2.3 The Value Definitions**

### **2.3.1 Fair Market Value (Market Value)**

In the case of an real property changing hands between the buyer and the seller, at a specific date; it is the most plausible, cash exchange value of the property on the condition that the market conditions required for the sale are provided , the parties being willing and both parties are knowledgeable about the conditions related to the property. In this valuation study the validity of the following points are assumed:

- The buyer and seller are acting in a reasonable and sensible manner.
- The parties are knowledgeable concerning every matter related to the real estate and are acting in a manner to obtain the utmost benefit for themselves.
- A reasonable timeframe has been allowed for the sale of the real estate.
- The payment is being effected in cash or by similar instruments.
- The financing which may be required for the purchasing transaction of the real estate is being realized with the prevailing interest rates in the market.

### **2.3.2 Orderly Liquidation Value**

It is the most likely sales value in cash for an interval of approximately 3 -6 months which is determined regarding the assets as a result of interviews and negotiations between the parties. In the orderly liquidation, the best value is tried to be obtained for each of the assets. If, within the determined timeframe, following the negotiations between the parties an agreement can not be reached regarding the price, it is advised to sell the assets by public auction.

### **2.3.3 Forced Liquidation Value**

In an auction open to the public, it is the most probable cash value when the economic trends and the obligatory sales conditions are taken into consideration. In the obligatory liquidation, assets are sold as fast as possible. The acceptable time interval is in general less than 3 months.

**SECTION 3**

**GENERAL AND SPECIAL DATA**

## SECTION 3

### GENERAL AND SPECIAL DATA

Data investigation starts with study of the prevailing trends in the international, national, regional or neighbourhood at the market level concerning the asset, which is subject to the evaluation. This research assists the appraiser to perceive the principles, powers and factors influencing the real estate values in that specific market environment. The research, at the same time provides the information related to the figures, the market trends and the clues. Whereas the general datas are datas related to the characteristics of the property to be evaluated and to the equivalent properties.

#### 3.1 General Data- Social and Economic Data

##### 3.1.1 Demographic Data

According to the 2008 Census through Address-Based Population Registry System, the population of Turkey was 71.517.100 and the population increased to 72.561.312 on 31 December 2009. In 2000-2007 period, the annual population increase was 0.59%; while the annual population increase of Turkey in 2008 appeared as 1.31%. The population of Turkey is 73.722.988 beginning from December 31, 2010. The population increase of Turkey in 2010 is 15,88‰.

In 2010 among the 81 provinces, the population of 53 populations increased and that of 28 populations decreased. The three provinces with lowest population increase rate are Tunceli (-79.69‰), Çankırı (-32.70‰) and Ardahan (-25.42‰). Among the 81 provinces, the first three with the highest population increase are Bilecik (109.22‰), Isparta (63.31‰) and Erzincan (53.23‰).

In Turkey, the urban population increases at a much higher speed than the rural population. The proportion of urban population of Turkey increased sharply in the last 17 years from 59% in 1990 to 64.9% in 2000 and 75,5% in 2009. This rate increased 76,3% in 2010. Urban population (the population in the centers of provinces and districts) is 56.222.356 while the rural population (population at subdistricts and villages) is 17.500.632. The province with highest urban population proportion is Istanbul with 99%, while that with the lowest is Ardahan with 32%.

18% of the country's population lives in Istanbul. 6.5% of the total population lives in Ankara, 5.4% in Izmir, 3.5% in Bursa and 2.8% in Adana. The five provinces with the lowest population are Bayburt, Tunceli, Ardahan, Kilis and Gümüşhane, respectively. The population of Bayburt, which has the lowest population, is 74.412.

The median age in Turkey is 29.2. The median age for males is 28.7 and that for females is 29.8. The median age of the urban population is 29.1 and that of rural population is 29.8. The population in 15-64 age group accounts for 67,2% of the total population. 25,6% of the country's population is in 0-14 age group and 7,2% is in the 65 and higher group.

The number of people per square kilometer, which is indicated as the density of population is 96 in overall Turkey, while it varies between 10 and 2.551 people among provinces. Istanbul has the highest population density with 2.551 people. It is respectively followed by Kocaeli with 432 people, Izmir with 329 people, Hatay with 254 people and Bursa with 250 people. The province with lowest population density is Tunceli with 10 people. In Konya -the province with the largest area- the population density is 52 people per sq km and the population density in Yalova –the province with the smallest area- is 241 people per sq km.

City	Population	Population (City Center)
Kocaeli	13.255.685	13.120.596
Ankara	4.771.716	4.641.256
İzmir	3.948.848	3.606.326
Bursa	2.605.495	2.308.574
Adana	2.085.225	1.836.432

### 3.1.2 Economic Data<sup>3</sup>

In Turkey, especially due to the economic growth and progresses in the real estate industry, beginning to obtain political stability, reduction of inflation to single-digit figures, and the developments related with the Mortgage law since 2005 have caused to the upward movement of real estate prices and to an investment boom.

In this period, when the real estate sector reached the peak level, the penetration of foreign investments was allowed and not only hot money but also fixed investments were received from foreign resources. The upwards acceleration has continued by the final quarter of 2006. Because 2007 was an election year, domestic and foreign investors waited for the results of the elections before giving their investment decisions, and after the elections they continued their investments upon foreseeing that political stability would continue.

Although it was thought that stability would continue as a result of increasing confidence in the country, foreign economic developments rather than domestic politics became more influential in early 2008, the experienced developments directly influenced the economy and a slow down was experienced in investments beginning from April 2008, and foreign investment rate of the previous years began to fall. On looking at the investments in 2008, it is observed that although certain regions reached saturation in residence and SHC sector, the investments in office and logistics sector continued.

The economic crisis, as the most important event of 2008, began as the subprime mortgage crisis in the US, and then it was thought as arising from liquidity shortage but understood in time that the actual problem arises from lack of confidence. The crisis showed itself with the bankruptcy of leading investment banks and insurance companies of the US in March and jumped to Europe in a short time. Although countries announced successive crisis-prevention packages, they could not stop the occurrences and global growth forecasts pointed minus values.

In this process, on looking at Turkey, although the low share allocated by the Turkish banking industry to housing loans abated the effects of the crisis, Turkey also began to be influenced from the global developments after the 3rd quarter of 2008. The increase in foreign exchange rates and the decrease in sales have also begun to be noticed in the real estate market. The stability of residence prices and demand has been replaced by a decrease tendency in parallel to the overall perspective. Real estate market has entered a stable period due to the increasing loan interests, postponement of investments and future forecasts.

<sup>3</sup> TSKB Gayrimenkul Değerleme A.Ş.



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In the end of 2008 and in the beginning of 2009, the economical crisis also began to be felt in the real sector of Turkey. In 2009, together with the economic shrinkage, decreases in industrial production and employment have been experienced. It is known that the real estate industry has spent 2009 with shrinkage and the prices continued to decrease while the demand remained lackluster.

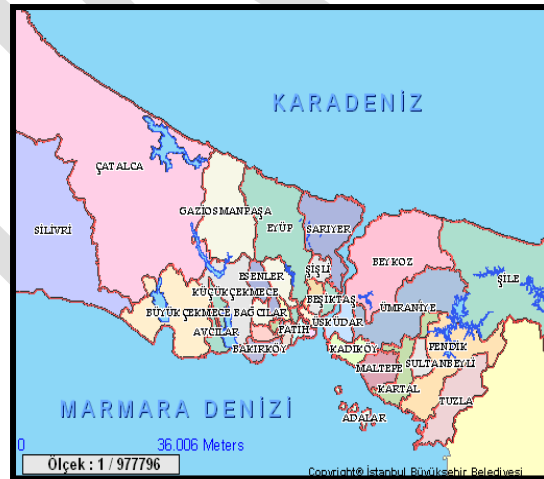
However, during early 2010, with the positive outlook in national economy and foreign markets, it has been observed that a sustainable development restarted and the impacts of the crisis abated with such positivity. With the stability of foreign currency prices throughout most of 2010, the continuity of the trend of rise in Kocaeli Stock Exchange starting from early 2010, and with the perception of referendum in September 2010 as a political stability, the positive atmosphere in the markets has been continuing. Within this process, in the real estate market, especially with the housing investments in Kocaeli's housing market that went one after the other, these investments in the market have received positive reactions and it has been observed that an intensive demand was directed at these projects.

National economic data is positive and there are many other potential investment areas across the country; general elections will be held in 2011 and in case the political and economic stability continues, parallel to the projections for 2011 and the following years, it is considered that with the developing economic demand and price stability in the real estate sector, the interest of domestic and foreign investors in Turkey will continue.

In addition to these, the fact that Turkey will economically be one of the fastest growing OECD countries from 2011 to 2017, with expected annual growth of 6.7% and that Turkey is the only OECD country with increasing growth rate after the economic crisis and the fact that it is one of the few countries with increased credit rating and a candidate for the best rating increase will also enable continuance of the positive outlook of Turkey in international markets.

## 3.2 Special Data - Analysis of the Area Where the Property is Located

### 3.2.1 İstanbul Province



# **AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

Istanbul is located on the 280 01' and 290 55' eastern longitudes, and 410 33' and 400 28' northern latitudes. Istanbul Strait merges the Black Sea with the Marmara Sea; while it also separates Asia from Europe and divides Istanbul into two.

