

AKFEN REAL ESTATE INVESTMENT TRUST INC.

CITY OF ADANA, DISTRICT OF SEYHAN

BLOCK NO. 585, PLOT NO. 2

ADANA IBIS OTEL PROJECT

REAL ESTATE APPRAISAL REPORT

Report No: 2014-020-GYO-009

Appraisal Date: 31.12.2014

Date of Report: 02.01.2015



REAL ESTATE CONSULTANCY AND APPRAISAL INC.

i. APPRAISAL REPORT SUMMARY

Person/Entity Requesting the Appraisal	:	Akfen Real Estate Investment Trust Inc.
Institution Preparing the Report	:	Epos Real Estate Consultancy and Appraisal Inc.
Date of Report:	:	02. 01.2015
Report No	:	2014-020-GYO-009
Date of Appraisal	:	11.11.2014 - 31.12.2014
Information Concerning the Property Subject to the Appraisal	:	The real estates; (1) detached section "11-Storeyed Concrete Hotel and the Land" locate in the city of Adana, District of Seyhan, Neighbourhood of Cinarli, at Block 585, Plot No.2, with a surface area of 2.213,00m, and (2) detached section with a nature of "Workplace".
Subject of Study	:	Determining the right of construction, current market value and the annual lease value of the said real estate (building).
Land Area of the Real Estate Subject to the Appraisal	:	2,213.00m ²
Land Area of Closed Spaces of the Real Estate Subject to the Appraisal	:	Hotel Area: 6.158,88m ² + Workplace Area:652m ² + Common Area: 2.236,56 =9.047,44m ²
Zoning Status of the Real Estate Subject to the Appraisal	:	House + Trading Area

As of 31.12.2014

	Annual Market Value of the Real Estate (EURO)	Annual Market Value of the Real Estate (TL)
VAT Excluded	14.065.000	39.673.000
VAT Included	16.597.000	46.814.000

	Annual Lease Value of the Real Estate (EURO)	Annual Lease Value of the Real Estate (TL)
VAT Excluded	601.000	1.695.000
VAT Included	709.000	2.000.000



- 1-) The appraised value is the current value regarding the cash sale price.
- 2-) The VAT ratio has been established at 18%.
- 3-) The currency rates have been established at 1,-Euro = 2,8207 -TL; 1,-EURO = 1,21-USD.
- 4-) This report has been prepared within the scope of the related Capital Market Legislation.

Names of the persons participating in the Appraisal

Certified Appraiser	:	Dilek YILMAZ AYDIN
Certified Appraiser	:	Taner DÜNER
Responsible Appraiser	:	Neşecan ÇEKİCİ



Declaration of Conformity

- The findings hereby presented in this report are correct, within the scope of the information that the Appraisers had at their disposal.
- The analysis and their respective results are limited only according to the specified assumptions and conditions.
- The appraisers have no connection whatsoever to the property subject to the appraisal nor will they ever have.
- The appraisers are not biased in relation to the real estate and the related parties.
- The appraisal cost does not depend on any single part, analysis opinion or the results of the report.
- The appraisers have carried out the appraisal pursuant to the moral principles and performance standards.
- The appraisers meet the necessary professional education terms and possess the sufficient experience.
- The analysis, opinions and resulting values have been prepared in accordance with the International Valuation Standards (IVS - UDES).

Assumptions

- The value stated within this report is the value specified on the date of its preparation. The appraisers cannot be held responsible for the economic and/or physical changes that might affect the value herein stated, occurring after the date of this report.
- No comments in this report (even though the matters in question are discussed in the continuation of the report) have been made with the purpose of clarifying legal affairs, matters that might require special research and specialty or other issues that are beyond the scope of the area of expertise of the appraisers.
- No changes have been made to the information pertaining to the property. The authorities that provide the information related to the property and legal descriptions are generally accepted to be trustworthy. However, no guarantees are given with regard to their truthfulness.
- Documents and corresponding related information are found in the report as they have been procured from public institutions.
- The photographs, maps, images and diagrams have been used for illustrative purposes only, in the interest of further comprehending the matters mentioned in the report; thus, they cannot be used as a reliable reference for any other purpose.



- The projections subject to this appraisal have been performed in order to help the appraisal process by taking into account a stable economic process, in the case of a demand during the current market conditions. The projections depend on the variable market conditions, which the appraisers cannot accurately discern; moreover, it is possible that the value might be affected from these variable conditions.
- The appraisers do not possess the necessary qualifications to determine the dangerous or health threatening materials found within or in the proximity of the property. Throughout the value appraisal, it is assumed that such materials that might decrease the value are considered to be inexistent. No responsibility is accepted concerning this matter.
- Predictions and projections or business estimates included in this appraisal report depend on the current market conditions and short term supply, together with demand factors and a stable economy. Consequently, these may present changes to plausible future conditions. No responsibility is accepted in the event that the opinions and results presented in the report are affected due to economic changes that might occur after its herein date.
- Unless stated otherwise, underground resources have not been taken into consideration.
- It is not possible for the appraisers to carry out a soil contamination investigation, in the matter of the property in question. For this reason, to the extent that it can be seen, it has been determined that there is no cause for concern in regard to soil contamination.
- On account of the area in question being an established earthquake zone, the subject of ground stability cannot be clarified without the performance of detailed geological surveys. For this reason, in behalf of the appraisal studies, it has been assumed that there are no negative issues presently concerning the ground.
- Soil investigation and soil contamination studies in real estate fall within the scope of the “Environmental Geophysics” field. Our company does not employ such a specialization, thus did not perform a detailed investigation regarding the aforementioned matter. However, in accordance with the observations carried at the locale, it has been established that the real estate poses no threat to the environment. For this reason, this appraisal has been carried out taking into consideration that there have not been any negative effects against the environment.

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1 REPORT INFORMATION

1.1 The Date, Number and Type of the Appraisal Report

Date of Report : 31.12.2014

Report Number : 2014-020-GYO-009

Type of Report : Appraisal report relative to the real estates; (1) detached section "11-Storeyed Concrete Hotel and the Land" locate in the city of Adana, District of Seyhan, Neighbourhood of Cinarli, at Block 585, Plot No.2, with a surface area of 2.213,00m, and (2) detached section with a nature of "Workplace", for the purpose of determining current market value of its right of construction and the current lease value in Turkish Lira currency.

1.2 Information Regarding the Persons Prepared the Report and the Responsible Appraiser

Report Issued By : Certified Appraiser, Dilek YILMAZ AYDIN

Report Controlled By : Certified Appraiser, Taner DÜNER

Responsible Appraiser : Responsible Appraiser Neşecan ÇEKİCİ

Capital Market Board Coverage : Yes

* This report has been prepared within the scope of the related Capital Market Legislation.

1.3 Date of Appraisal

On the date of 11.11.2014, the necessary procedures have been initiated for this appraisal report. Subsequently, this report has been concluded on the date of 02.01.2014.

1.4 Reference Agreement

Appraisal Report has been prepared pursuant to the provisions of the Reference Agreement executed between our company and Akfen Real Estate Investment Trust Inc.. on the date of 13.10.2014.

1.5 Statement Whether the Report Has Been Prepared Within the Scope of the Board

Arrangements for the Purpose of the Appraisal

This appraisal report has been prepared within the scope of the related Capital Market Legislation.



2 INTRODUCTORY INFORMATION CONCERNING THE COMPANY AND THE CLIENT

2.1 Introductory Information Concerning the Appraisal Company

Company Title : EPOS Real Estate Consultancy and Appraisal Inc.

Company Address : Kore Şehitleri Cad. Yüzbaşı Kaya Aldoğan Sok. Engin İş Merkezi No: 20
Kat:2 Zincirlikuyu / İstanbul

2.2 Introductory Information Concerning the Client

Client Title : Akfen Real Estate Investment Trust Inc.

Client Address : Büyükdere Caddesi, No:201, C Blok, Kat: 8, Levent/İstanbul

2.3 The Scope of the Client's Demand and the Applied Limitations, If Any

This appraisal report is relative to the **real estates; (1) detached section "11-Storeyed Concrete Hotel and the Land" locate in the city of Adana, District of Seyhan, Neighborhood of Cinarli, at Block 585, Plot No.2, with a surface area of 2.213,00m, and (2) detached section with a nature of "Workplace", for the purpose of determining its sales and rental value within the scope of the Council arrangements.**

Referring to the 13.10.2014 dated request by Akfen Real Estate Investment Trust, the potential revenue resulting with regard to the operational and rental value of the Akfen Real Estate Investment Trust Inc. has been evaluated in the report. During the appraisal studies, the market research, the onsite surveys have all been taken into account.

There are no restrictive constraints in force exercised by the client.

3 VALUE DEFINITIONS, DESCRIPTION OF APPRAISAL METHODS

There are three different appraisal methods available in our country: “Exemplary Comparison Approach (Market Approach)”, “Cost Approach” and “Revenue Discount Approach”.

3.1 Exemplary Comparison Approach (Market Value Approach)

With regard to the real estate that will be appraised; this method follows particular procedures, such as the comparison of the real estate with other real estates that have similar characteristics in the market and those that have been recently sold, the application of appropriate comparison processes and making various modifications in the comparable sale values.

The appraisal analysis are carried out by means of comparing the examples found within specific criteria such as location, visibility, functional use, size, zoning status and its comparable. The market value approach is the most preferred method when there are widespread and comparable examples present.

The most trustworthy and realistic approach in real estate appraisal is the market value approach. In this appraisal method, comparable examples that share common characteristics with the real estate that has been submitted for the appraisal in the area are evaluated.

The Market Value Approach depends on the following assumptions:

- The existence of an available market, in relation to the type of the real estate in analysis, is acknowledged beforehand.
- It has been verified that the buyers and sellers in this market possess excellent knowledge on the subject of real estate and that, for this reason, time is not a critical factor.
- It has been established that the real estate has stayed on the market for an appropriate amount of time and for a reasonable price.
- It has been determined that the chosen comparable examples possess common characteristics with the real estate in question.
- It has been noted that the changes made in the prices given for the chosen comparable examples are subject to today's socioeconomic conditions.

3.2 Cost Approach

In this method, the appraisal of the real estate is based on the cost of the reconstruction of the real estate, in accordance with today's socio-economic conditions.

Pursuant to this approach, it has been established that the value of the real estate consists of two different facts, namely land and buildings. In addition, it is acknowledged that the real estate has a significant remaining economic life span. Therefore, for this reason, it is taken into account that the value of the real estate will decrease in time due to physical wear and become out of date in terms of functionality and economic status. In other words, this method concedes that the current value of a real estate can never be more than the cost of its reconstruction.



