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Urban development should be emphasized

GYODER's "Affordable Housing Need and Recommendations" Report has been disclosed

ISTANBUL - GYODER's "Affordable Housing Need and Recommendations" report highlights the fact that Turkey should emphasize urban development.

The "Affordable Housing Need and Recommendations" report, prepared by the "Affordable Housing Institute" on behalf of

GYODER, has been disclosed at the 8th Real Estate Summit. In the report, it has been mentioned that for Turkey to be competitive with developed nations in Europe and the Americas, Turkey needs to improve its housing - total supply, housing quality, and housing affordability - which lag behind other sectors of the Turkish economy relative to these countries to which Turkey aspires.

It has been underlined that improving Turkish housing across the board will not only improve the Turkish economy broadly but also lead to an increase in overall Turkish household income and better quality of life, as people have more flexibility to buy or rent housing they need.

According to the report: "Turkey should emphasize urban development, because that is where the growth will be, and that is where demand is rising faster than supply."

The recommendations included in the report are:

"Shift government from housing production into housing finance. TOKI should not be a builder or developer, but a lender, financier, and bank, as are its counterparts in Mexico and Thailand.

Diversify TOKI from just the supply side to include also the demand side, as in Mexico and the US GSEs. Use the proceeds from securitizing TOKI's loan portfolio as the equity base for reorienting TOKI into a housing bank.

Catalyze private mortgage banks by creating new financial products that complement the market.

Allow municipal government to obtain nationally owned land for urban development and regeneration.

Create a national gecekondü transformation pilot program built around (a) demolition-and rebuilding with formal housing, (b) favorable loans to transform and earthquake-reinforce housing.

Develop consumer earthquake-reinforcement loans for sale through mortgage banks. Use them as part of broad-based new policies to improve existing informal neighborhoods.

Create a rental housing association model for long-term affordable apartments."