Istanbul acts as a bridge between the continents of Europe and Asia, and it is built on the two tips that the continents most approach each other, on 5.512 square kilometre area. These tips are surrounded by Catalca on the European side, Kocaeli on the Anatolian side; Marmara and Bursa on the south, Tekirdağ on the southwest and Kırklareli on the northwest. The Princes' Islands in the Marmara Sea are also included in Istanbul province.

The districts of Istanbul province are; Adalar, Avcılar, Bahçelievler, Bakırköy, Bağcılar, Bayrampaşa, Beşiktaş, Beykoz, Beyoğlu, Eminönü, Eyüp, Fatih, Gaziosmanpaşa, Güngören, Kadıköy, Kağıthane, Kartal, Kocasinan, Küçükçekmece, Maltepe, Pendik, Sarıyer, Sultanbeyli, Şişli, Tuzla, Ümraniye, Üsküdar, Zeytinburnu, Büyükçekmece, Çatalca, Silivri and Şile. Istanbul International Ataturk Airport is 20 km away from the city centre. Besides, it is also possible to rent an airplane or helicopter in Istanbul.

Istanbul accounts for 9.7% of the total area of Turkey, and it is the most important province of the country in terms of its population. According to Year 2010 General Census, total population of Istanbul is 13,255,685. The annual population increase rate is 0.331%.

Istanbul is located on Kocaeli and Çatalca Peninsulas. Both of these peninsulas are two worn tablelands. The landscape of Istanbul resembles to the landscape under the Mediterranean climate. Lemur is the most observed plant type in the region. These plants acclimatized to a long and dry summer season. However, due to the characteristics of the climate, the hills are not bare. The most important one of the forest areas in patches is the Belgrade Forest 20 km on the north of the city centre.

The biggest stream in Istanbul is Riva Stream, which is also the biggest stream of Kocaeli Peninsula. The most important streams that flow into Istanbul Strait are Küçüksu and Göksu streams. Apart from them, there are also Kağıthane and Alibey Streams flowing into the Golden Gate, Sazlıdere flowing into Küçükçekmece Lake, Karasu Stream flowing into Büyükçekmece Lake, Traşa Stream flowing into Terkos Lake as the major streams of Istanbul province. In the province, there are three small but important lakes. All three of them are on the European side. The water of Terkos Lake, which is away from the sea, is fresh. The city water is provided from that lake. The water of Küçükçekmece (11 ksqm) and Büyükçekmece (16 ksqm) lakes are salty because they contact with the sea.

Summer months are generally hot and the winters are not very cold in Istanbul due the weather systems influential in the province. Although Istanbul seems like showing the properties of the Mediterranean climate, it has a different climate due to the effect of the Marmara Sea and the Istanbul Strait. In winter months, it is under the influence of the cold-dry air mass from the Black Sea and the cold and rainy air mass from the Balkans, and especially the warm and rainy air mass from the Mediterranean. In the entire province, the cold and rainy (with northeast wind) weather of the Black Sea and the warm (with southwest wind) Mediterranean weather follow each other. In the province, major heat differences are not observed between summer and winter or day and night.

From the economic terms, Istanbul is one of the most developed cities in Turkey. It is one of the most important sources if tourism, industry and commerce economy. Although most of the industrial organizations have been moved outside of the province, the province still maintains its importance in terms of the manufacturing industry. The actual development with regard to the manufacturing industry of Istanbul began after the foundation of the Republic in 1923. The accelerating capital

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

accumulation and the support provided to the private industry after 1950s enabled Istanbul to become a leading city in terms of industry and commerce.

Istanbul has become one of the most appealing tourism centres of Turkey with its natural beauty, rich cultural assets, and its developments with regard to transportation and accommodation. Most of the foreign tourists first land in Istanbul for their visits to Turkey.

## 3.2.2 Esenyurt District




The whole of Esenyurt settlement area remains within the boundaries of Istanbul Metropolitan area in the sub-region of Trakya within Marmara region. The lake of Küçükçekmece is at the east of this region, Büyükçekmece is at its West, Hoşdere village and TEM motorway are in its North, Firuzköy and E5 Motorway are at its South.

The surface area of Esenyurt is 2770 hectares and has acquired municipal quality in the year 1989. With the establishment of the municipality organization, a rush for provision of services was started in the area. Esenyurt has acquired the status of administrative district with the law enacted in the year of 2008. It consists of ten neighborhoods which are Namık Kemal Neighborhood, Incirtepe Neighborhood, Saadetdere Neighborhood, İnönü Neighborhood, Fatih Neighborhood, Örnek Neighborhood, Talatpaşa Neighborhood, Mehterçeşme Neighborhood, Yenikent Neighborhood and Merkez Neighborhood.


According to the Address Based Population Registration System of 2010 the total population of Esenyurt has been indicated as 446.777.


# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## Hotel Research in the Region

Name: WOW İSTANBUL OTEL (*****)	
	
<b>Location:</b> Yeşilköy	
<b>Total Number of Rooms:</b> 275	
<b>Bed Capacity:</b> 550	
<b>Opening Date:</b> 2007	
<b>Room Sizes:</b> 27 sqm	
<b>Suite Sizes:</b> 53 sqm	
<b>Number and Capacities of Meeting Rooms:</b> Meeting room with capacity of 235 people.	
<b>Parking Lot Capacity:</b> A closed parking lot is available.	
<b>General Features of the Hotel:</b> Indoor swimming pool, Turkish bath, sauna, massage, fitness center, health center, hairdresser and beauty parlor are available. In addition, an indoor restaurant with capacity for 170 persons, Mezzanine restaurant with 170 persons capacity, Executive Lounge for 30 persons, Lobby Bar, Roof Bar, Vitamin Bar are available.	
<b>General Features of the Rooms:</b> In the rooms, telephone, direct telephone, bathroom, in the bathroom; telephone, hair dryer, electronic lock system, fire alarm, mini bar, tea and coffee machine, wake-up service, safe box, 24 hours room service, satellite TV, pay TV, interactive TV, music broadcast, internet connectivity, central air conditioning are available. In the hotel, services for disabled persons, wake-up service, business center, internet, dry cleaning, laundry and ironing services	
<b>Room Prices:</b> Corporate price at double standard rooms is 130 TL. Breakfast is included in the price, VAT is excluded.	

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

Name: WOW ISTANBUL AIRPORT OTEL ( * * * * )	
<b>Location:</b> Yeşilköy	
<b>Total Number of Rooms:</b> 360	
<b>Bed Capacity:</b> 720	
<b>Opening Date:</b> 2007	
<b>Room Sizes:</b> 26 sqm	
<b>Suite Sizes:</b> 53 sqm	
<b>Number and Capacities of Meeting Rooms:</b> 6 meeting room	
<b>Parking Lot Capacity:</b> A closed parking lot is available.	
<b>General Features of the Hotel:</b> In the hotel, room service, meeting/banquet facilities, airport shuttle service, business center, laundry, dry cleaning, hairdresser/beauty parlor, room service breakfast, ironing service, gift shop, restaurant, bar, safe box, soundproof rooms are available.	
<b>General Features of the Rooms:</b> All rooms are sound proof and have air conditioning, mini bar and separate bathroom with bathroom products.	
<b>Room Prices:</b> Corporate price at double standard rooms is 120 TL. Breakfast is included in the price, VAT is excluded.	

Name: TITANIC PORT OTEL ( * * * * )	
<b>Location:</b> Bakırköy	
<b>Total Number of Rooms:</b> 181	
<b>Bed Capacity:</b> 360	
<b>Opening Date:</b> 2009	
<b>Room Sizes:</b> 28 -30 sqm	
<b>Suite Sizes:</b> 55 sqm	
<b>Number and Capacities of Meeting Rooms:</b> 8 meeting room	
<b>Parking Lot Capacity:</b> A closed parking lot is available.	
<b>General Features of the Hotel:</b> In the hotel, health room, child care, wake up service, business center, internet, market, dry cleaning, laundry and ironing services, a safe box available at the reception, generator, indoor car park, indoor swimming pool and children's section, children's pool, Turkish bath, sauna, massage, Jacuzzi, fitness center, health center, hairdresser, beauty parlor, solarium, gym, playground for children, mini club and TV room are available	
<b>General Features of the Rooms:</b> In the rooms, telephone, voice mail, shower and toilet, bathroom, telephone in the bathroom, hairdryer, fire alarm, mini bar, tea or coffee machine, wake-up service, safe box, 24 hours room service, TV, cable TV, pay TV, interactive TV, music broadcast, digiturk, cine5, lig TV, internet connection, wireless internet and central air conditioning are available.	
<b>Room Prices:</b> Corporate price at single standard rooms is 99 €, at double rooms 119 €. Breakfast and VAT	

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

are included in the prices.