The appraisal process is calculated by the addition of the interest or gain that the current building possesses, if any, to the present reconstruction or reinstallation cost of the real estate in question, followed by the subtraction of the wear and tear ratio from the total cost and, finally, the addition of the land value.

3.3 Revenue Discount Approach

In the revenue discount approach, the net revenue that the real estate will bring, the idle time, collection losses and business expenses are analyzed for the business period.

The appraisers will calculate the present value of the real estate by capitalizing the prospective future benefits and the revenue that it brings.

There are two different methods in revenue capitalization; Direct Capitalization is calculated through the division of the annual revenue by the revenue ratio or through the multiplication of the annual revenue with the revenue coefficient. On the other hand, in the Reduced Cash Flow, the value of the real estate is calculated by applying the lump sum value and reflecting it on the revenue model; afterwards, the revenues are brought to the present day value by an acceptable discount rate.

Some real estates, due to their characteristics, may need to be appraised by taking into account that they will be improved. In this case, the net revenues that the real estate will generate for its development will be set off from the expenses that will be made for its development; the net result will be taken into consideration to determine the present value of the real estate by taking into account the entrepreneur profit and an acceptable discount rate.

4 ECONOMIC STATUS, REAL ESTATE SECTOR DATA AND ANALYSIS OF THE REGION WHERE THE REAL ESTATE IS LOCATED

4.1 General and Socio-Economic Data

According to the result of the Address Based Population Registration System (ADNKS) for the year of 2013, from the date of 31.12.2013, the population of Turkey is established to be 76.62.864. 50,18% of this number (corresponding approximately to 38.473.360) represents men and 49,81% (corresponding approximately to 38.194.504) represents women.

One of the most significant characteristics of the Turkish population is the fact that it is comprised of a young population, with the 0-14 year group constituting approximately 24.58% of the population. However, this number has been in continuous decline since the year of 1965 and the population of Turkey is gradually getting older. While the 0-14 age group constituted 41,9% of the population in the year of 1965, it represented 24,58% in the year of 2013.

The annual population growth rate in Turkey is 13,7th of a thousand. 91,3% of the population resides in cities and districts. The average age in Turkey is 30,4. According to the data obtained, 96,1% of the Turkish population is literate.

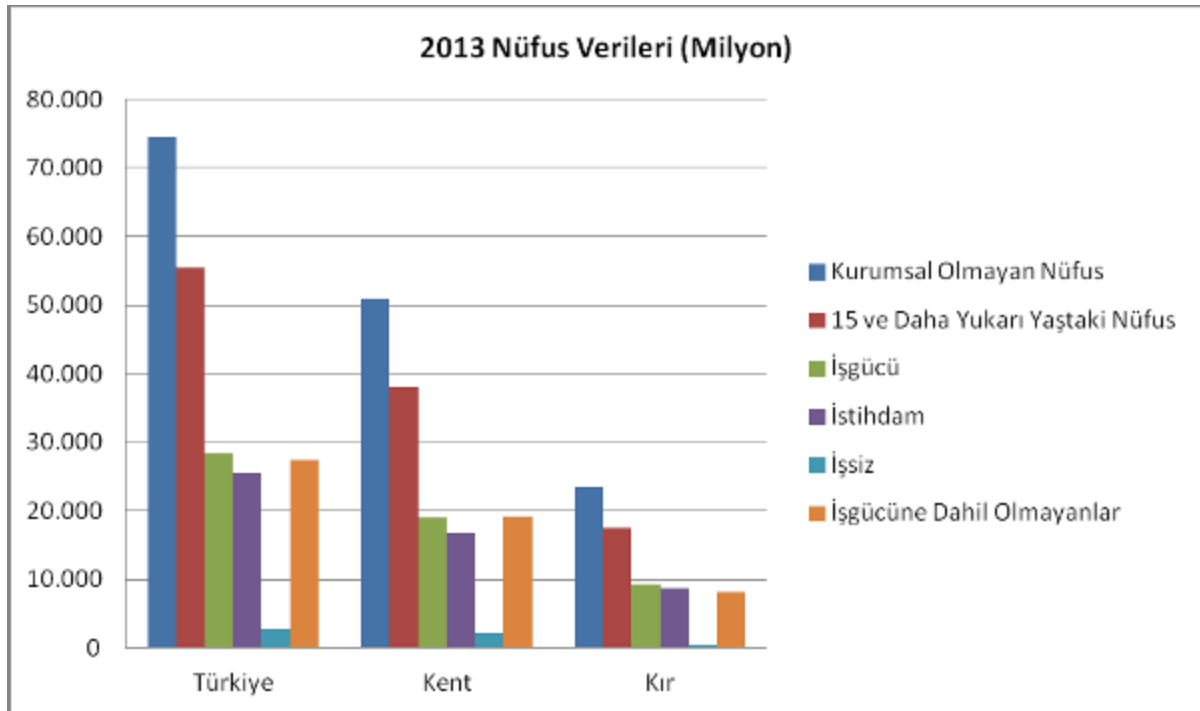
The 15-64 age group, which corresponds to the working age group, makes up 2,7% of the population (corresponding approximately to 51.926.357 people). When the ramifications of the employment into industries is observed, it is concluded that 57% represents services, 23,6% agriculture, 19,4% industry and 7% construction.

The analysis of the Turkish population information has been provided below in terms of Turkey in general, cities and country. The data with regard to the years 2013 and 2014 has been compared.

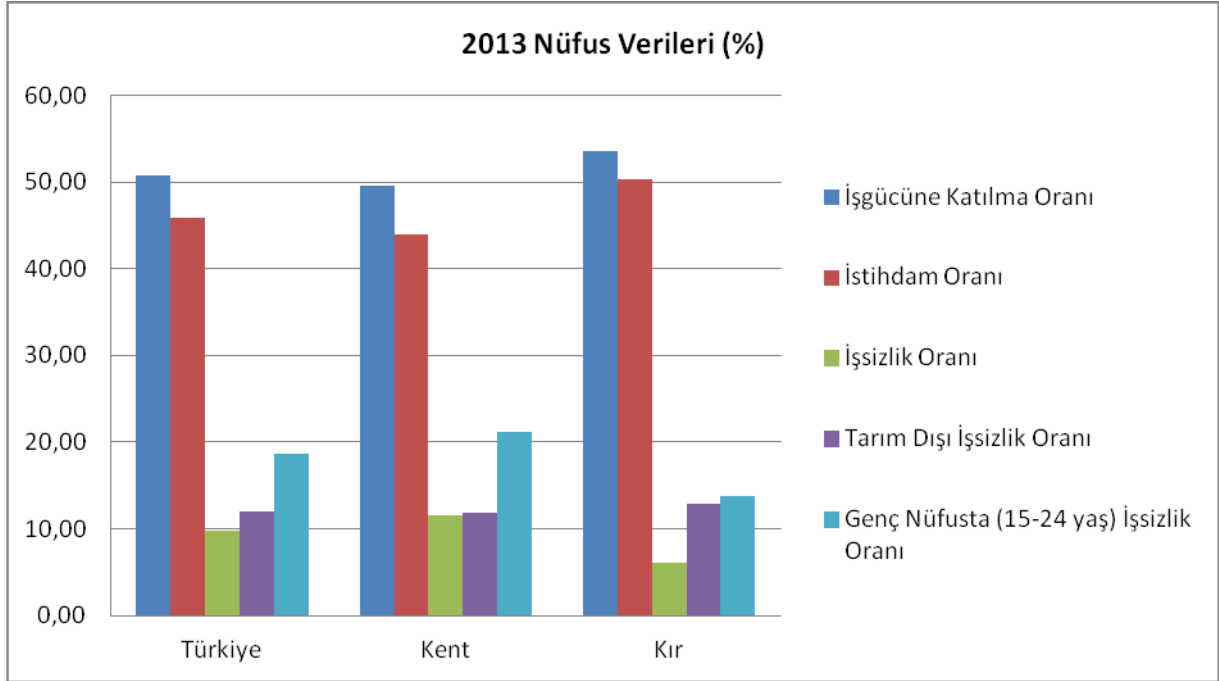
	TURKEY		CITY		COUNTRY	
	2012	2013	2012	2013	2012	2013
Non institutional Population (000)	73.504	74.457	50.397	50.885	23.207	23.572
Population of and above 15 years of age (000)	54.724	55.508	37.656	38.129	17.068	17.479
Labor force (000)	27.339	28.271	18.186	18.907	9.153	9.364
Employment (000)	24.821	25.524	16.167	16.736	8.653	8.788
Unemployment (000)	2.518	2.747	2.018	2.171	500	576
Not Included in the Labor Force (000)	27.385	27.337	19.470	19.222	7.915	8.115
Participation in the Labor Force Rate (%)	50	50,80	48,30	49,60	53,6	53,60
Employment Rate (%)	45,40	45,90	42,90	43,90	50,70	50,30
Unemployment Rate (%)	9,20	9,70	11,10	11,50	5,50	6,10
Indescribable Unemployment Rate (%)	11,50	12,00	11,40	11,80	11,90	12,90
Unemployment Rate in Young Population (15-24 age group) (%)	17,50	18,70	20,30	21,20	11,90	13,70

Population Data for the years of 2012 and 2013 (Source: Turkish Statistical Institute – TUIK)

When the data relative to the years of 2012 and 2013 is evaluated, it can be observed that the population, labor force and employment are on the rise for Turkey in general, as well as the cities and the country. Nonetheless, unemployment has also increased. While those that are not included in the labor force are in decline in the cities, this number has been noted to rise in the country side. In addition, the increase in participation in the labor force and the employment rates in the city, with regard to the overall rates, has drawn attention. The unemployment rate has been verified to increase in all of the three groups. Meanwhile, the unemployment rate among the young population in Turkey in general, together with the cities, is another important topic to consider.



Furthermore, a second comparison is an evaluation of the 2013 year population specified in the table on the basis of city and countryside. Here, similarity of the Turkey-wide charts and the city charts in terms of distribution draws attention.



In light of this data, the information regarding general economic overview and real estate industry will be conveyed.

Economic Overview of Turkey

Although the global economy still seems to be following a moderate growth, the overview of this growth is weak and out of balance. The developed economy oriented growth expectations for the year of 2014, as it had been described previously, has been revised down. While the growth expectation of the Euro Zone has receded from 1,2% to 0,8%, the growth rates in the U.S.A and Japan have been down revised from 2,6% to 2,1% and from 1,2% to 0,9% consecutively.

A similar statement can be said of the developing markets; the growth in developing countries continues, despite the fact that the growth rate is far below the previously recorded levels.

