



Dark days of stagnation in the construction sector are now left behind. The construction sector, which grew by 6.4% for the first time after eight consecutive quarters, contributed 0.5 percentage points to Turkey's economy, which registered a growth rate of 6.7% in the third quarter.

While urban renewal and building reinforcement practices are gaining momentum in the sector which has seen a surge due to the expected big Istanbul earthquake, the growth expectation for 2021 has grown.

The Driving Force Behind Growth & Industry and Employment, Residential Transformation Should Gain Momentum with Construction Sector

The construction sector, which has been suffering a downturn since 2018, reversed the 2-year negative trend by recording a positive growth of 6.4% in the third quarter of the year. While the figures indicated that the real estate sector was not affected by the "pandemic", housing sales in the first nine months of 2020 witnessed a growth of 34.2% with 1 million 161 thousand 278 units sold compared to the same period of 2019. The developments, expectations, and forecasts for the construction, real estate and building materials sectors point to an economic recovery for Turkey in 2021.

Banu Keskin, Hyve Group Yapı - TurkeyBuild Exhibition Director, stated that with the 6.4% sector growth recorded after two years, there is a significant increase in contributions to the building sector and building materials industry and she also underlined that the building sector added 0.5% to the economy, which grew by 6.7% in the third quarter. Keskin continued her words as follows: "The growth seen in the sector created an additional 230.000 jobs during the September-November period. Thanks to the construction sector growth, the industrial production of building materials also increased by 17.7% in the third quarter. As a result, the building materials sector contributed 2.0% points to the total industrial production, which grew by 8.0% in the same period and stimulated the growth in the sector.

Keskin stated that this dynamism in the building sector can be attributed to the regained dynamism in urban transformation and building reinforcement applications, considering the expected big Marmara Earthquake.

43rd Yapı - Turkeybuild Istanbul Agenda: "The big Istanbul Earthquake & Urban Transformation Process

Stating that the preparations for the Yapı - Turkeybuild Istanbul, which will be held for the 43rd time on April 1-4, 2021, are in full swing, Keskin said that in line with the exhibitor demands, the urban transformation will be at the top of the agenda in the Exhibition. Keskin further added: "We aim to contribute and thereby speed up the renewal processes of the high-risk buildings in our country, and Istanbul in particular, by bringing together all players in the global building sector in the Yapı - TurkeyBuild, the most comprehensive international exhibition. Yapı - Turkeybuild will be an important platform in terms of raising awareness and foster a new common-sense understanding among



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stakeholders. The most important agenda item of the whole sector is achieving the transformation of the houses sustainably and in the best way is at the top of the agenda for the whole sector.”

Compared to the First Nine Months of 2019, Sales of First-hand Residential Property and Housing Prices Has Increased

According to the "Developments and Expectations in the Real Estate and Building Materials Sector Report" by the Hyve Group, another key component of the sector, the real estate market, has witnessed a growth. The real estate sector grew by 2.8% in the third quarter and 2.5% in the first nine months of the year, surpassing the sector's annual growth rate of 1.9% for the year 2019.

When the first nine months of 2020 are considered in terms of housing sales, it is seen that 1,161,278 houses were sold and increased by 34.2% compared to the same period of 2019. In the first nine months of the year, residential property sales to foreigners dropped by 18.0% to 26,165 units.

The number of houses sold for the first time saw a 7.9% increase to 359,208 units while the proportional increase in new housing prices, in line with the general upward trend, was recorded as 8.19% annually in the first nine months of 2020. The same figure reported in the first nine months of 2019 was 2.36%.

Exports of Building Materials Continue to Make Important Contributions to the Economy

According to the report, the upward trend following the increase in both building and real estate sectors in total construction cost continued. Construction costs, which grew by 30.8% in the third quarter of 2020 to TRY 182.1 billion, increased by 8.4% percent to TRY 462.4 billion in the first nine months of 2020. Industrial production of building materials grew by 6.0% in the first quarter of 2020 and experienced a contraction of 5.9% in the second quarter. Thanks to the upward trend in the third quarter, the growth rate increased by 17.7%. As a result, production growth increased by 5.9% in the first nine months of 2020. In the first nine months of 2019, the volume of industrial production of building materials contracted by 17.3%.

The volume of construction materials industry exports dropped by 6.1% compared to the previous year in the first three quarters and fell to USD 14.93 billion. However, the import volume of building materials remained stable in the first nine months of 2020, amounting to USD 4.97 billion.

About Hyve Group

Hyve Group is an international exhibition company that organizes more than 120 events worldwide with 17 global offices in 14 countries with more than 1,000 experienced personnel. Hyve Group is a next-generation global events business whose purpose is to create unmissable events, where customers from all corners of the globe share extraordinary moments and shape sector innovation. Hyve Group plc was announced as the new brand name of ITE Group plc in September 2019, following its significant transformation under the Transformation and Growth (TAG) program. Our vision is to create the world's leading portfolio of content-driven, must-attend events and deliver an outstanding experience and ROI for our customers. In Turkey, Hyve Group organizes the leading exhibitions of Turkey in the industries of construction (**Yapı – Turkeybuild İstanbul**), tourism (**EMITT**), cosmetics (**BeautyEurasia**), food (**WorldFood İstanbul**), rail systems and logistics (**Eurasia Rail**), by drawing its strength from the global network in the region.

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