## Name: NOVOTEL ( \* \* \* \* )

**Location:** Zeytinburnu

**Total Number of Rooms:** 208

**Bed Capacity:** 416

**Opening Date:**2007

**Room Sizes:** 24 sqm

**Suite Sizes:** 50 sqm

**Number and Capacities of Meeting Rooms:** 7 meeting room

**Parking Lot Capacity:** A closed parking lot is available.



**General Features of the Hotel:** In the hotel, child care, wake-up service, business center, internet, dry cleaning, laundry and ironing service, generator, free shuttle service to Taksim, Bakırköy and Sultanahmet on certain hours of the day, parking garage for 225 vehicles, outdoor swimming pool and children's section, sauna, massage, fitness center, health center are available and pets are acceptable.

**General Features of the Rooms:** In the rooms, direct telephone, voice mail, bathroom, hair dryer, fire alarm, mini bar, tea or coffee machine, wake-up service, safe box, 24 hours room service, TV, satellite TV, pay TV, music broadcast, digitürk, internet connection, central air conditioning are available.

**Room Prices:** Corporate price at single standard rooms is 110 €, at double rooms 120 €. Breakfast and VAT are included in the prices.

## Name: IBIS OTEL ( \* \* )

**Location:** Zeytinburnu

**Total Number of Rooms:** 228

**Bed Capacity:** 273

**Opening Date:** 2007

**Room Sizes:** 17 sqm

**Suite Sizes:** N/A

**Number and Capacities of Meeting Rooms:** 7 meeting room

**Parking Lot Capacity:** A closed parking lot is available



**General Features of the Hotel:** In the hotel, wake-up service, internet, dry cleaning, laundry and ironing services, generator, parking garage for 147 vehicles are available.

**General Features of the Rooms:** In the rooms, direct telephone, voice mail, bathroom, hair dryer, fire alarm, tea or coffee machine, wake-up service, TV, satellite TV, central air conditioning are available.

**Room Prices:** Corporate price at single standard rooms is 83 €, at double rooms 90 €. Breakfast and VAT are included in the prices.



# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

are included in the prices.

## Name: MARRIOTT COURTYARD AIRPORT OTEL ( \* \* \* \* )

**Location:** Halkalı

**Total Number of Rooms:** 262

**Bed Capacity:** 312

**Opening Date:** 2009

**Room Sizes:** 28 sqm

**Suite Sizes:** 50 sqm

**Number and Capacities of Meeting Rooms:** 7 meeting room

**Parking Lot Capacity:** A closed parking lot is available



**General Features of the Hotel:** In the hotel, restaurant, bar, 24-hours open reception, garden, terrace, non-smoking rooms, rooms/facilities for the disabled guests, elevator, fast check-in/check-out, safe box, sound proof rooms, heating, luggage storage, air conditioning, a special area reserved for smoking are available.

**General Features of the Rooms:** In the rooms, direct telephone, voice mail, bathroom, hair dryer, fire alarm, tea or coffee machine, wake up service, tv, satellite tv, central air conditioning are available

**Room Prices:** For single person 100 €, two persons 110 €. Breakfast is included in the price, VAT is excluded.

## Name: RADISSON SAS CONFERENCE & AIRPORT OTEL (\*\*\*\*\*)

**Location:** Yeşilköy

**Total Number of Rooms:** 326

**Bed Capacity:** 652

**Opening Date:** 1999

**Room Sizes:** 26 -50 sqm

**Suite Sizes:** 60 - 90 sqm

**Number and Capacities of Meeting Rooms:** 20 meeting room

**Parking Lot Capacity:** A closed parking lot is available





**General Features of the Hotel:** In the hotel, breakfast hall, pastry shop, lobby bar, pool bar, terrace bar, restaurant bar, a la carte and open buffet service, indoor restaurant, pool, children's pool, Turkish bath, sauna, massage, Jacuzzi, health center, fitness center are available.

**General Features of the Rooms:** In the rooms, bathroom, wc, bathtub, hair dryer, music and telephone in the bathroom, cable or wireless internet connection, direct telephone, mini bar, air conditioning are available.

**Room Prices:** For single person 90 €, two persons 100 €. Breakfast is included in the price, VAT is excluded.

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

Name: GREEN PARK OTEL (*****)	
	
<b>Location:</b> Merter	
<b>Total Number of Rooms:</b> 140	
<b>Bed Capacity:</b> 280	
<b>Opening Date:</b> 1995	
<b>Room Sizes:</b> 24 - 35 sqm	
<b>Suite Sizes:</b> 40 - 65 sqm	
<b>Number and Capacities of Meeting Rooms:</b> 5 meeting room	
<b>Parking Lot Capacity:</b> A closed parking lot is available	
<b>General Features of the Hotel:</b> In the hotel, health room, child care, business center, internet, wireless internet, market, dry cleaning, laundry and ironing services, a safe box available at the reception, generator, open car park, open swimming pool and children's section, 1 indoor swimming pool and children's section, Turkish bath, sauna, massage, Jacuzzi, fitness center, health center, hairdresser, beauty parlor, solarium, nightclub are available.	
<b>General Features of the Rooms:</b> In the rooms, direct telephone, shower and toilet, bathroom, hairdryer, electronic lock system, fire alarm, mini bar, tea or coffee machine, wake-up service, safe box, 24 hours room service, TV, satellite TV, pay TV, digitürk, internet connection, central air conditioning are available.	
<b>Room Prices:</b> Corporate price for double person is 110 €, for single 85 €. Breakfast is included in the price, VAT is excluded.	

Name: KAYA RAMADA PLAZA OTEL (*****)	
	
<b>Location:</b> Büyükçekmece	
<b>Total Number of Rooms:</b> 318	
<b>Bed Capacity:</b> 756	
<b>Opening Date:</b> 2002	
<b>Room Sizes:</b> 25 sqm	
<b>Suite Sizes:</b> 50 sqm	
<b>Number and Capacities of Meeting Rooms:</b> 23 meeting room	
<b>Parking Lot Capacity:</b> A closed parking lot is available	
<b>General Features of the Hotel:</b> In the hotel, health club, business center, internet, wireless internet, market, dry cleaning, laundry and ironing services, generator, open car park, indoor car park, outdoor swimming pool and children's section, 1 indoor swimming pool and children's section, Turkish bath, sauna, massage, Jacuzzi, fitness center, health center, hairdresser, beauty parlor, solarium are available.	
<b>General Features of the Rooms:</b> In the rooms, direct telephone, shower and toilet, bathroom, hair dryer,	



# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

electronic lock system, fire alarm, mini bar, tea and coffee machine, safe box, 24 hours room service, TV, satellite TV, pay TV, internet connection, central air conditioning are available.

**Room Prices:** Corporate price for double person is 105 €, for single 95 €. Breakfast is included in the price and VAT is excluded.

## Name: SHERATON ISTANBUL OTEL (\*\*\*\*\*)

**Location:** Ataköy

**Total Number of Rooms:** 285

**Bed Capacity:** 570

**Opening Date:** 2010

**Room Sizes:** 30 -40 sqm

**Suite Sizes:** 70 - 110 sqm

**Number and Capacities of Meeting Rooms:** 9 meeting room

**Parking Lot Capacity:** A closed parking lot is available



**General Features of the Hotel:** In the hotel, indoor and outdoor swimming pool, massage and fitness center, tennis court, dry cleaning, exchange office, car rental service, tour service are available.

**General Features of the Rooms:** In the rooms, direct telephone, shower and WC, bathroom, hair dryer, electronic lock system, fire alarm, mini bar, tea or coffee machine, safe box, 24 hours room service, TV, satellite TV, pay TV, internet connection, central air conditioning are available.

**Room Prices:** Corporate price for double person is 155 €, for single 140 €. Breakfast is included in the price and VAT is excluded.

## Hotels in Project Phase

### Name: ACVILAR HILTON DOUBLE TREE

**Location:** Acıılar

**Total Number of Rooms:** 230

**Bed Capacity:** -

**Opening Date:** 2011

**Room Sizes:** -

**Suite Sizes:** -

**Number and Capacities of Meeting Rooms:** -

**Parking Lot Capacity:** A closed parking lot is available



**General Features of the Hotel:** -

**General Features of the Rooms:** -

**Room Prices:** -

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## Summary Chart:

Hotel Name	Quality	Number of rooms	Price (Euro)*	Price (TL)*
WOW İstanbul Otel	5 star	275	59	130
WOW İstanbul Airport Otel	4 star	360	54	120
Holiday Inn Airport Otel	5 star	330	90	198
			105	231
Titanic Port Otel	5 star	181	99	217
			119	261
Novotel	4 star	208	110	242
			120	264
Ibis Otel	2 star	228	83	182
			90	198
Marriott Courtyard Airport Otel	5 star	262	100	220
			110	242
Radisson SAS Conference & Airport Otel	5 star	326	90	198
			100	220
Green Park Otel	5 star	140	110	242
			85	187
Kaya Ramada Plaza Otel	5 star	318	95	209
			105	231
Sheraton İstanbul Ataköy Otel	5 star	285	140	308
			155	341

\* VAT excluded, breakfast included.

**SECTION 4**

**TITLE DEED AND ZONING INFORMATION  
OF THE REAL ESTATE**

## SECTION 4

### TITLE DEED AND ZONING INFORMATION OF THE REAL ESTATE

#### 4.1 Title Deed Information of the Real Estate

Province	:	İstanbul
District	:	Esenyurt
Subdistrict	:	-
Village	:	-
Quarter	:	Yakuplu
Locality	:	Londra Asfaltı
Plot No	:	F21d24d3a
Section No	:	404
Parcel No	:	39
Area	:	1.755,37 sqm
Quality	:	Land
Owner	:	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.