The circumstances resulting from FED terminating its monetary expansion and the increase of the interest rate becoming out of the question have affected the developing countries with such liquidity conditions. Displaying a growth rate far below the expected in the first quarter, the Euro Zone and Japan have portrayed a lower performance than that of the expected in the first 9 months of the year of 2014.

This situation has also reflected itself on the central banks policies, causing FED to continue the reduction process of its bond purchase program, which started from the beginning of the year of 2014, as well as causing the European Central Bank to take additional expansion steps and Japan to maintain its current loose policy stance.

With these developments in the international markets, in the first quarter of 2014, the Turkish economy has continued to grow, especially private consumption, with the help of internal demand; afterwards, it has portrayed a slowing down above the expected levels in the second quarter. The

annual 4,7% growth rate in the first quarter dropped to 2,1% in the second quarter, resulting in a quarterly shrinkage for the first time since the first quarter of 2012, as well as a reduction of 0,5% in the economy, with comparison to the previous quarter.

The macro precautionary measures, which have entered into effect in February 2014, in order to limit the consumption and the severe increase in the interest rates that the Central Bank applied at the end of January, affecting the internal demand, especially private consumption, together with the weakening of the TL, can be argued as to the cause of this slowing down in the economy.

BASIC ECONOMIC INDICATORS					
	2011	2012	2013	2014*	2015*
Gross Domestic Product (GDP)	774 Million \$	785.7 Million \$	820 Million \$	-	
GDP per Capita	10,604 USD	10,666 USD	10,782 USD	-	
Growth	8,50%	2,20%	4,00%	3,50%	3,90%
Inflation	10,50%	6,20%	7,40%	8,50%	7,20%
Current Account Deficit	-77 Billion USD	-48 Billion USD	-65.1 Billion USD	-63 Billion USD	-65 Billion USD
Current Account Deficit/GDP	9,90%	6,30%	7,90%	6,00%	6,20%
Unemployment Rate	9,80%	9,20%	9,70%	9,90%	9,60%

*Source: Turkish Statistical Institute, Central Bank of Turkey, World Bank (*Predictions, Forecast)*

It is expected that the International capital flow will once more be based on the U.S.A, in the forthcoming term, thus resulting in the dollar gaining strength. This situation, carrying great importance for countries such as Turkey, which are in need of financing, limits the interest of American and European investors in Turkey.

Investors from the gulf region countries have returned to the market with an interest, especially in housing development projects. Domestic investors, on the other hand, have continued to portray an eager attitude for land purchases and property sales, for the purpose of being used by the owner.

It is expected, in the next year, that the difficulties posed by the increase in interest rates by FED and the dependency of Turkey in foreign financing will affect the economies of developing countries, as well as Turkey's, therefore resulting in a decline in economic growth, decrease in capital flow, high inflation and interest rates, ultimately reducing the internal consumption and investment activities, in Turkey.

4.2 General Status of the Real Estate Industry

After displaying rapid growth rates of 18,3% in the year of 2010 and 11,3% in the year of 2011, the construction industry in Turkey has had a growth rate of 0,6% in the year of 2012. Parallel to the economic slowdown, a significant decrease in the growth performance has been observed in the construction industry.

The sale of the lands, within the scope of the “Code Regarding the Support of the Development of Forest Farmers and the Making Use of the Lands that Have Been Taken Outside of the Forest Borders to the Benefit of the Treasury, As Well As the Sale of Agricultural Lands Belonging to the State Treasury”, which is commonly known as “Law 2B”, has been established pursuant to the legal conditions in the year of 2012. However, the sales have been lower than expected and limited to the construction industry.

After drafting of the Urban Renewal laws, in the year of 2013, the activities within the scope of the law, consisting mostly of large scale infrastructure investments, have gained speed and, in behalf of the numerous advantages that the law bestowed, the real estate industry has started growing once again in the year of 2013.

With the “Law Regarding the Sale of Property to Foreigners” lifting the limitations that had kept foreigners from purchasing properties, it has consequently caused the investors from Russia, Middle East and Asia, especially, to turn their attention towards Turkey, which has ultimately resulted in real estate purchases to gradually increase, on behalf of the foreigners.

The real estate market had been mostly fluctuating during the year of 2014. High internal demand and some support from the foreign investors have kept the prices in balance and consequently resulted in an increase in the housing prices, at an average of 13-14%, as had been the case in the year of 2013.

With the expectation of FED ending its easy money policy in the year of 2014, the interests and TL – Dollar currency rates have increased to the benefit of the Dollar; nonetheless, even though the international funds have adopted a tendency to reduce their funding towards developing countries, with FED pulling its interest rates to negative in the month of June 2014, it is expected that it will have positive effects in the future fund entries.

According to the foresight observed in the Standard & Poor’s “Residential Industry in the Developing Economies” report, the residential demand in Turkey is still above the current supply and the residential market will grow based on exportation, drifting away from the credit focused internal demand; lastly, the real and nominal residential prices in Turkey will slow down in the years of 2014 and 2015.

The young population and the rapid urbanization rate in Turkey have always kept the real estate demands high. Nevertheless, with the limited supply of land, particularly in the large cities, and with

the prices becoming significantly high, the developers and contractors are directed to projects that mostly appeal to middle – upper classes, as a consequence. This situation severely limits the target market and makes it difficult for the middle and middle-lower income class groups to access the new projects in development. It is estimated, in order for the real estate market in Turkey to increase steadily in the future, that political and economic stability, interest of the foreign investors in Turkey and the high growth rate that the Turkish economy will realize are all of the utmost importance.

4.3 Information Regarding the Tourism Industry

The Tourism industry in Turkey has closed the year of 2013 with an increase of 9,5% in terms of foreign visitors, corresponding to a total of 34.910.098 tourists.

Antalya became the first city in regards to foreign tourists visiting touristic centers, with a number of 11.12 million tourists. On the other hand, Istanbul has achieved a growth rate of 11% roughly. In the cities of Muğla and Izmir, the numbers recorded are approximately of 2,8%.

Number of Visitors in Touristic Centers			
	2012	2013	Change
Antalya	10.299.366	11.122.510	7,9
Istanbul	9.381.20	10.475.307	11,6
Muğla	3.009.342	3.078.781	2,3
Izmir	1.368.929	1.407.240	2,8
Total of 4 Cities	24.061.319	26.085.851	8,4
Turkey	31.782.832	34.910.098	9,5

Source: Turkish Hoteliers Federation (TUOFED) Tourism Report 2013

The revenue obtained in the Tourism industry, from the domestic and foreign tourists in the year of 2013, has increased 11,4%, thus reaching 32,3 billion dollars. The revenue obtained from foreign tourists in the year of 2013 has increased 13%, rising from 22,4 billion to 25,3 billion dollars. During the same time period, the revenue obtained from Turkish citizens living abroad and visiting the country has increased 6,4% and reached 6,7 billion dollars. (Source: Mediterranean Touristic Hotels and Operators (AKTOB) Research Unit) While Turkey has managed to be one of the 20 biggest economies in the world (G20), it is ranked at number 6 among the leading 10 touristic destinations of the world in terms of number of the visitors.

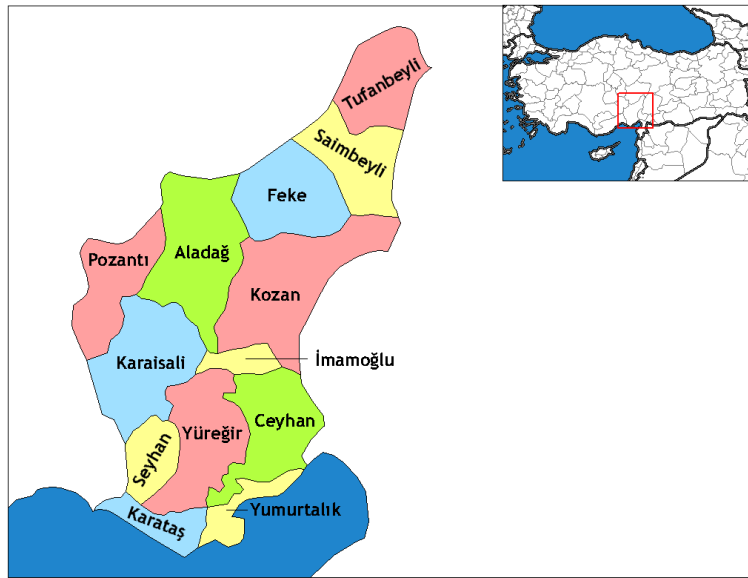
According to the real estate report for the year of 2014, which Deloitte has prepared for Turkey, one interesting topic is the Tourism Strategy of the Ministry of Culture and Tourism for the year of 2023.

The target visitor number is set for 63 million and the total planned revenue (from foreign visitors) is 86 billion dollars. The aim is to enter the top 5.

4.4 Analysis of the Region Where the Real Estate is Situated

4.4.1 City of Adana

Adana is located at in the Southern part of the Mediterranean Region. Adana, located in the north of the Mediterranean, is surrounded by the cities of Kahramanmaraş, Osmaniye, Hatay in the east; Niğde, Konya, İçel in the west. The surface area of Adana is 17.253 km² including lakes and its altitude is 23 meters.



Population: 1.849.478 (2000)

Adana is situated on the Seyhan river in Çukurova located in the south of the Taurus Mountains. Adana, with a coastline about 160 km from Mediterranean, is on the major transport routes connecting Europe and Asia. 49% of city surface area is highland, 23% plateau and 27% plain and flat areas. The height exceeds 2500 m. when reaching Taurus towards the north from the south. Foothills of the Taurus take the plan form towards the Mediterranean. Seyhan and Ceyhan Rivers rising from the Central Anatolia flow into the Mediterranean Sea The seven lakes are located at the summit of the Taurus Mountains Seyhan and Çatalan Dam lakes are located on the Seyhan river; Aslantaş Dam Lake on Ceyhan River; Akyatan and Ağyatan bird paradise lakes in Karatas.