#### 4.2 Title Deed Examination of the Real Estate

The investigation of the appraisal commission on the title deed records of the property under appraisal, is conducted for purposes of the determination of the rights that constitute the ownership of the property under appraisal, and the limitations imposed on such rights.

According to the examinations conducted in the Title Deeds Registry office of administrative district of Esenyurt, province of Istanbul at 13 September 2011 and the letter of encumbrances dated 26 September 2011 taken by the customer the encumbrances on the immovable property have been listed below.

##### Pledges

- A:İ There is a hypothecation of 1<sup>st</sup> degree with maturity until notification of cancellation in favor of T.İş Bankası A.Ş., T.Sinai Kalkınma Bankası A.Ş. in the amount of 7.000.000.- Euros, with 3% Euribor, (journal entry dated 22 September 2008, numbered 21875)
- A Additional hypothecation has been allocated in Euro denomination.

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

TASINMAZ BİLGİLERİ			
Zemin Tipi	1. Ana Tapınmaz	Ada/Parsel	1. 404/39
Zemin No	1. 7572432	Yüzölçüm	1. 1.753,33 m2
İl / İlçe	1. İSTANBUL / ESENYURT	Ana Tap. Sicil No	1. 3/ENSA
Konum Adı	1. Esenyurt TM		
Maliklik / Köy Adı	1. 3 AKTİPLÜ Malik		
Yapı No	1. 182		
Kayıt Birimi	1. 182		
MÜLKİYET BİLGİLERİ			
Sistem No	Malik	Hisse Pay/Payda	Metrekare
10722556	AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	100	1.753,33
			Sarih: 30.09.2011 - 2632
S/Hi	Açıklama	Malik / Lehdar	Tarih / Yes miye
S/Hi	1. 11. beledi sınıgından kuru satilmesine varilan 99 YIL A.D.S. 1.11.11.D.N.K.145.SÖZLEŞME Sİ. B.06.04.01.1.12254	1. AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	1. 30.09.2011 - 2632
İpotek			
Alacaklı	Müsteremi?	Borç	Faiz
İSİN:40 TÜRKİYE İŞ BANKASI A.Ş.	Evet	7.000.000,00 EUR	12,00%
Vergi No:481063856			1. 0
Sicil No:43112278604 (SN:1502396)			1. 0
TÜRKİYE İŞ BANKASI KALININDA BAĞKASI			1. 0
AKONİM ŞİRKETİ Vergi No:3660057689			1. 0
İpotek Kanununda Hisse Bilgi			
Tasınmaz	Hisse Pay/Payda	Borçlu Malik	Malik Borç
İsenyurt TM - YAKUPLU Mal. 404 Ada 39 Parsel	1. 1	1. AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI	7.000.000,00 EUR
			1. 30.09.2008 - 21875
İpotek S/Hi Bilgisi			
S/Hi	Açıklama	Malik	Tarih / Yes miye
			1. 30.09.2008 - 21875

## 4.2.1 The Buying and Selling Transactions for the Property in the Last Three-Year Period, If Any

According to the encumbrance document received from the Title Deeds Registry of Esenyurt of the administrative district of the province of Istanbul and presented in the annex; In the parcel number 39, sale has been performed with journal dated 30 September 2010, numbered 26.324 to the name of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., its share has become full. Written encumbrance document belonging to the real estate property is presented in the annex of the report.

## 4.3 The Zoning Information for the Real Estate


The zoning regulations regulate the utilization of the land and the density of its development. The appraisal expert should also consider all possible changes expected in the up-to-date regulation and specifications during his inspection on the zoning and construction regulations. Zoning plans define the general purposes of use such as housing, commerce and industry, and identify the density of construction that is to be performed further to the relevant purposes of use.

In the light of the examinations conducted at 12 September 2011, in the municipality of Esenyurt, in the province of Istanbul and the zoning information dated 14 September 2011 the current zoning situation of the parcel has been given below

### ✓ Zoning Status:

- The immovable property subject to valuation remains in the legend "Touristic facility+ Trade Zone" in the Revision Application Zoning Plan in the scale of 1/1000 approved with the decision dated 16 February 2004 and numbered 11 by the first level municipal council of Yakuplu.
- It has been taken into the "Touristic Facility Area" with Equivalent: 2,75 with the council decision dated 08 April 2010 and numbered 2010/82 of Esenyurt Municipality and the council decision dated 17 September 2010 and numbered 2010/2033 of the Metropolitan Municipality of Istanbul.
- The zoning situation document dated 14 September 2011 taken for the immovable property subject to valuation is presented below and in annex;

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**T.C.**  
**ESENYURT BELEDİYE BAŞKANLIĞI**  
**İmar ve Şehircilik Müdürlüğü**

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SAYI: M.34.6.ESB.013-24693 / 23446  
KONU: 404 Ada, 39 Parsel Hk. 14.09.2011

Sayın: TSKB Gay. Değ. A.Ş.  
Meclis-i Mebusan Cad. Molla Bayırı Sok. No : 1 Fındıklı  
İSTANBUL

İlgi: 13.09.2011 tarih 53521 sayılı dilekçeniz.

İlgi yazınızda Esenyurt Güzelyurt mah. 404 ada 39 parselin imar durumu sorulmaktadır. Söz konusu Esenyurt Güzelyurt mah. 404 ada 39 parsel 16.02.2004 tarih ve 11 sayılı Yakuplu İlk kademe belediye meclis kararı ile onaylanan Yakuplu Genel 1/1000 ölçekli Uygulama İmar Planı'nda Ticaret+Hizmet Alanında kalmaktadır. Esenyurt Güzelyurt mah. 404 ada 39 parsel Esenyurt Belediye Meclisince 08.04.2010 tarih ve 2010/82 sayılı meclis kararı ile İstanbul Büyükşehir Belediye Meclisince de 17.09.2010 tarih ve 2010/2033 Sayılı meclis kararı Esenyurt Belediye Meclisince 08.04.2010 tarih ve 2010/82 sayılı meclis kararı ile İstanbul Büyükşehir Belediye Meclisince de 17.09.2010 tarih ve 2010/2033 Sayılı meclis kararı ile Emsal:2.75 Turistik Tesis alanına alınmıştır.

Bilgilerinize rica ederim.

  
Selahattin BOYRAZ  
Başkan a.  
Başkan Yardımcısı

## Plan Notes:

- Plan ratification boundary is İstanbul province, Esenyurt district, Yakuplu Quarter, section 404, parcel 39, and it is a “Touristic Facility Area”.
- Implementation shall be made based on the geological and geotechnical ground studies and reports.
- The Equivalent in the Touristic Facility Area is: 2.75. Within the scope of the plan, with the condition of not exceeding the equivalent value and remaining within the withdrawal boundaries, the Tax,  $H_{max}$  and block dimensions shall be free, and will be determined in the preliminary design to be approved.
- Implementation is not possible prior to the zoning allocation of public areas.
- On the D-100 Highway front of the parcel, a withdrawal distance of 20.00 meters will be provided.
- On unaccounted issues, the provisions of the current 1/1000 scale, “Yakuplu General Implementation Zoning Plan” dated 16.02.2004 are applicable.
- On the road sides, with the condition of remaining behind the withdrawal distances and below the natural ground (excavated ground) level, a basement floor may be built on the complete parcel for parking lot purposes.
- The 1<sup>st</sup> Basement Floor allocated in order to meet the parking lot demand within the building, is not included in the equivalent.
- Independent commercial units and housing units may not be provided on the parcel.

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

- It may not be occupied other than hotel use.
- License may not be issued without the receipt of the UTK decision.

## ✓ Licences and Permits

- The architectural project belonging to the hotel project developed on the ground plot subject to valuation and approved by the related municipality has been seen in the archive file.
- A license document dated 30 December 2010 and numbered 2010/24969 for the utilization of “hotel and similar guest house “with a covered area of 7.331,00 square meters related to the architectural plan approved by the Municipality has been given.

## Building License and Permits Summary Table

License – Occupancy Permit Date/No	Reason of Issue	Area (sqm)	Explanation
Architectural survey project annexed with decision dated 07.07.1999 and numbered 10933.	Amendment	7.331	It is the survey project of the building on the parcel.

## ✓ Building Supervision:

- The immovable property subject to valuation is subject to the Building Inspection Law dated 29 June 2001 and numbered 4708 and the building inspection in the construction process shall be conducted by Etik Yapı Denetim Limited Şirketi operating in the address of Mehter Çeşme Mahallesi, 1997 sokak, Yalı Köşkü Sitesi, A Blok, Kat:5, No:17, Beylikdüzü/İstanbul.

### 4.3.1 Information Regarding the Changes in the Legal Status of the Property in the Last Three Years (Changes in the Zoning Plan, Expropriation Procedures, etc.)

While the immovable property subject to valuation remained in revision Application Zoning Plan with the scale of 1/1000 approved with the decision dated 16 February 2004 and numbered 11 by the first level municipal council of Yakuplu, in the legend “**Touristic Facility+Trade**” where hotels and similar guest houses could be constructed; it has been taken into the “**Touristic Facility Area**” legend with Equivalent: 2,75 with the council decision dated 08 April 2010 and numbered 2010/82 of Esenyurt Municipality and the council decision dated 17 September 2010 and numbered 2010/2033 of the Metropolitan Municipality of Istanbul.

### 4.4 Opinions About the Property, the Property Project or the Rights and Benefits Associated with the Property in line with the Capital Market Regulations

It is considered that there are no obstacles preventing the subject hotel project from being included in the portfolio of the Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. as “project” pursuant to the provisions of the Capital Markets Legislation.

It was learned that the hypothecation on the immovable property existed for “Project Financing” and it is considered that subject hypothecation does not constitute an obstacle in taking the immovable property to the portfolio.

### 4.5 Civil Liability

*On the appraised property, “**Mortgage: There is a 1st rank mortgage for € 7,000,000.00 with 3% interest for Türkiye İş Bank and Türkiye Sınai Kalkınma Bank (dated 22 September 2008 and journal no. 21875).** It is understood that the encumbrance was established for the purposes of financing the project. The official letter related with the mortgage is appended.*

## **4.6 Environmental and Ground Contamination**

Ground research and ground contamination work at the real estate are in the professional limits of the field of "Environmental Geophysics".

A detailed research in this field was not done as our company does not have expertise in this field. However, the real estate was observed to have no negative impacts on the environment during the on-site observations. Thus, the appraisal was done assuming that there was no negative impact on the environment.

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**BÖLÜM 5**

**GAYRİMENKULÜN ÇEVRESEL VE FİZİKSEL BİLGİLERİ**

## SECTION 5

### PHYSICAL INFORMATION OF THE REAL ESTATE

#### 5.1 Situation, Position and Environmental Features of the Real Estate

**Open address of the property:** Yakuplu Mahallesi, 404 Ada, 39 Parsel, Esenyurt / İSTANBUL.

The immovable property subject to valuation is reached by advancing on the Istanbul-Edirne E-5 Motorway until Haramidere Intersection. Subject immovable property is the empty ground plot remaining at the right hand side after advancing for approximately 1,2 km. from the Haramidere Intersection. The construction of 3-star Ibis Hotel has been started on the immovable property subject to appraisal. Subject ground plot has its façade to Fatih Avenue and E-5 Motorway.

In the vicinity of the immovable property positioned at approximately a distance of 4 km. to Tüyap Exposition Center, buildings with high recognition levels such as Medilife Surgical Center, Beylikdüzü Migros, Media Market, Carrefour, Bauhaus, Beylikdüzü Municipality, Ekinoks Beylikdüzü Residence, Tüyap, former Tatilya are positioned. In addition to buildings with their ground floors used for commercial purposes and facing the road, production facilities of many factories are positioned on this road. The dynamism is expected to increase in the region with Torium Shopping Center which has been opened recently as well as the Marmara Park Shopping Center project whose construction started in January 2011. Furthermore, on the road, there are shopping centers with high commercial potential such as Migros, Carrefour, Bauhaus, Media Markt, Outletpark Beylikdüzü Shopping Center and Ginza Shopping Center and Skyport Residence at the other side of the road.

The plans for connecting Zincirlikuyu – Avclar metro bus to Beylikdüzü are underway. With the extension of the subject metro bus itinerary, it will represent accessibility and advantage for the development of the area.

The immovable property is easily accessed by various public transportation vehicles and private vehicles.

**The distances of the property to various centers are indicated below:**

Location	Distance (km)
Tüyap Exhibitions Center	~4,0 km.
Beylikdüzü Municipality	~1,2 km.
Migros Beylikdüzü	~0,5 km.
Carrefour	~0,8 km.
Haramidere Intersection	~1,2 km.

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## 5.2 Definition of the Subject Property of Appraisal

The immovable property subject to valuation is the real estate under the ownership of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.” qualified as “ground plot” in the location of Londra Asfaltı, plate F21d24d3a, block 404, parcel 39, in the neighborhood of Yakuplu, Esenyurt Administrative District in the province of Istanbul.

The immovable property subject to valuation which has a central position has a sloped topography. The construction of the 3-star Ibis Hotel on the immovable property is in progress, the rough construction is approximately at the level of 20%.The subject parcel is partly covered with natural vegetation. The property has the quality of a corner parcel and has its façade to Fatih Avenue and E-5 Motorway. The longer side of the immovable property with a rectangular geometric shape is towards Fatih Avenue and its shorter side has ~20 m. façade to E-5 Motorway.

The hotel project subject to valuation has been developed on the parcel no. 39. The construction of the project which has a construction license has been started as of the day of valuation. It was started in early 2011 and foreseen to be completed and the hotel to start operations by mid-2012. The floor spaces and floor utilizations of the hotel which is projected as 3-Star Ibis hotel are shown below.

Floor Function and Area According to Architectural Project			
Otel Block – According to Architectural Project			
3 <sup>rd</sup> Basement Floor	942,80	sqm	Car park, haven, water tank
2 <sup>nd</sup> Basement Floor	973,27	sqm	Car park, haven, electric room
1 <sup>st</sup> Basement Floor	643,63	sqm	Car park, meeting rooms, staff room, laundry odası, servicing room
Ground Floor	638,50	sqm	Reception, offices, storage, kitchen
1 <sup>st</sup> Floor	680,23	sqm	26 rooms
2 <sup>nd</sup> Floor	680,23	sqm	26 rooms
3 <sup>rd</sup> Floor	680,23	sqm	26 rooms
4 <sup>th</sup> Floor	680,23	sqm	26 rooms
5 <sup>th</sup> Floor	680,23	sqm	26 rooms
6 <sup>th</sup> Floor	670,81	sqm	26 rooms
Terrace Floor	61,33	sqm	Technical room
<b>Total</b>	<b>7.331,49</b>	<b>sqm</b>	

## 5.3 Determinations Made in The Real Estate Location

- The immovable property subject to appraisal is the immovable property of 1,755.37 sqm area, in Esenyurt district, Yakuplu Quarter, section 404, parcel no. 39.
- On the parcel no. 39 subject to appraisal, the 3-star Ibis Hotel construction is available and approximately 32% of the construction has been completed physically.
- The parcel no. 39 subject to appraisal is facing the D-100 Highway and Fatih Street.
- The aforementioned immovable property has a high advertisement ability and visibility.
- Access to the aforementioned immovable property is by public transport or private vehicles, and due to its location, it is at an easily accessible and highly visible place.

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- According to the licenses and the approved architectural restoration project of the immovable property subject to appraisal; it is composed of total 11 stories as 3 basement + ground floor + 6 normal floors + roof floor, and has to total area of 7,331.49 sqm.
- The hotel which is under construction on the immovable property subject to appraisal has 156 rooms, according to the approved architectural project.
- The Torium Shopping Center and the Marmara Park Sopping Center constructions are located in the close vicinity of the immovable property subject to appraisal, and the demand for the area is expected to increase when the shopping centers are taken into operation.

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**SECTION 6**

**THE HIGHEST AND THE BEST USE ANALYSIS**

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## SECTION 6

### THE HIGHEST AND THE BEST USE ANALYSIS

It is the use, which is physically the most appropriate to the building, permitted by the laws, financially executable and providing the highest revenue is the most efficient use. The factors defining the highest and best use contain the answer to the following questions.

- Is the use reasonable and probable?
- Is the use legal and is there a possibility to obtain a legal right for the use?
- Is the property physically fit for use or can it be made fit?
- Is the proposed use financially executable?
- The efficient, highest and best use chosen from the use forms passing the initial four questions is indeed the most productive use of the land.

The zoning plans, which are the most defining factors of the real estate sector legally and technically have not, in our country, shown a development parallel to the economic development and due to this lack of revision have a static appearance. As a natural result of the negative structure unwanted cases such as failure to bring into execution phase the optimum alternative which could provide financially and technically the highest efficiency and in addition to that which had obtained financing can occur quit often in our sector. In other words, in the conditions prevailing in our country the best project is not only the option providing the highest return and the most perfect technical results, but also the project which can meet the requirements of the laws and regulations.

The zoning plans in our country cannot keep up with the speed of urbanization and remain somewhat static. This situation is causing the legal prohibition of the use of a property in the best possible implementable levels and generation of the highest proceeds by an immovable property that has been appraised. As a consequence, any use that is not allowed by the laws and not possible physically may not be accepted as the optimal use.

Considering the current location, zoning status, construction conditions, potential and environmental improvement, the highest and best use of the property is **"Tourism Area"** appropriate with current situation.