According to the result of the Address Based Population Registration System (ADNKS) for the year of 2013; entire population of 2.149.260 lives in the city and district centers

City / District Center				Total		
Adana	Total	Male	Women	Total	Male	Women
Aladag	17.221	8.774	8.447	17.221	8.774	8.447
Ceyhan	159.243	79.864	79.379	159.243	79.864	79.379
Çukurova	346.505	169.321	177.184	346.505	169.321	177.184
Feko	18.534	9.699	8.835	18.534	9.699	8.835
İmamoglu	29.748	14.893	14.855	29.748	14.893	14.855
Karaisali	22.230	11.159	11.071	22.230	11.159	11.071
Karatas	21.862	11.022	10.840	21.862	11.022	10.840
Kozan	128.153	64.526	63.627	128.153	64.526	63.627
Pozanti	20.954	10.855	10.099	20.954	10.855	10.099
Saimbeyli	16.572	8.563	8.009	16.572	8.563	8.009
Saricam	138.139	70.737	67.402	138.139	70.737	67.402
Seyhan	771.947	384.510	387.437	771.947	384.510	387.437
Tufanbeyli	18.234	9.547	8.687	18.234	9.547	8.687
Yumurtalik	18.463	9.246	9.217	18.463	9.246	9.217
Yuregir	421.455	212.062	209.393	421.455	212.062	209.393
Total	2.149.260	1.074.778	1.074.482	2.149.260	1.074.778	1.074.482

The city was connected to the Port of Mersin by railway in 1886. Railways reached Adana going beyond the Taurus in the years of the First World War. As a result of these developments, especially after 1950 the city spread rapidly towards the station in the northwest and westwardly around the old core. New planned neighborhoods were established, wide streets and parks were opened. During these developments, the expansion spread towards the left bank of Seyhan. There are airport, various levels of educational institutions, Çukurova University and State Fine Arts Galleries in Adana which is the junction point of an advanced road network.

The industrial activities starting with industrialization based on agriculture and consumption in the years of 1930-1940 entered into the process of being large-scale factories since 1940.

Also, the factories producing construction materials started to operate in 1950s due to rapid urbanization. Gaining the first-class road status by Osmaniye, Gaziantep, Mersin, Konya roads in 1956 enabled Adana to be a transit center and increased the importance of the city. In the same years, Seyhan Hydroelectric Power Plant was transferred to Çukurova Electricity Inc. In 1960s, many factories started to operate in various sectors and in 1970s, the conglomerate began in the industrial

sector. Today, Sasa, Çukurova Elektrik, Marsa, Bossa, Güney Sanayi, Temsa, Adana Çimento, Çukobirlik, Mensa, Pilsa, Güney Biracılık, Paksoy, Özbucak are among 500 industrial enterprises operating across the country.

4.4.2 District of Seyhan

The District of Seyhan is the Central District of the City of Adana. The City of Adana, situated 40 km inland from the sea, spread on the both sides of the Seyhan River and includes the Districts of Seyhan and Çukurova on the west side and Yüreğir and Sarıçam on the east side. Seyhan is fully accepted within the city center of Adana and all district is served by Seyhan Municipality which is a lower-class municipality. Seyhan is home to the half (35%) of residents in the city of Adana. It is the fifth most populous metropolitan district in Turkey.



The present District of Seyhan, the establishment region of the city, is the largest one of the five districts of the Metropolitan city of Adana in terms of population. After 1950, rapid industrialization of the city, the transition to irrigated agriculture with dams and irrigation channels in the bottom land and accordingly, being engaged in agriculture, especially high quality cotton farming brought about a rapid population growth. Even though the population growth increased the especially housing problem and squatting, the planned urbanization is growing thanks to 'North Adana' satellite city project conducted in the northern part of the district in recent years.

The district also has an important place strategically due to the fact that it has all central areas of transportation. Şakirpaşa Airport, Adana Railway Station and Intercity Bus Terminal are located within the borders of district. The Governorate and Provincial Directorate of Security, the most important buildings of the city administratively, are also within the borders of the district.

Population living in the district center has a heterogeneous structure. Quick migrations firstly showed its face in the city of Adana and in the district of Seyhan in the private sense within the scope of

industry moves and development projects of Turkey since 1950s, therefore the central district of Seyhan had an important place in the region. The City of Adana began to allow the first mass immigrants especially with the development of agro-industrial sector. The district of Seyhan has been affected mostly by these immigrations. The second great movement of migration was experienced because of the events in the Southeast in 1990s. The city of Adana and the central district of Seyhan in the private manner allowed immigrants not only from the eastern and southeastern cities, but also from the surrounding cities. (Niğde, Kayseri, Kahramanmaraş, Osmaniye...)

4.4.3 Information Regarding the Tourism Industry in Adana

Total number of the hotels in the province of Adana and its districts is 113. (as of 2014). 36 of them are certified by the Ministry of Culture and Tourism. Of these hotels; 4 are 5-star, 9 are 4-star, 9 are 3-star, 6 are 2-star, 2 are boutique, 1 is private and 4 are motel hotel. Total bed capacity of these hotels is 5.284.

TYPE	NUMBER	BED CAPACITY
5-Star	4	1.494
4-Star	9	1.587
3-Star	9	1.048
2-Star	6	637
Boutique Hotel	2	196
Private Bel Hotel	1	24
Motel	4	250
Single Detached Hotel	1	48
Total	36	5.284

Distribution of the Accommodation Facilities with "Operation Certificate" issued by the Ministry of Culture and Tourism according to the Districts

(Source: Adana Provincial Culture and Tourism Directorate-2013)

The number of the accommodation facilities certified by the municipalities is 77. Of these hotels; 35 are in Seyhan, 3 are in Ceyhan, 6 are in Kozan, 11 are in Karatas, 14 are in Yumurtalik, 2 are in Yuregir, 1 is in Aladag and 1 is in Tufanbeyli. Total number of rooms in these hotels is 2.153 and the bed capacity is 4.383.

DISTRICTS	NUMBER OF FACILITIES	NUMBER OF ROOMS	NUMBER OF BEDS
SEYHAN	35	941	1.627
CEYHAN	3	84	159
KOZAN	6	154	391
KARATAŞ	11	201	490
POZANTI	4	125	325
YUMURTALIK	14	211	578
YÜREĞİR	2	401	731
ALADAĞ	1	16	42
TUFANBEYLİ	1	20	40
TOTAL	77	2.153	4.383

Distribution of the Accommodation Facilities Certified by the Municipalities according to the Districts

(Source: Adana Provincial Culture and Tourism Directorate-2014)

Total number of all rooms in Adana city and its districts is 113 and the bed capacity is 9.667.

TYPE	PCS	NUMBER OF BEDS
CERTIFIED BY THE MINISTRY	36	5.284
MUNICIPALITY BUSINESS LICENSED	77	4.383
TOTAL	113	9.667

Distribution of the Accommodation Facilities in Adana

(Source: Adana Provincial Culture and Tourism Directorate-2014)

Adana has recently begun to become an important centre in terms of the tourism sector. The facilities which generally offer services as convention and city hotels are available in the region.

There are not many facilities in the region yet.

NAME OF THE FACILITY	TYPE	NUMBER OF THE ROOMS
HOTEL SENBAYRAK CITY	4 *	139
SURMELI ADANA HOTEL	4*	159
ADANA HILTON SA	5*	308
KAYA PREMIUM HOTEL	4*	49
MASEL HOTEL	4*	46
ANEMON ADANA	5*	140
RIVA HOTEL RESATBEY	4*	68
GOLDEN DELUX HOTEL	4*	29
SIRINPARK HOTEL	4*	79
HOTEL SEYHAN	5*	138
SHERATON ADANA HOTEL	5*	240



In addition to food & beverage divisions they also offer b & b service. Single/double room prices in that region have been learned and the room prices vary between 85.-TL to 395.-TL including breakfast.

5 INFORMATION REGARDING THE REAL ESTATE SUBJECT TO THE APPRAISAL

5.1 Information Regarding Place, Location and Neighborhood of the Real Estate

The real estate is situated at Block: 585, Plot No: 2 before the Seyhan District Municipality, located at the Neighborhood of Çınarlı, Turhan Cemal Beriker Boulevard.

The real estate subject to this appraisal has a surface area of 2.213,00m² and is the real estate which is of "11 Story Reinforced Concrete Hotel and Land" quality, (1) independent part number and "Work Place" quality, (2) independent part number.

The real estate subject to the appraisal is reached, which is located at left side after going forward 1 km in the western direction in front of Sabancı Mosque.

The real estate subject to the appraisal is located on the Boulevard and in a close proximity to the city center, and so its recognition and ad capability is high; it is located in a lively district of Adana, in terms of trade and industry.

In close proximity of the real estate subject to the appraisal; there are high buildings such as Seyhan District Municipality, Hilton Sa and Seyhan Hotel, Gizerler Business Premises, Metropolitan Municipality, Yeni Adana Hospital, Optimum AVM which offer services in a similar concept with the real estate in question.

The real estate subject to the appraisal is located within a distance of approximately 250m to the Seyhan Municipality, 400m to Directorate of Land Registry, and 3km to the Sakirpasa Airport.

The plot subject to the appraisal has not a regular geometrical shape; however, it is even in terms of topography. Borders of the real estate are definite. There is a 3-star Ibis Hotel on the real estate as of the appraisal date.

Transportation to the real estate in question is provided by public transportation and private vehicles so its accessibility is easy due to its location.



Neighborhood of the Real Estate Subject to the Appraisal and Update Satellite Image



Location of the Real Estate Subject to the Appraisal

5.2 Land Register Information of the Real Estate

City	:	Adana	Adana
District	:	Seyhan	Seyhan
Neighborhood	:	Çınarlı	Çınarlı
Section No	:		
Block No	:	585	585
Plot No	:	2	2

Surface Area	:	2.213,00m ²	2.213,00m ²
Independent Section No	:	1	2
Owner	:	Akfen Real Estate Investment Trust Inc.	Akfen Real Estate Investment Trust Inc.
Nature	:	11-Storeyed Concrete Hotel Building and the Land	Workplace
Land Title Date	:	23.10.2012	23.10.2012
Journal No	:	33811	33811
Volume No	:	36	36
Page No	:	3547	3548

The real estates subject to the appraisal are registered at the Directorate of Land Registry of the district of Seyhan, **Cinarli Neighborhood, volume no.36, page.3548.**

The title deed information of both independent sections is given in the table above and the restrictions on them are given below.

5.2.1 Investigation of the Land Registry of the Real Estate

The following restrictions are about the real estate subject to the appraisal according to the land register, presented in attachment, dated 17.11.2014, in the investigation carried out on the related pages of the land register dated 03.12.2013 as of 15:30 in the Title Deeds Registry Office of District of Seyhan.

For the Independent Section No.1:

In Digit of the Remarks;

* Registered Management Plan dated 23.10.2012 No. 33811: 22.10.2012 (Date of Commencement: 22.10.2012 Expiration Date: 22.10.2012- Duration:-)

In Digit of the Securities;

- 38.250.000,00 EURO (6,35%+Euribor variable interest) Degree: 2.0 Date: 29.5.2014 – Journal No: 6661, in favor of TURKIYE IS BANKASI A.S.