**SECTION 7**  
**FACTORS THAT AFFECT THE VALUE**  
**OF THE REAL PROPERTY**

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**SECTION 7****FACTORS THAT AFFECT THE VALUE OF THE REAL PROPERTY****7.1 Factors That Affect The Value Of The Real Property**

<b>STRENGTH</b>	<b>WEAKNESS</b>
<ul style="list-style-type: none"><li>✓ The subject immovable property is in a central position.</li><li>✓ In the vicinity of the immovable property, buildings with high recognition levels such as Tüyap, Media Market, Carrefour SA are located.</li><li>✓ The property is facing the main road.</li><li>✓ In its vicinity there is an intensity of properties used for commercial purposes.</li><li>✓ The transportation alternatives to the immovable property are various, and upon the completion of the metrobus line under construction, accessibility rate of the region will be increased.</li></ul>	<ul style="list-style-type: none"><li>- The immovable property has a sloped topography. It is considered that at the project development phase the cost of ground improvement shall be high.</li></ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"><li>✓ Considering the development aspect of the area, its need for hotel investment has been observed. It is expected that Ibis Hotel with 3-Star will address especially Tüyap Exposition Center and Hadimköy industrial zone.</li><li>✓ It is expected that Torium Shopping Center and Marmara Park Shopping Center whose construction started in January 2011 are expected to increase the dynamism in the area.</li><li>✓ The metro bus itinerary's reaching Beylikdüzü shall provide advantage of access.</li></ul>	<ul style="list-style-type: none"><li>* The economic developments in the world and in our country are influencing the real estate sector adversely, as is also the case in the other sectors.</li></ul>

**7.2. The Analysis of methods Used in the Appraisal**

In this section of the study, development approach and sales comparison method are used for the value of the real estate.

**7.2.1. Equivalent Comparison Approach Analysis**

The peer values obtained upon researches conducted in the area where the immovable property is located are indicated below.

- It has been found out that a "commercial" zoned plot of 48,000 sqm area, suitable for hotel construction, in the region of the immovable property subject to appraisal, is for sale at a rate of 62,500,000 USD. (1.300 USD/sqm, 2.300 TL/sqm)

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- It has been found out that a plot of 4,224 sqm area, zoned as a “touristic facility area”, with E:2, H<sub>max</sub>: free, excavation of which has been completed, in the region of the immovable property subject to appraisal, is for sale at a rate of 12,000,000 USD. (2,840 USD/sqm, 5,026 TL/sqm)
- It has been found out that a plot of 18,000 sqm area, zoned as “housing + commercial”, facing E-5, in the region of the immovable property subject to appraisal, has been on sale for a long time at a rate of 27,000,000 USD. (1,5500 USD/sqm, 2,655 TL/sqm)
- It has been found out that a “commercial” zoned plot facing E-5, of 24,200 sqm area, in the region of the immovable property subject to appraisal, is for sale at a rate of 30,250,000 USD. (1,250 USD/sqm, 2,212 TL/sqm)
- It has been found out that that a “commercial” zoned plot facing E-5, of 47,000 sqm area, in the region of the immovable property subject to appraisal, is for sale at a rate of 70,500,000 USD. (1,500 USD/sqm, 2,655 TL/sqm)
- It has been found out that for the “commercial” zoned plot of 5,000 sqm area, with 8 stories settlement permit, adjacent to the Beylikdüzü Hyundai building, in the region of the immovable property subject to appraisal, a price of 5,000,000 USD has been offered. (750 €/sqm, 1,800 TL/sqm)
- It has been found out that a plot of 1,260 sqm area, zoned as housing + commercial”, in the internal parts of the region of the immovable property subject to appraisal, is for sale at a rate of 1,750,000 TL. ( 1,388 TL/sqm, 784 USD/sqm)
- It has been found out that a “commercial” zoned plot, across Beylikdüzü Migros, of 3,000 sqm area, with E:2 settlement condition, in the region of the immovable property subject to appraisal, is for sale at a rate of 10,000,000 TL. (3,333 TL/sqm, 1,883 USD/sqm)
- The sales prices of ground plots with commercial zoning on E-5 Motorway vary between 800 – 1.200 €/m<sup>2</sup> according to their zoning situation.
- By taking into consideration the immovable property’s having equivalence right of 2,75, the project license for the hotel project to be developed on it being taken and the related fees being paid, the ground plot unit price has been assumed as 1.125 €/m<sup>2</sup>.

## Summary Chart

No	Area (sqm)	Quality	Unit Price (EURO/sqm)	Explanation
1	48.000	Land	2.300	In the region of immovable property, facing road
2	4.224	Land	5.026	In the region of immovable property
3	18.000	Land	2.655	In the region of immovable property, facing E-5
4	24.200	Land	2.212	In the region of immovable property, commercial zone
5	47.000	Land	2.655	In the region of immovable property, facing road
6	5.000	Land	1.800	In the region of immovable property
7	1.260	Land	1.388	In the region of immovable property
8	3.000	Land	3.333	In the region of immovable property, near Migros

✓ **Professional Opinion of the Appraisal Expert:**

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Considering all advantages and disadvantages of the property such as its place, location, its side along the road, its view, its parcel size, the right of construction and zoning status; and after inspecting the similar sales in the vicinity, the value of the subject property is estimated as follows.

VALUE OF LAND				
1 sqm Land Value	1.125	.-€		
Total Land Size	1.755,37	m <sup>2</sup>		
Total Land Value	1.974.791	.-€		
<b>TOTAL LAND VALUE</b>			<b>1.974.791</b>	<b>.-€</b>
<b>TOTAL LAND VALUE</b>			<b>4.967.982</b>	<b>.-TL</b>
<b>APPROXIMATE LAND VALUE</b>			<b>4.970.000</b>	<b>.-TL</b>

## 7.3.2. Cost Formation Analysis

In this analysis, the building cost values of the property have been calculated with cost formation approach; according to the costs estimated by basing on the technical properties and the materials of the buildings, the construction costs of other buildings with same properties in the market and our past experiences. The depreciation margin of the buildings has been calculated by considering the visible physical condition of the building as based on the appraiser's experiences.

**The construction costs considered for the calculation of the current status of the property is the completed construction cost of the project as of the date of appraisal. The value of the construction costs have been taken from the accounting records of Akfen GYO A.S. from which the advance payments were deducted, and they are annexed to the report. The detail of the following table is included in the construction cost calculation in the "Development Approach" section.**

TOTAL COST (€)	
Construction Cost (Euro)	5.025.723
Infrastructure Cost (Euro)	502.572
Environmental Design and Landscape Cost (Euro)	150.772
Project General Expenses (Euro)	738.279
<b>TOTAL (€)</b>	<b>6.417.346</b>
<b>SPEND COST(€)</b>	<b>875</b>

REALIZED EXPENCES RATE (€)	32%
REALIZED EXPENCES(€)	2.053.551
REMAINING EXPENCES(€)	4.363.795

TOTAL LAND VALUE(€)	1.974.791
CONSTRUCTION COST(€)	2.053.551
TOTAL VALUE (€)	4.028.342
TOTAL VALUE (TL)	10.134.100
APPROXIMATE TOTAL VALUE (TL)	10.130.000

## 7.2.3 Development Approach

Project valuation system has been used in evaluating the project located on the parcel.

### Hotel Assumptions

- In the valuation study the areal information existing on the architectural project has been used.
- In the project development approach it was assumed that 3-Star Ibis Hotel shall be built and operated on the subject parcel.
- It was foreseen that the 3-Star hotel shall have a capacity of 156 rooms and 312 bed capacity.
- It was assumed that the hotel construction shall be completed by mid-2012.
- It was assumed that the average occupancy ratio of the room capacity of the hotel shall start with 50% in 2012 and shall increase to 78% over the years until 2015 and that it will remain fixed thereafter.
- The room rates are foreseen according to bed & breakfast system. As a result of the inspections in the tourism sector and in the region, the room rates assumed as €60.00 for 2012 with the beginning of its operations, and it is assumed to increase by 3.5% per year
- It was assumed that all costs will be met by the investor company.
- Expenditures such as lunch and dinners, beverages, laundry, etc. which are in general evaluated as extra expenditures at 3-Star hotels have been added to other revenues. The revenue foreseen for this item has been foreseen as 20% of the total revenue. It was assumed that this rate shall remain fixed, that however the revenue will increase proportionately to the revenues of the hotel.
- It was accepted that at a 3-Star hotel GOP (Gross Operating Profit) shall start with 35% and that it will increase up to 55% with the increase in the occupancy ratio.
- It was foreseen that renovation cost at a 3-Star hotel shall be around 1,5% of the fixed asset investment and that it will start proportionately with the number of days the hotel shall remain open in the year 2012 and that it will increase according to the inflation rate over the years.
- Apart from the advance payment, certain portions of the project overhead costs such as design drawing and approval costs, construction site installation and license fees have been realized, and the realized cost value is based on the 32 % ratio of the

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actual cost value in the accounting records of Akfen GYO A.Ş. has been used as the actual cost rate.

- According to the approved architectural project in the scope of the project, it was foreseen that the functions used in the spaces and floors shall be as indicated below.