- **Remarks:** This security is joint with Istanbul Zeytinburnu Neighborhood 774 Block, 55 Block, Bursa Osmangazi Altinova Neighborhood 3198 Block, 67 Plot, Gaziantep Sehitkamil Yaprak Neighborhood, 5020 Block, 2 Plot, Istanbul Esenyurt Yakuplu Neighborhood, 404 Block, 39 Plot, Ankara Akyurt Balikhisar Neighborhood, 1843 Block, 5 Plot, Trabzon Yomra Kasustu/Cumhuriyet 209 Block, 12 Plot, Kayseri Kcoasinan Pervane Neighborhood, 2420 Block, 9 Plot independent sections.



- 11,250,000.00 EURO (4,75%+Euribor variable interest) Degree: 1.0 Date: 03.08.2010 – Journal No: 9873, in favor of TURKIYE IS BANKASI A.S., TURKEY INDUSTRIAL DEVELOPMENT BANK INC.

For the Independent Section No.2;

In Digit of the Remarks;

* Registered Management Plan dated 23.10.2012 No. 33811: 22.10.2012 (Date of Commencement: 22.10.2012 Expiration Date: 22.10.2012- Duration:-)

In Digit of the Securities;

- 38.250.000,00 EURO (6,35%+Euribor variable interest) Degree: 2.0 Date: 29.5.2014 – Journal No: 6661, in favor of TURKIYE IS BANKASI A.S.

- Remarks: This security is joint with Istanbul Zeytinburnu Neighborhood 774 Block, 55 Block, Bursa Osmangazi Altinova Neighborhood 3198 Block, 67 Plot, Gaziantep Sehitkamil Yaprak Neighborhood, 5020 Block, 2 Plot, Istanbul Esenyurt Yakuplu Neighborhood, 404 Block, 39 Plot, Ankara Akyurt Balikhisar Neighborhood, 1843 Block, 5 Plot, Trabzon Yomra Kasustu/Cumhuriyet 209 Block, 12 Plot, Kayseri Kcoasinan Pervane Neighborhood, 2420 Block, 9 Plot independent sections.

- 11,250,000.00 EURO (4,75%+Euribor variable interest) Degree: 1.0 Date: 03.08.2010 – Journal No: 9873, in favor of TURKIYE IS BANKASI A.S., TURKEY INDUSTRIAL DEVELOPMENT BANK INC.

5.2.2 Changes that Have Occurred in the Land Registry of the Real Estates within the Last Three Years

According to restrictions document received from City of Adana, District of Seyhan Land Registry Directorate and submitted in attachment, it has been specified that the main real estate has been transferred from the ownership of Mehmet Ali Boga to the ownership of Akfen Real Estate Investment Trust Inc. on 03.08.2010 with Journal No.9826. There have not been any buying or selling activities with regard to the real estate, within the last three years. Also the real estate was transferred to the Property Ownership on 23.10.2012 with No. 33811, and the independent section No. 1 was registered in a nature of "11-Storeyed Concrete Hotel and the Land"; and the independent section No.2 was registered in a nature of "Workplace".

Additionally, a Second Degree Security amounted to 38.250.000,00 EUROS has been added on the owner AKFEN GYO A.Ş in favor of Türkiye İş Bankası Inc with an annual interest rate of 6.35% for a duration until declaration of the release, dated 29.05.2014 and journal no. 6661.

5.2.3 Opinion Whether There Is an Obstacle In Including the Investment Trust Portfolio in Terms of Land Title Records to the Real Estate Within the Scope of the Capital Market Legislation

A First Degree Security is available on the real estate subject to this appraisal in favor of Türkiye İş Bankası Inc. and Turkey Industrial Development Inc. amounted to 11,250,000 EURO, and a second degree security is available in favor of Türkiye İş Bankası Inc. amounted to 38.250.000 EURO.



The said securities on the real estate in accordance with the letter received on 05.12.2014 of the security owner Türkiye İş Bankası and Turkey Industrial Development Bank for Securities are investment loans to finance the construction of hotels that Accor SA shall operate under the agreement between Akfen Real Estate Investment Trust Inc. and Accor SA. The corresponding letter of Turkey Industrial Development Bank is presented in the appendix of the report.

Security, pledge on the assets in the portfolio and other limited real rights may be allocated only for the financing of the transaction, or in order to provide credit for investments during the purchase of real estates of Real Estate Investment Partners, Real Estate projects and Rights based on Real Estate according to 1. Clause of 30. Article in Notification of Principles related to Real Estate Investment Partners published in official gazette dated 28.05.2013 of Capital Markets Board. In accordance with the relevant articles of the said notification, securities on the real estate does not constitute an obstacle in taking the portfolio of Real Estate Investment Partners within the frame of capital market legislation.

5.3 Inspection of the Zoning Information of the Real Estate

Considering the examinations carried out in Development Directorate of Adana Metropolitan Municipality; the real estate in question remains in the legend of the "**Central Business Area**" within the scope of the "Master Development Plan" with a scale of 1/5.000 approved by the Council Decree of Adana Metropolitan Municipality on 14.02.2013 and No. 40, and in the legend of "House+ **Trading Area**" TAKS=0,40 Block, 10 -Storeyed (Building Height max. 30,75 m. and floor height max. 3,00 m.), back pull distance max. 30,75 m. and floor height max. 3,00 m), with back pull from the front 10m, backs and sides 5m, mania criteria =62,20m, Ground Level= 22.90m under housing conditions, in accordance with the "Master Development Plan" with a scale of 1/5.000 approved by the Council Decree of Adana Metropolitan Municipality on 14.02.2013 and No. 40.

5.3.1 Plan, License, Diagram and Similar Documents with Regard to the Real Estate

As a result of the inspection of the zoning documents of the real estate subject to the appraisal in the Archives of the Directorate of the Land Registry of Seyhan on 16.12.2014;

Approved Architectural Project: There is an existing architectural project approved on 28.12.2011 . The total enclosed area is 9.047,00m² according to the project issued for the 1 Basement Floors+ Ground Floor+ 11 normal floors.

Construction Permit: There is a "Construction Permit" for the real estate subject to the appraisal and issued for a total enclosed area of 9.047m² comprised of a "Hotel with a surface area of 5.911m² and a Similar Guest House", and " Workplace within a Building with a surface area of 622m²" and "Common Area with a surface area of 2.514m²".

Occupancy Permit: There is a "Construction Permit" for the real estate subject to the appraisal and issued for a total enclosed area of 9.047m² comprised of a "Hotel with a surface area of 5.911m² and a Similar Guest House", and " Workplace within a Building with a surface area of 622m²" and "Common Area with a surface area of 2.514m²" dated 25.04.2012 and No. 3/20.

The documents abovementioned are given in the attached report.

Conforming to the inspections carried out on site, there are no differences found between the ongoing situation and the legal situation. The current building is in accordance with the "Approved Architectural Project" dated 28.12.2011.

5.3.2 Building Inspection Institution and Maintenance

The real estate subject to this appraisal is subject to the Law dated 29.06.2001, No. 4708 regarding Building Inspection for the inspection of the building in the course of the construction process, which will be performed by the Pegasus Yapı Denetim Limited Şirketi, operating in the address of Guzelyalı Mah. 81106 Sok. No:4 Cukurova/ADANA.

5.3.3 Changes that Have Occurred in the Legal Status (Changes in the Zoning Plan, Nationalization, etc.) of the Real Estate within the Last Three Years Changes that Have Occurred within the Last Three Years

Pursuant to the information obtained from the Seyhan Municipality Zoning and Urbanism Directorate, it has been established that a change in the legal status of the real estate in the last three years is out of the question.

5.3.4 Opinion Whether the Necessary Permit and Documents Pursuant to the Legislation are Accurate and Complete

All of the necessary permits and licenses, such as the Zoning Status Document, the Approved Architectural Project, the Construction Permit and Occupancy Permit required by the Turkish Law, have been obtained in full, with regard to the real estate subject to the appraisal.

5.3.5 Opinion Whether There Is an Obstacle in Including the Investment Trust Portfolio in Terms of Zoning Information to the Real Estate within the Scope of the Capital Market Legislation

There are no changes in the structuring conditions and the current zoning status of the plot where the real estate subject to this appraisal is located. The buildings presently found on the plot have the required approved architectural project, construction permit and occupancy permit; therefore, there are no obstacles that prevent the real estate from being included in the Real Estate Investment Trust portfolio in terms of zoning information, within the scope of the Capital Market Board regulations.

5.3.6 Statement that the Detailed Information, along with the Value in Question Regarding the Project, are Completely in Connection with the Project and that, in the case of Executing a Different Project, the Resulting Value Might Vary

The appraisal study in question is not carried out within the scope of the "project evaluation".

5.4 Physical Characteristics of the Real Estate

5.4.1 Structural Construction Characteristics of the Real Estate

The real estates subject to the appraisal are **(1) detached section "11-Storeyed Concrete Hotel and the Land"** and **(2) detached section with a nature of "Workplace"** located in the city of Adana, District of Seyhan, Neighborhood of Cinarli, at Block 585, Plot No. 2, with a surface area of **2.213,00m.**

There is a single block structure which is used as IBIS Hotel on the plot, in a separate disposition, as a concrete frame structure. The Block which is used as Ibis Hotel has been built as is 2 Basement Floors + Ground Floor + 8 Normal Floors.

The construction permit for the IBIS Hotel subject to this appraisal has been taken for 9,047m² and the total enclosed area is totally 9,047.00m² according to the approved architectural project. The enclosed area specified in the appraisal study has been taken as a basis due to the fact that the real estate was built in accordance with the approved architectural project.

IBIS Hotel subject to the appraisal is a 3-star accommodation facility, comprised of 165 rooms.

According to the approved architectural project and the inspections performed on site;

2. 1st Basement Floor; composed of water tanks, pumping station, parking area, technical room, 2 shelters and heating center.

1. basement floor; composed of laundry room, clean laundry room, dirty laundry room, parking area, store house.

Ground Floor; composed of fire alarm room, purchasing office, garbage room, dry garbage room, system room, commercial area, 1 shop.

1. Normal Floor; composed of personnel cafeteria, child care room, general manager room, vice general manager room, players room, archive, bar, 2 changing rooms, service hall, electricity room, kitchen, restaurant, terrace, 2 WCs and baggage room.

2. Normal Floor; composed of 2 conference rooms, 15 rooms and 2 WCs.

3. 4. 5. 6. 7. 8. Normal floors; each has 25 rooms (1 room reserved for the disabled customers at the 2nd floor), composed of 1 terrace and 1 laundry room, 165 rooms in total.

Room types and their allocation per floor are given in the tables below:

IBIS HOTEL	2 nd Floor	3 rd Floor	4 th Floor	5 th Floor	6 th Floor	7 th Floor	8 th Floor	Total
Double Room	-	4	4	4	4	2	2	20
Twin Adjoinable Room	-	2	2	2	2	4	4	16
Standard Room	13	15	16	16	17	19	19	115
Standard Adjoinable Room	-	2	2	-	-	-	-	4
Standard Room with Desk/Bed	-	1	1	1	-	-	-	3
Adjoinable Room with Desk/Bed	1	-	-	2	2	-	-	5
Disabled Room	1	1	-	-	-	-	-	2
Adjoinable Disabled Room	-	-	-	-	-	-	-	-
Total	15	25	25	25	25	25	25	165

Interior Construction Characteristics of the Ibis Hotel are as follows:

Interior Construction Characteristics of the Ibis Hotel	
Total Area	According to the Architectural Project and current status: 9,047.00m ² According to the Construction Permit and Occupancy Permit: 9,047.00m ²
Age	2 yrs
Construction Type:	Reinforced Concrete
Roofing System:	Ibis Hotel: Terrace Roof, Aluminum jointed sinter flex
Disposition	Detached Building
Number of Floors	Ibis Hotel: 11 Storeyed (2 Basement Floors + Ground Floor + 8 Normal Floors) Workplace: 2 (Basement Floor + Ground)
Exterior Facade	The front and the rear facade are covered with glass, sinter flex in some places and the remaining areas are covered with special acrylic paint.

Interior Construction Characteristics of the Ibis Hotel	
Electricity	City Grid
Heating system	Central Heating System
Water	City Grid
Sewerage	City Grid
Elevator	Ibis Hotel: Available (2 pcs.)
Ventilation System	Available
Fire Escape	Available
Fire Extinguisher System	Available
Car Park	Available (Open) (Closed)
Flooring	Wall to wall carpet, laminate parquet, ceramics, epoxy
Walls	Satin paint, ceramic tile and wall paper
Joinery	Exterior Joineries are made of aluminum, while the interior ones are
Ceilings	Suspended ceiling
Heating	Central Heating System
Illumination	Wall lamps, chandeliers, lamp shades, spot lights and fluorescent luminaries

5.4.2 Inspections Performed Within the Premises of the Real Estate

- The real estate in question is located in the city of Adana, district of Seyhan, Neighborhood of Cinarli, Block No: 585, Plot No: 2 with a surface area of 2,213.00m² .
- The structure is located in a central position close to the main arteries and state institutions and organizations. The transportation is easily provided. The real estate subject to the appraisal is located in a busy region in terms of the trade and the industry.
- The plot in question is located on Turhan Cemal Beriker Boulevard.
- The real estate subject to the appraisal has a significant visibility and ad capability due to its close distance to the city center and state institutions and organizations.
- The plot subject to the appraisal has an uneven rectangle shape in geometrical terms but it is even in terms of topography.
- The Ibis Hotel is an active hotel offering service with its 165 rooms in a 3-star concept.
- The starting date of operations of the Ibis Hotel subject to the appraisal is 03.09.2012..
- Inside the building, there are customer and service elevators, fire alarm and extinguishing systems, air conditioning with the heating and cooling systems.
- At the Ibis Hotel, there is an open and closed parking lot since the car park areas are shared in general.

- The north and west facade of the plot have a guard above the concrete and other facades are surrounded by iron guards.
- Areas of the plot out of the building are covered partly with the paving stone and partly the green spaces. A majority of the Hotels' garden area is being used as a parking lot. 32 parking garages, 8 parking lots with a total capacity for 40 vehicles.
- The independent real estate section No.1 used as Ibis Hotel has 165 rooms and offers service as 3- star hotel. There are 5 elevators in the hotel.
- The independent real estate section No.2 used as a Workplace comprises of two floors.
- Other external and miscellaneous works determined on the site and included within the appraisal are; concrete areas, landscape work, concrete wall, security cabin. External and miscallenous works have been added as an additional cost into the calculations made in the cost approach analysis.
- The hotel building is situated at the east façade, in the north-south direction of the plot and has been built as a 11-storeyed concrete building, in a detached manner, 2 basement floors+ ground floor + 8 normal floors and and it has a gross enclosed area of 9,047.00m² in total.

The Hotel Block- According to the Approved Architectural Project		
Independent Section No	Floor	Area (m ²)
Common Building Area	2. Basement Floor	1.149,66
Common Building Area	1 st Basement Floor	1.086,80
Independent Section No.1:	Ground Floor	295,84
Independent Section No.1:	1. Normal Floor	853,47
Independent Section No.1:	2. Normal Floor	853,47
Independent Section No.1:	3. Normal Floor	693,76
Independent Section No.1:	4. Normal Floor	693,76
Independent Section No.1:	5. Normal Floor	693,76
Independent Section No.1:	6. Normal Floor	693,76
Independent Section No.1:	7. Normal Floor	690,53
Independent Section No.1:	8. Normal Floor	690,53
Independent Section No.2	1 st Basement Floor	62,86
Independent Section No.2	Ground Floor	589,24
Total Building Area (m ²)		9.047,44



6 FACTORS AFFECTING AND DETERMINING THE VALUE OF THE REAL ESTATE

6.1 Factors that Limit or Negatively Affect the Appraisal Process

The title deed photocopy for the independent section No.2 has not been acquired in the appraisal study in question but land registration and restrictions are given in attachment. Also, a business license for the property in question is seen.

6.2 Swot Analysis

Strengths

- The hotel has high recognition and marketing capacity due to its location.
- The Facility is situated at the intersection of the main arterial roads and has a variety of access and transportation options .
- In its close proximity, there are real estates and hotels which are intensively used for trading purposes.
- The hotel subject to the appraisal is being operated under a brand meeting the same standards all over the world.

Weaknesses

- Accessibility of the real estate is lower compared with the Plot No. 1 to which the real estate has a facade.
- Commercial visibility and perceptibility of the real estate as independent section No.2 having the nature of a "Workplace" is low.

Opportunities

- The zoning function is "House+ Trade".
- The hotel which has been already active for about 3 years ago is an area that is preferred to stop since it is located in a very immediate distance to the airport, city center and state institutions and organizations.
- The region has obtained a new appearance with the new junction arrangement at the north of the real estate in question.

Threats

- There is a new hotel which can offer service in a similar concept in close proximity of the real estate subject to the appraisal.
- Economical changes in terms of local and global manner directly affect the real estate sector, too. This situation possibly hinders the investments planned to be made for that region.

6.3 Exemplary Share Rate in the Projects that Will Be Performed According to the Revenue Sharing and Flat for Land Methods

Revenue Sharing and Flat for Land Methods have not been employed throughout this appraisal study.

6.4 Methods and Eligibility Motives Employed in the Appraisal of the Real Estate

Since the real estate subject to this appraisal study is an operating Hotel generating revenue, the Revenue Approach and Cost Approach Methods have been employed. In the Cost Approach Method, the “Land value” has been determined according to the Exemplary Approach.

6.4.1 Exemplary Approach

As a result of the surveys performed in the vicinity of the real estate, no other recently sold exemplary land with a similar location, nature and structuring conditions to that of the real estate subject to the appraisal have been found.

6.4.1.1 Definitions and Sale Value of the Similar Sales Examples that Has Been Based Upon During the Appraisal and the Reasons Why They Have Been Employed

A similar hotel which was sold in the city of Adana and still on sale has not been found. The exemplary lands that are still for sale have been provided in the chart below:

Land Examples

EXAMPLE	Location	Characteristics	Area (m ²)	Price (TL)	Price m ² (TL)	Source
Example 1	Çınarlı Neighborhood	We have informed that an amount of 2.100.000,00TL is demanded for E:2, 40 Central Business Area zoned land in a close proximity to the real estate, located at 2nd plot at Ziyapasa Boulevard with a surface area of 510m ² . (It is in a worse condition compared to the real estate).	510	2.100.000	4.120	YAĞMUR GAYRİMENKUL MS. TULAY 0322 458 03 58
Example 2	Çınarlı Neighborhood	We have informed that an amount of 3.900.000 TL is demanded for the Commercial zoned land in a close proximity to the real estate, with a surface area of 635m ² . (It is in a worse condition compared to the real estate).	635	3.900.000	6.142	HAS GAYRİMENKUL 0322 4270427

LAND EXAMPLES EVALUATION TABLE

	Example 1		Example 2	
Area (m ²)	510	m ²	635	m ²
Demanded difference (TL)	2.100.000		3.900.000	
Bargain Price (TL)	1.995.000		3.315.000	
Location Correction (+-%)	-20%		-10%	
Surface Area Correction (+-%)	0%		0%	
Zoning Status Correction (+-%)	-30%		-10%	
Corrected Price per Unit	5868	TL/m ²	6265	TL/m ²
Example Average	6.066			

- Possible bargain rates, purchase sale expenses and real estate agent commissions on the sale prices of the properties that are for sale have been taken into consideration.
- As a result of the surveys performed, it has been noted that the zoned land stock as "House+ Trading Area" in the same area with the real estate subject to the appraisal is considerably limited and there are no concrete land examples that can compare to the plot subject to the appraisal.
- The estate agent firms interviewed during the field surveys have been informed that the land in question can have a unit price between 6.000 – 6.500 TL/m² thanks to its location to the airport, state institutions and organizations and the city center.
- Consequently, from the research and interviews carried out in the area, the land value of the plot subject to the appraisal is estimated to be **6,000.-TL/m²** considering the examples abovementioned.

Unit Land Value	6,000.-TL
Size of the Land	2.213m²
Total Land Value (TL)	13,278,000.-TL
Total Land Value (Euro)	4.707.342.-€
Total Approximate Land Value (Euro)	4.700.000.-€

Professional Opinion of the Appraiser:

Taking into account the factors relative to the real estate subject to the appraisal, such as its location, the area of the plot, zoning status with accommodation facility, formation of its vicinity, existence of two hotel buildings on the plot that are operational and bring in revenue, possessing all the required legal permits and classifications, legal status and the prices of the surrounding real estate examples, the land unit sale value has been estimated to be **6.000 TL/m²**.