<b>Floor Function and Area According to Architectural Project</b>			
<b>Otel Block – According to Architectural Project</b>			
<b>3<sup>rd</sup> Basement Floor</b>	942,80	sqm	Otopark, sığınak,su deposu
<b>2<sup>nd</sup> Basement Floor</b>	973,27	sqm	Otopark, sığınak,elektrik odası
<b>1<sup>st</sup> Basement Floor</b>	643,63	sqm	Otopark, toplantı salonları,
<b>Ground Floor</b>	638,50	sqm	Resepsiyon, ofisler, depo, mutfak
<b>1<sup>st</sup> Floor</b>	680,23	sqm	26 adet oda
<b>2<sup>nd</sup> Floor</b>	680,23	sqm	26 adet oda
<b>3<sup>rd</sup> Floor</b>	680,23	sqm	26 adet oda
<b>4<sup>th</sup> Floor</b>	680,23	sqm	26 adet oda
<b>5<sup>th</sup> Floor</b>	680,23	sqm	26 adet oda
<b>6<sup>th</sup> Floor</b>	670,81	sqm	26 adet oda
<b>Terrace Floor</b>	61,33	sqm	Teknik oda
<b>Total</b>	<b>7.331,49</b>	<b>sqm</b>	

- It was assumed that the tables indicating costs necessary to be made and which have been made for the 3-Star hotel project shall be as indicated below.

	<b>Gross Construction Are (sqm)</b>	<b>Unit Construction Cost (€/sqm)</b>	<b>Cost (€)</b>
Car park, Coven, Terrace Floor	2.621,03	300	786.309
Normal Floor Area	4.710,46	900	4.239.414
<b>Total</b>	<b>7.331,49</b>		<b>5.025.723</b>

- Within total cost calculations; it was assumed that costs including forward rough construction delivery cost, common spaces decoration and trim works' cost, electricity and mechanic, automation shall accrue.
- It was accepted that the construction cost of infrastructure to occur at project construction phase shall be 10% of the total construction costs.

<b>INFRASTRUCTURE COST</b>		
Closed Area Total Construction Cost (€)	Ratio	Cost(€)
5.025.723	10%	<b>502.572</b>

- Within the calculation of the infrastructure cost; natural gas infrastructure, electricity infrastructure, waste-fresh water infrastructure, telecom infrastructure, ground improvement etc. are included.
- It was accepted that environmental arrangement and landscape costs would constitute a portion of 3% of the construction costs.

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ENVIRONMENTAL DESIGN AND LANDSCAPE COST		
Closed Area Total Construction Cost (€)	Ratio	Cost (€)
5.025.723	3%	150.772

- Within environmental arrangement and landscape costs; paving costs, environmental arrangement costs, landscape costs, lighting costs of open spaces, drainage costs etc. are included.

TOTAL COST (€)	
Construction Cost (Euro)	5.025.723
Infrastructure Cost (Euro)	502.572
Environmental Design and Landscape Cost (Euro)	150.772
<b>TOTAL (€)</b>	<b>5.679.067</b>

- It was considered that project costs shall be 13% of the total costs. As total cost, the total of construction cost, infrastructure cost and environmental arrangement and landscape costs have been taken.

PROJECT GENERAL EXPENSES		
Total Cost (€)	Ratio	Cost (€)
5.679.067	13%	738.279

- Within the general expenses of the project, the costs of having all projects and details such as preliminary project, architectural project, electricity, sanitary installations, electricity, static drawn, fees of the construction inspection companies, project management company fees etc are included.

TOTAL COST (€)	
Construction Cost (Euro)	5.025.723
Infrastructure Cost (Euro)	502.572
Environmental Design and Landscape Cost (Euro)	150.772
Project General Expenses (Euro)	738.279
<b>TOTAL(€)</b>	<b>6.417.346</b>
<b>SPEND COST(€)</b>	<b>875</b>

REALIZED EXPENCES RATIO (€)	32%
REALIZED EXPENCES(€)	2.053.551
REMAINING EXPENCES	4.363.795

COST DISPERSION			
YEARS	2011	2012	TOTAL
RATIO	70%	30%	100%
<b>COST (€)</b>	<b>3.054.657</b>	<b>1.309.139</b>	<b>4.363.795</b>

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Current Value (€)	Building Insurance Value (€)	Total (€)
697.766	2.386.807	3.084.573

	2011	2012	2013
Building Insurance Cost(€)	7.638	7.829	8.024
Real Estate Tax Cost (€)	12.338	12.647	12.963
Enflasyon	2,5%		

IBIS OTEL SUMMARY CHART	
ROOMS	156
BEDS	312
OPERATING DAYS	365
ANNUAL BED CAPACITY	56.940
ADR (€)(2012)	60,00
GROWTH RATE FOR ADR (%)	3,5%
OTHER REVENUES (%)	20%
RENEWAL COSTS	1,5%
GROWTH RATE FOR REAL ESTATE TAX	2,5%
GROWTH RATE FOR REAL ESTATE INSURANCE	2,5%
CAP. RATE- OPERATING MODEL	8,5%
CAP. RATE – RENTAL MODEL	8,0%

- In the valuation study the rate of 5,20% which is the rate of the last six months Euro based Eurobonds due 2020 has been taken as “risk-free return” rate.
- In the projection reduction rate was foreseen as 11,00%.
- It was assumed that all payments have been made upfront.
- It was assumed that all legal procedures of the immovable property have been completed.
- Euro was used in the studies.
- Tax has not been included in the studies in the scope of IVSC (International Valuation Standards Council).

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<b>CASH FLOW</b>													
YEARS	30.09.2011	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Occupancy Rate (%)			50%	60%	70%	78%	78%	78%	78%	78%	78%	78%	78%
Room Capacity			28.704	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940	56.940
Bed Prices(€)			60,00	62,10	64,27	66,52	68,85	71,26	73,76	76,34	79,01	81,77	84,64
Bed Income (€)			861.120	2.121.584	2.561.813	2.954.503	3.057.910	3.164.937	3.275.710	3.390.360	3.509.022	3.631.838	3.758.952
Other Incomes (€) (%20)			172.224	424.317	512.363	590.901	611.582	632.987	655.142	678.072	701.804	726.368	751.790
<b>Total Hotel Incomes (€)</b>			<b>1.033.344</b>	<b>2.545.901</b>	<b>3.074.176</b>	<b>3.545.403</b>	<b>3.669.492</b>	<b>3.797.924</b>	<b>3.930.852</b>	<b>4.068.432</b>	<b>4.210.827</b>	<b>4.358.206</b>	<b>4.510.743</b>
GOP (%)			35%	45%	50%	55%	55%	55%	55%	55%	55%	55%	55%
GOP (€)			361.670	1.145.656	1.537.088	1.949.972	2.018.221	2.088.858	2.161.968	2.237.637	2.315.955	2.397.013	2.480.909
Cost (€)			-671.674	-1.400.246	-1.537.088	-1.595.431	-1.651.271	-1.709.066	-1.768.883	-1.830.794	-1.894.872	-1.961.193	-2.029.834
<b>Hotel Area Net Cash Flow</b>			<b>361.670</b>	<b>1.145.656</b>	<b>1.537.088</b>	<b>1.949.972</b>	<b>2.018.221</b>	<b>2.088.858</b>	<b>2.161.968</b>	<b>2.237.637</b>	<b>2.315.955</b>	<b>2.397.013</b>	<b>2.480.909</b>
Renewal Cost (%1,5)			0	-77.270	-79.202	-81.182	-83.212	-85.292	-87.424	-89.610	-91.850	-94.147	-96.500
Real Estate Tax (%2,5)		-4.187	-2.146	0	0	0	0	0	-14.666	-15.033	-15.409	-15.794	-16.189
Real Estate Insurance (%2,5)			0	-8.024	-8.225	-8.431	-8.641	-8.857	-9.079	-9.306	-9.539	-9.777	-10.021
Construction Cost		-3.054.657	-1.309.139										
<b>Hotel Net Cash Flow</b>	0	-3.058.843	-949.614	1.060.361	1.449.661	1.860.359	1.926.367	1.994.709	2.050.799	2.123.688	2.199.157	2.277.295	2.358.198
Terminal Value													27.743.505
<b>NET CASH FLOW</b>	0	-3.058.843	-949.614	1.060.361	1.449.661	1.860.359	1.926.367	1.994.709	2.050.799	2.123.688	2.199.157	2.277.295	30.101.703

<b>Appraisal Table</b>			
Riskfree Rate	5,20%	5,20%	5,20%
Risk Premium	4,80%	5,80%	6,80%
<b>DISCOUNT RATE</b>	<b>10,00%</b>	<b>11,00%</b>	<b>12,00%</b>
<b>NET PRESENT VALUE (€)</b>	<b>15.647.274</b>	<b>14.172.808</b>	<b>12.837.016</b>
<b>NET PRESENT VALUE (TL)</b>	<b>39.363.848</b>	<b>35.654.532</b>	<b>32.294.080</b>



## 7.2.4 The Value of the Property According to the Rental Income

Pursuant to the Ibis Hotel Esenyurt Rental Contract dated 16 August 2010;