Shop Rental Examples

EXAM PLE	Location	Characteristics	Area (m ²)	Rental (TL)	Price m ² (TL)	Source
Exam ple 1	Ziyapaşa Boulevard	We have been informed that an annual amount of 50.000TL is demanded for the workplace located on the boulevard, at the ground floor, an enclosed area with a surface area of 80m ² , in close proximity to the real estate.	80	4.167	52,08	Remaxas Real Estate 0322 458 16 16
Exam ple 2	Çınarlı Neighborhood	We have been informed that an annual amount of 17.000TL is demanded for the workplace located on the boulevard, at the ground floor, an enclosed area with a surface area of 45m ² , in close proximity to the real estate.	45	1.417	31,48	Global Real Estate 0535 427 5315
Exam ple 3	Çınarlı Neighborhood	We have been informed that an amount of 4.000TL is demanded for the ground floor of the workplace, which is in close proximity to the real estate with a surface area of 200m ² ; and the clerestorey is rental separately for an amount of 2.500TL, and the shop is on sale as a whole for an amount of 1.500.000TL.	200	4.000	20	Remax 0322 458 1616

SHOP EXAMPLES EVALUATION TABLE						
	Example 1		Example 2		Example 3	
Area (m ²)	80	m ²	45	m ²	200	m ²
Demanded Rental (TL)	4.167		1.417		4.000	
Bargain Price (TL)	3.542		1.346		3.800	
Location Correction (+-%)	10%		5%		5%	
Surface Area Correction (+-%)	30%		35%		-10%	
Corrected Rental per Unit	27	TL/m ²	18	TL/m ²	20	TL/m ²
Example Average	21					

- Possible bargain rate on the rental prices of the properties subject to the tenancy, rental expenses and real estate agent commissions have been taken into consideration.
- It has been notified that a rental amounted to 17.000 TL has been demanded for the real estate subject to the appraisal and having a nature of workplace.

Professional Opinion of the Appraiser:

Taking into account the factors relative to the real estate subject to the appraisal, having a nature of workplace, such as its location, the area, formation of its vicinity, existence of the hotel building yielding money on the plot, which are operational, possessing all the required legal permits and classifications, legal status and the prices of the surrounding real estate examples, workplace rental value has been estimated to be **21.5 TL/m²/month**. In that case, monthly rental value for the real estate having a nature of a workplace is estimated to be **14.000 TL/month**.

6.4.2 Cost Approach

The building cost values in this analysis, with the cost generation approach, the technical specifications of the buildings, the material and labor quality that has been employed during the construction of the buildings, the construction values of the buildings that have similar characteristics in the market, the industry experience relative to similar hotel costs and the construction costs in relation to the real estate subject to the appraisal submitted by Akfen Real Estate Investment Trust Inc. have been taken into consideration.

ENCLOSED AREAS		UNIT COSTS (EURO)(*)		AMORTIZED COST (EURO) (**)
IBIS HOTEL TOTAL CONSTRUCTION AREA (m ²)		IBIS HOTEL	TOTAL COST	Amortization Rate (2%)
2 nd Basement Floor	1149,66	400	459.864	450.667
1 st Basement Floor	1149,66	400	459.864	450.667
Ground Floor	885,08	1.000, 00	885.080	867.378
1. Normal Floor	853,47	1.000, 00	853.470	836.401
2. Normal Floor	853,47	1.000, 00	853.470	836.401
3. Normal Floor	693,76	1.000, 00	693.760	679.885
4. Normal Floor	693,76	1.000, 00	693.760	679.885
5. Normal Floor	693,76	1.000, 00	693.760	679.885
6. Normal Floor	693,76	1.000, 00	693.760	679.885
7. Normal Floor	690,53	1.000, 00	690.530	676.719
8. Normal Floor	690,53	1.000, 00	690.530	676.719
Total Construction Cost:	9.047,44		7.667.848	7.514.491
External Miscellaneous Works (***) (€)				200.000
TOTAL STRUCTURE VALUE (€)				7.714.491
LAND VALUE (€)				4.700.000
TOTAL VALUE (€)				12.414.491

() The total construction cost value has been calculated by scrutinizing the verified construction cost information taken from Akfen Real Estate Investment Trust Inc. together with our industry experience in relation to the similar hotel costs.*

*(**) The date of completion of the construction of the real estate subject to the appraisal is 03.09.2012. The appraisal has been conducted by taking into consideration the age and physical status of the real estate.*

*(***) Costs for the wire fences over the concrete wall, parking lot area landscaping etc, have been roughly estimated.*

6.4.3 Cost Discount / Development Approach

Considering that the real estate subject to this appraisal study is a property that brings in revenue, the revenue approach method has not been employed.

Ibis Hotel Projection:

- The hotel subject to the appraisal has a capacity for 165 rooms.
- It has been estimated that the occupancy rate of the hotel will be 63% in the year of 2015 and that this rate will increase each year until 2019, and reach to 70% in the year of 2019 and it will be operated with this occupancy rate of 70% in the following years.
- It has been assumed that the hotel will be operating 365 days a year.
- The hotel prices have been calculated based on the room-breakfast system. Taking into account the performance of the hotel in the previous year, along with the surveys performed in regard to the tourism industry in the area, it has been estimated that the average price for a room will be 40 EURO, in the year of 2015. Moreover, it has been anticipated that the room price will increase at the rate of 5% until 2019 year and (2,5%) in the following years as based on the inflation in the Euro Zone.
- Considering the performance of the facility, it has been assumed that the room revenues will constitute 73,95% of the total revenue, whereas 26,05% of the other revenues.
- The gross operating profit has been calculated by subtracting the department and operating expenses from the total revenues. It has been determined that the Gross Operating Profit (GOP) in the hotel will be of 36,70% in the year of 2015 and increase to 47,09% in 2018 also remain to be stabile in the following years.
- It has been assumed that a rental value will be obtained from the independent section No.2 which is used as a commercial shop area. It has been calculated that the shop's rental value will be 59.560 Euro (168.000 TL) in total for the year of 2015.
- 3. It has been assumed that the rental income of the operators will increase annually at the rate of 3%.
- According to the information obtained from Akfen Real Estate Investment Trust Inc., it has been acknowledged that a real real estate tax shall be paid for the commercial area until 2018, and a real real estate tax shall be paid for both the commercial section and the hotel as of 2018; and it will increase at the rate of 3% in the following years.
- According to the information obtained from Akfen Real Estate Investment Trust Inc., it has been acknowledged that the insurance value for the year of 2015 will be of 17.952 Euro and that it will remain so, on account of the estimation made that there will not be any increases in the insurance premium by Akfen Real Estate Investment Trust Inc. in the following years.

- Accordingly, it has been determined that the Furniture Fixture Renewal Reserve will be 1,5% of the annual gross revenue.
- The capitalization rate of the terminal value of the facility has been acknowledged as 8,5%.
- In the appraisal study, the 10 year Eurobond interest rate of 3,10% has been employed as the “Risk Free Revenue Rate”. (In this appraisal study, the most ready 10 year EURO base Eurobond revenue rate has been employed as the risk free revenue rate.)
- Discount rate has been determined as 9% in the Projection.
- In the course of the studies, the exchange rate for 1 EURO has been acknowledged at 2,8207 TL, in accordance with the 30.12.2014 dated buying rate exchange of the Central Bank of Turkey
- It has been assumed that all payments are made in cash.
- Throughout the course of the studies, the Euro Zone inflation rate of 2,5% has been employed as the inflation rate.
- Within the scope of the International Valuation Standards (IVSC), taxes and VAT have not been included in the studies.



CASH FLOW DISCOUNT TABLE

Name of the Hotel	Total Number of Rooms	165
Land Area (m2)	Number of Sites	365
Total Construction Area (m2)	Long Term Growth Rate	2,50%

Year	0	1	2	3	4	5	6	7
Date	31-12-2014	31-12-2015	31-12-2016	31-12-2017	31-12-2018	31-12-2019	31-12-2020	31-12-2021
Agreement Year	4	5	6	7	8	9	10	11

REVENUES

ROOMS REVENUES

Annual Average Occupancy (%)	60%	63%	65%	66%	68%	70%	70%	70%
Average Room Price (EURO)		40	42	44	46	49	50	51
Total Room Revenues	1.517.670	1.633.392	1.757.939	1.891.981	2.036.245	2.087.151	2.139.330	

DEPARTMENT REVENUES

Total Department Revenues	534.622	575.387	619.260	666.479	717.298	735.230	753.611	
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TOTAL REVENUES	2.052.292	2.208.779	2.377.199	2.558.460	2.753.543	2.822.381	2.892.941	
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EXPENSES

DEPARTMENT EXPENSES

Total Department Expenses	940.001	930.007	965.761	982.641	1.057.567	1.084.006	1.111.106	
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Net Department Expenses	1.112.291	1.278.773	1.411.438	1.575.820	1.695.976	1.738.375	1.781.835	
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OPERATING EXPENSES

Total Operating Expense	359.151	353.405	344.694	370.977	399.264	409.245	419.476	
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GORSS OPERATING PROFIT	753.140	925.368	1.066.744	1.204.843	1.296.712	1.329.130	1.362.358	
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FIXED EXPENSES

Real Estate Tax	2.203	2.269	2.338	17.238	17.755	18.288	18.836	
Insurance	17.952	17.952	17.952	17.952	17.952	17.952	17.952	
Furniture Fixture Renovation Reserve	30.784	33.132	35.658	38.377	41.303	42.336	43.394	
Annual Construction Right Value (Land)	0	0	0	0	0	0	0	
Total Fixed Expenses	0	50.940	53.353	55.948	73.567	77.010	78.576	80.183

TOTAL EXPENSES	1.350.092	1.336.764	1.366.402	1.427.184	1.533.841	1.571.827	1.610.765	
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NET OPERATING REVENUE	702.200	872.015	1.010.797	1.131.276	1.219.702	1.250.554	1.282.176	
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Akfen 3rd Party Lease Revenue	59.560	61.346	63.187	65.082	67.035	69.046	71.117	
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END OF TERM VALUE

CASH FLOW	761.760	933.361	1.073.983	1.196.358	1.286.737	1.319.600	1.353.293	
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Risk Free Revenue Rate	3,10%	3,10%	3,10%
Risk Premium	5,40%	5,90%	6,40%
Discount Rate	8,50%	9,00%	9,50%
NET CURRENT VALUE (Euro)	15.455.978	14.919.883	14.407.535
NET APPROXIMATE CURRENT VALUE (Euro)	15.460.000	14.920.000	14.410.000
NET APPROXIMATE CURRENT VALUE (TL)	43.608.000	42.085.000	40.646.000

6.4.4 Value of the Real Estate with Regard to the Lease Revenue

According to the additional Lease conditions documents submitted to our company by Akfen Real Estate Investment Trust Inc.;

- *The Accor Group shall pay the rental amount that must be paid each year for the hotel of which appraisal study has been completed and which is in the ownership of Akfen Real Estate Investment Trust Inc.; more than twenty-five (25%) for the Ibis Hotel and seventy percent (70%) of the Adjusted Gross Operating Profit (AGOP) in 2015. Pursuant to the terms of the agreement, sharing rate of the adjusted gross operation income (AGOP) has been accepted as 72,5% as of 2016.*
- **The Adjusted Gross Operating Profit (AGOP) has been calculated by subtracting a ratio of 4% operator share, which will be paid to ACCOR, from the gross operating profit (GOP) and a ratio of 4% Furniture Fixture and Renovation Reserve from the gross revenue.**

Adjusted Gross Operating Profit = Gross Operating Profit – Accor Fee + Furniture and Fixture Renovation Reserve.