- **The international hotel management company Accor Group will pay as the annual rental fee for the Hotel which is under appraisal and the construction right of which belongs to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş, the highest of the twenty five percent (25%) of the gross income (excluding VAT) or seventy percent (70%) of the adjusted gross operation income obtained by deducting a total amount of 8% (4% for operation expenses and 4% for replacement costs) from the gross income.**
- The construction right of the hotel under appraisal belongs to Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and it will be operated by the Accor Group, which is an international hotel management company. Such items as occupancy rates, bed/room prices that affects the potential of the hotel was assumed that the hotel would be operated in 3 star city hotel concept.
- It was assumed that the number of beds of the hotel would remain fixed by years as specified in the approved architectural project.
- It was assumed that the hotel would be open for 365 days during the year.
- The prices in the hotel have been projected to be according to the room-breakfast system. As a result of the research conducted in the tourism sector and the region, it was assumed that the price for the rooms would be € 60.00- with the commissioning of the hotel in 2012 and that this price would increase by years at a rate of 3.5%.
- It was assumed that the average room capacity occupancy rate of the hotel would be 50% in 2012 and this rate would increase by years and reach 78% in 2015, and remain fixed during the subsequent years.
- It was assumed that the profit margin of the facility would be 35% in 2012 and this rate would rise to 55% by years and remain fixed at this rate.
- The replacement cost for the rent model of the hotel was taken as 0.05% of the replacement cost calculated in the operation alternative. It was assumed that such replacement works of the hotel would be performed by the tenant in the rent model.
- EURO was used during the studies and 1 Euro was taken as TL 2.2157.
- Tax and VAT was not included in the studies pursuant to the IVSC (International Valuation Standards).
- 5.20%, which is the average for the last 6 months for the Euro-based 2020 termed Eurobond, was taken as the “Risk-Free Rate of Return”. (The rate of return of the longest termed Euro-based 2020 termed Eurobond was chosen as the risk-free rate of return in this valuation study.)
- Low capitalization rate and risk premium were given by considering that the rental incomes guaranteed by the international recognition level and brand power of Accor would be determined by years.
- In this study, the rental revenues of the hotel rented to the Accor group with a 25 –year rental contract, have been guaranteed under a contract. It was assumed that the risk premium in Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. obtaining the rental revenues would be quite low. The capitalization rate was projected to be 8.50% by adding a “Risk Premium” of 3.30% to the 5.20% “Risk-Free Rate of Return.”
- It was assumed that the contract between Accor and Akfen would continue with the same terms during the period in which the immovable property would be used by Akfen GYO A.Ş.

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

<b>İBİS HOTEL CASH FLOW</b>													
YEARS	30.09.2011	31.12.2011	31.05.2012	31.05.2013	31.05.2014	31.05.2015	31.05.2016	31.05.2017	31.05.2018	31.05.2019	31.05.2020	31.05.2021	31.05.2022
IBIS HOTEL INCOME		0	258.336	636.475	768.544	886.351	917.373	949.481	982.713	1.017.108	1.052.707	1.089.551	1.127.686
AGOP IBIS HOTEL		0	195.302	659.388	903.808	1.166.438	1.207.263	1.249.517	1.293.250	1.338.514	1.385.362	1.433.850	1.484.034
IBIS HOTEL USED RENTAL INCOMES		0	258.336	659.388	903.808	1.166.438	1.207.263	1.249.517	1.293.250	1.338.514	1.385.362	1.433.850	1.484.034
INSURANCE COST(EURO)	0	0	0	-8.024	-8.225	-8.431	-8.641	-8.857	-9.079	-9.306	-9.539	-9.777	-10.021
REAL ESTATE TAX	0	-4.187	-2.146	0	0	0	0	0	-14.666	-15.033	-15.409	-15.794	-16.189
RENEWAL COST (EURO) (%0,05)	0	0	0	-3.864	-3.960	-4.059	-4.161	-4.265	-4.371	-4.481	-4.593	-4.707	-4.825
TOTAL NET OPERATING PROFIT (EURO)	0	-4.187	256.190	647.500	891.623	1.153.948	1.194.461	1.236.395	1.265.134	1.309.695	1.355.822	1.403.571	1.452.999
CONSTRUCTION COST	0	-3.054.657	-1.309.139										
TERMINAL VALUE	0												24.216.650
NET CASH FLOW(EURO)	0	-3.058.843	-1.052.948	647.500	891.623	1.153.948	1.194.461	1.236.395	1.265.134	1.309.695	1.355.822	1.403.571	25.669.649

<b>Appraisal Table</b>			
Riskfree Rate	5,20%	5,20%	5,20%
Risk Primium	2,80%	3,30%	3,80%
DISCOUNT RATE	8,00%	8,50%	9,00%
NET Present Value (EURO)	7.521.724	13.224.736	7.124.289

# **AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

## **7.2.5 Evaluation of The Results of The Analysis**

In the study conducted; peer comparison approach has been used for the ground plot value and project development approach for the hotel revenue.

- According to the peer comparison approach the land value of the parcel has been calculated as **4.970.000.-TRY**.
- According to the project development approach, based on the assumption that the commercial unit to be located in the hotel and which is to be developed on the parcel shall be leased, the final value of the project has been assessed as **34.460.000.-TRY (Thirtyfourmillionfourhundredsixtythousand.-TRY) (13.700.000.- €)** which is the average of project value **14.173.000.- €** and the net today's value of the rental revenue which is **13.225.000.- €**.
- According to cost approach analysis the fair market value of the hotel under construction has been appraised as **10.130.000.-TL(Tenmilliononehundredthirtythousand.-TL) (4.030.000.- €)**

The architectural project for the 3-Star hotel which is currently being developed on the parcel has been approved and the construction license has been taken.

**It is considered that there are no restraints in the framework of the provisions of the Capital Markets Legislation in including the subject immovable property as "project" to the Real Estate Investment Trust portfolio.**

The sales comparison approach was used in determining the current value in this valuation study. The value of the hotel based on the income capitalization method was calculated with the use of 2 methods according to the rental income and the operation income. The hotel is currently rented to the Accor group to be operated under a rental contract. The value was found based on the rental income by capitalizing the rental revenues guaranteed under the contract with a low risk premium. In addition, the value of the property to be calculated based on the total revenues provided by it was found according to the operating incomes. In this method the total potential of the hotel, which brings profit for both the owner of the property and the operator, was taken into consideration and it was thought that this value would be important in case of any sales. Therefore, the value of the immovable property, which was found based on the income capitalization approach, was calculated by taking the average of the two values through capitalizing the rental income guaranteed with the rental contract and the revenues to be provided with the total operating potential. Since the value of the property depends on the performance of such property in income generating facilities, it was considered that the income capitalization value to be calculated with the 2 methods would be much sounder.

### **VAT APPLICATION**

It is assumed that routine VAT will apply to the property. The VAT rate to be applied on commercial property sales is assumed as 18%.

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**SECTION 8  
CONCLUSION**

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## SECTION 8 CONCLUSION

All characteristics which might have an influence on the value of the property such as its location in Esenyurt, infrastructure and means of access, its facade to the street, land area, its zoning status, the construction system of the building, its age, the workmanship and the quality of the products, the construction completion rate of interior design have been taken into account and detailed market research has been undertaken on location. Taking into consideration the economic conditions experienced in the recent period the value of the immovable has been estimated as follows by TSKB Gayrimenkul Değerleme A.Ş.

<b>TOTAL FAIR MARKET VALUE OF THE PROJECT AS OF 30.09.2011 (Excluding VAT)</b>	
<b>34.460.000.-TL</b>	<b>13.700.000.- EURO</b>
<b><u>(Thirtyfourmillionfourhundredsixtythousand.- TurkishLiras)</u></b>	<b><u>(Thirteenmillionsevenhundredthousand.- EURO)</u></b>
<b>TOTAL FAIR MARKET VALUE OF THE PROJECT AS OF 30.09.2011 (Including VAT)</b>	
<b>40.622.800.-TL</b>	<b>16.166.000.-EURO</b>
<b><u>(Fourtymillionsixhundredtwentytwothousand.- TurkishLiras)</u></b>	<b><u>(Sixteenmilliononehundredsixtysixthousand.- EURO)</u></b>
<b>TOTAL PRESENT STATUS VALUE OF THE PROJECT ON 30.09.2011 (Excluding VAT)</b>	
<b>10.130.000- TL</b>	<b>4.030.000- EURO</b>
<b><u>(Tenmilliononehundredthirtythousand .-TurkishLiras)</u></b>	<b><u>(Fourmillionthirtythousand .-EURO)</u></b>
<b>TOTAL PRESENT STATUS VALUE OF THE PROJECT ON 30.09.2011 (Including VAT)</b>	
<b>11.953.400.-TL</b>	<b>4.755.400.-EURO</b>
<b><u>(Elevenmillionninehundredfiftythreehousand fourhundred.-TurkishLiras)</u></b>	<b><u>(Fourmillionsevenhundredfiftyfivethousandfour hundred.-EURO)</u></b>

- 1- Value above is the fair market value for a cash sale.
- 2- KDV hariçtir.
- 3- Exchange rate has been taken as EURO 1 = TL 2,5157. The value in EURO is given only for information.
- 4- This appraisal report has been prepared further to the related provisions of the Capital Markets Regulation.
- 5- This page is an inseparable part of the appraisal report, it is complete with the detailed information in the report and it can not be used separately

**We hereby submit our report expressing our point of view and opinion with respects.**

<b>Mehmet ASLAN</b> Appraiser (401124)	<b>Fatih TOSUN</b> Appraiser in Charge (400812)
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**SECTION 9  
ANNEX**

# AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

## SECTION 9

### ANNEX

1	Photocopies of Title Deeds
2	Letter of Encumbrances
3	Zoning Status Document
4	Agreements
5	Photographs
6	CV's
7	SPK Licences