- The hotel subject to the appraisal study is owned by Akfen Real Estate Investment Trust Inc. and managed by the international hotel operating company ACCOR Group.
- It has been assumed that the facility will be operating 365 days a year.
- The renovation expenses, which will be met by the investor for the lease of the hotel, have been based on the ratio of 5% of the renovation expenses calculated in the lease alternative. It has been assumed that the renovation expenses shall be met by the Lessee.
- It has been assumed that a rental value will be obtained from the independent section No.2 which is used as a commercial shop area. It has been calculated that the shop's rental value will be 59.560 Euro (168.000 TL) in total for the year of 2015.
- 3. It has been assumed that the rental income of the operators will increase annually at the rate of 3%.

- According to the information obtained from Akfen Real Estate Investment Trust Inc., it has been acknowledged that a real real estate tax shall be paid for the commercial area until 2018, and a real real estate tax shall be paid for both the commercial section and the hotel as of 2018; and it will increase at the rate of 3% in the following years.
- According to the information obtained from Real Estate Investment Trust Inc., it has been acknowledged that the insurance value for the year of 2015 will be of 17.952 Euro and that it will remain so, on account of the estimation made that there will not be any increases in the insurance premium by Akfen Real Estate Investment Trust Inc. in the following years.
- The capitalization rate in determination of terminal value of the hotel has been determined as 6%.
- The lease revenue generated in relation to the hotel leased out to the Accor Group has been guaranteed with a lease agreement for the duration of 25 years. It has been assumed that the risk premiums in obtaining the lease revenue will be low for Akfen Real Estate Investment Trust Inc. and therefore, it has been calculated accordingly. The discount rate has been estimated at 7% by adding a 3,90% "Risk Premium" to the 3,10% to the Risk Free Revenue.
- In the course of the studies, the exchange rate for 1 EURO has been acknowledged at 2,8207 TL, in accordance with the 30.12.2014 dated buying rate exchange of the Central Bank of Turkey
- Throughout the course of the studies, the Euro Zone inflation rate of 2,5% has been employed as the inflation rate.
- Within the scope of the International Valuation Standards (IVSC), taxes and VAT have not been included in the studies.



Year	0	1	2	3	4	5	6
Date	31-12-2014	31-12-2015	31-12-2016	31-12-2017	31-12-2018	31-12-2019	31-12-2020
Year of Agreement	4	5	6	7	8	9	10
AKFEN OBTAINED LEASE							
LEASE OBTAINED FROM IBIS HOTEL REVENUE	513.073	552.195	594.300	639.615	688.386	705.595	
Operator Share	82.092	88.351	95.088	102.338	110.142	112.895	
Furniture Fixture Renovation Reserve	82.092	88.351	95.088	102.338	110.142	112.895	
IBIS HOTEL AGOP	412.270	542.783	635.512	725.120	780.411	799.921	
USED IBIS HOTEL LEASE REVENUE	513.073	552.195	635.512	725.120	780.411	799.921	
Real Estate Tax		2.203	2.269	2.338	17.238	17.755	18.288

Risk Free Revenue Rate	3,10%	3,10%	3,10%
Risk Premium	3,40%	3,90%	4,40%
Discount Rate	6,50%	7,00%	7,50%
NET CURRENT VALUE (Euro)	13.726.147	13.209.198	12.716.265
NET APPROXIMATE CURRENT VALUE (Euro)	13.730.000	13.210.000	12.720.000
NET APPROXIMATE CURRENT VALUE (TL)	38.728.000	37.261.000	35.879.000

6.4.5 Value Analysis and Taxes Employed

The lease value of the construction right subject to the appraisal has been calculated taking into consideration the revenue discount method and the average net cash flow value for the first year on the basis of the lease revenue. The annual lease value of the real estate has been calculated by reducing the 1st year cash flow average to the appraisal day. According to this calculation, the annual lease value of the hotel is **601,000.- EURO (1,695,000 Turkish Liras)**. The discount rate has been determined to be of 9%.

Date	31.12.2014	31.12.2015
Annual Lease Revenue	0	655.066

Net Current Value of the Annual Lease Value	
(EURO)	601.000
Net Current Value of the Annual Lease Value	
(EURO)	1.695.000

6.4.6 Empty Land and Project Values of the Terrain Where the Project is Being Developed

The appraisal study in question is not carried out within the scope of the “project evaluation”.

6.4.7 Most Effective and Most Productive Use Analysis

It has been appraised that the current use of the real estate in question (as a hotel), in accordance with the zoning status and structuring conditions, consists of the most effectively appropriate and productive use for the property.

6.4.8 Appraisal Analysis of Common or Divided Parts

There is a hotel (independent section No.1) which is in service under the name of IBIS HOTEL and a workplace (independent section No.2) on the plot. Both the structure values in the Cost Approach and the revenue projections in the Revenue Approach have been individually calculated for this hotel and shop.

7 APPRAISAL OF ANALYSIS RESULTS

7.1 Alignment of Different Appraisal Methods and Analysis Results, together with the Explanation of the Method and the Reasons Used for this Purpose

On the grounds that the real estate subject to this appraisal study consists of a property operating as a revenue bringing hotel, the Revenue Approach and Cost Approach Methods have been employed. In the Cost Approach Method, the “Land value” has been determined according to the Exemplary Approach.

The total value including the land according to the cost method has been calculated at **12,415,000 Euro (35,000,000 TL)**.

The net HOTEL value of today calculated by reducing the potential income of the structure located on the plot to accumulate during 10 years in accordance with the revenue discount approach, the net current value of the HOTEL has been calculated to be **14,920,000 Euro (42,085,000.- TL)**. The amount determined to be paid to the Akfen Real Estate Investment Trust Inc. by the Accor Group, with the use of the lease revenue discount method, is **13,210,000 Euro (37,261,000.- TL)**. The final value of the hotel has been calculated to be **14,065,000 Euro (39.673000.- TL)** based on the approximate arithmetic average of the value calculated by both of the methods.

The lease value of the real estate has been calculated taking into consideration the revenue discount method and the average net cash flow value for the first year on the basis of the lease revenue as of 31.12.2014. The annual lease value of the real estate has been calculated by reducing the 1st year cash flow average to the appraisal day. According to this calculation, the annual lease value of the hotel is **601,000.- EURO (1,695,000 Turkish Liras)**.

During the course of the appraisal study, the revenue discount approach and cost approach have both been applied, in terms of revenue capitalization and lease revenues. The real estate subject to the appraisal constitutes a revenue generating property and, therefore, the values calculated with the use of the revenue approach and lease value analysis result in more accurate values, concerning this sort of properties. Therefore, the value calculated through the use of the cost method has been ruled out in the final appraisal value.

In the cost discount method, from the total revenue that the real estate will generate, the gross operating revenue and net operating revenues have been calculated, respectively.

In the discount model pursuant to the lease revenue, the lease revenues have been evaluated and the calculations have been made in accordance with the value obtained. Different discount rates have been employed in both models. Since there is a guaranteed lease revenue in the lease revenue analysis, the risk premium is lower.

While the value of the real estate according to the revenue discount approach was being determined, in the 1st model the revenue obtained by operating the real estate without a brand name has been



calculated and in the 2nd model the revenue obtained by operating by leasing it out to a brand (Accor) has been calculated. Both models are methods that are exercised in the market and, thusly, the final appraisal has been determined by calculating the average of their outcome.

The insurance policy belonging to the real estate subject to the appraisal study has been supplied by Akfen Real Estate Investment Trust Inc. and has been enclosed herewith Accordingly, it has been noted that the insurance value of the real estate is 6,262,700 Euro.

7.2 Explanation of the Motives Pursuant to the Minimum Information for Not Including Certain Aspects in the Report

There is no information that has not been included in the minimum information.

7.3 Information Concerning the Last Three Appraisal of the Real Estate Carried Out by the Company

There have not been any other appraisal studies performed by our company, with regard to the real estate subject to this appraisal analysis.

7.4 Opinion Whether There Is Any Obstacle in Including the Real Estate, the Real Estate Project and the Rights and Benefits With Regard to the Real Estate in the Real Estate Investment Trusts Portfolio within the Scope of the Capital Market Legislation

There are no obstacles to prevent the real estates subject to the appraisal located at Block No: 585, Plot No. 2, being included in the portfolio as "hotel+ workplace"(building) within the scope of the Capital Market Board Regulation.

8 OUTCOME

8.1 The Concluding Sentence of the Appraiser

I hereby agree with the effective and productive use analysis of the appraiser, together with all of the aspects mentioned in the report.

8.2 Final Appraisal

The totality of the characteristics that can affect the value of the real estate, such as the location, the style of formation of its surroundings, the infrastructure and means of transportation, facades looking over to the avenue and street, the area and its position, the construction form of the structure, its system, the materials used in its construction and the craftsmanship quality, fixture status, ventilation – illumination – landscape status, have all been carefully taken into account and a detailed market research has been conducted in the area. Correspondingly, the value of the real estate subject to this appraisal report has been presented in the following chart:

As of 31.12.2014

	Annual Market Value of the Real Estate (EURO)	Annual Market Value of the Real Estate (TL)
VAT Excluded	14.065.000	39.673.000
VAT Included	16.597.000	46.814.000

	Annual Lease Value of the Real Estate (EURO)	Annual Lease Value of the Real Estate (TL)
VAT Excluded	601.000	1.695.000
VAT Included	709.000	2.000.000

- 1-) The appraised value is the current value regarding the cash sale price.
 - 2-) The VAT ratio has been established at 18%.
 - 3-) The currency rates have been established at 1,-Euro = 2,8207 -TL; 1,-EURO = 1,21-USD.
 - 4-) This report has been prepared within the scope of the related Capital Market Legislation.
- We respectfully submit our expert report representing the situation and our appraisal.

Dilek Yılmaz Aydın
Certified Appraiser

Taner Düner
Certified Appraiser

Neşecan Çekici
Responsible Appraiser



9 ANNEXES

1. Title Deed Photocopies
2. Approved Restrictions Document
3. Letter of Security
4. Approved Zoning Status Document
5. Architectural Project
6. Building Licenses
7. Occupancy Permit
8. Accotel Lease Terms Sheet
9. Insurance Policies
10. Business Starting and Operating License/Permit
11. Tourism Business Document
12. Tourism Investment Document
13. Hotel Business Document
14. Photographs
15. Backgrounds
16. SPK Certificate Samples