



# One Step Further to Unsustainability: Effects of the International Crisis on Antalya Housing Market

## Sürdürülemezliğe Bir Adım Daha: Uluslararası Krizin Antalya Konut Piyasasına Etkileri

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### ABSTRACT

One of the cities affected most by the war between Ukraine and Russia has undoubtedly been Antalya, which hosted many Russian and Ukrainian tourists for years. After the war broke out, those who came to this city, known by both countries' citizens who were not subject to any restrictions, were no longer tourists but settled there and became long-term residents. The increase in sales and rentals to foreigners has affected the owner-occupied and rental housing markets in many ways. These sales and increased demand have directly caused the prices of housing units to rise and the number of rental housing units to become insufficient. This paper highlights the process and changes in the housing market in Antalya during the international crisis between Russia and Ukraine. The main findings revealed that the increasing number and prices of housing for sale in the central districts negatively affect the rental sector and limited housing provision in the face of an increase in recorded population during the periods examined. These unregulated and unsustainable housing markets result in various risks and consequences, especially for residing households, many occupational classes and development scenarios of the city. To overcome these problems, regulations on legal and policy perspectives and considering a foreign residency policy together with housing policy in Türkiye are highlighted.

**Keywords:** International Crisis, Rental Housing, Owner-occupied Housing, Antalya, Sustainability

### Öz

Ukrayna ve Rusya arasındaki savaştan en çok etkilenen şehirlerden biri de şüphesiz yıllardır çok sayıda Rus ve Ukraynalı turisti ağırlayan Antalya olmuştur. Her iki ülke vatandaşlarının da yakinen bildiği ve herhangi bir kısıtlamaya tâbi olmayan bu şehre, savaş çıktıktan sonra gelenler artık turist değil, kente yerleşerek uzun süreli sakinler haline gelmiştir. Bu hareketlilikle beraber yabancılara yapılan satış ve kiralamalardaki artış, satılık ve kiralık konut piyasasını birçok yönden etkilemiştir. Bu satışlar ve artan talep, halihazırda pek çok sorun barındıran konut piyasasında konut fiyatlarının artmasına ve kiralık konut sayısının yetersiz kalmasına neden olmuştur. Bu makale, Rusya ve Ukrayna arasındaki uluslararası kriz sırasında Antalya konut piyasasındaki süreç ve değişimlere ışık tutmaktadır. Temel bulgular, merkez ilçelerde artan satılık konut adeti ve fiyatlarının kiralık konut sektörünü olumsuz etkilediği ve incelenen dönemlerde kayıtlı nüfus artışı karşısında konut sunumunun sınırlı olduğunu ortaya koymuştur. Antalya örneğinde olduğu gibi düzenlenmeyen ve sürdürülemez nitelik taşıyan bir konut piyasası, özellikle yerel hane halkları, kent için hayati sayılabilecek pek çok meslek grubu ve kalkınma senaryoları açısından çeşitli risklere ve sonuçlara yol açmaktadır. Bu sorunların üstesinden gelmek için yasal ve politik perspektiflere ve Türkiye'de konut politikasıyla birlikte yabancı ikamet politikasının da dikkate alınmasına ilişkin düzenlemeler vurgulanmaktadır.

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**Anahtar Kelimeler:** *Uluslararası Kriz, Kiralık Konut, Satılık Konut, Antalya, Sürdürülebilirlik*

## INTRODUCTION

Following the invasion of Ukraine by Russia, many nations imposed a limit on the number of immigrants and sanctions on Russia. Those nations supported Ukraine, while Türkiye chose to refrain from such measures. This lack of action has had different effects on Russian and Ukrainian citizens familiar with Turkish cities on summer holidays. The short-term visits of previous years turned into long-term residences due to the concerns of the citizens of both countries (TURKSTAT, 2023). They even decided to obtain permanent residency and become Turkish citizens. This unexpected change in the incoming population has influenced Turkish cities, including transportation, health, security, and food cycles. The steps to settle down have also profoundly affected the Turkish housing market, which was already experiencing a crisis in house prices and rents. Aside from that, the slowdown in the number of housing construction during the COVID-19 pandemic, as well as the rise in the number of new households due to delayed marriages during that period (TURKSTAT, 2021), have been identified as the main reasons for the country-wide crisis. Moreover, the crisis has manifested itself in housing unit sales and rentals to foreigners, which has been going on for years and has caused record levels of rentals and sales of housing units in numbers and prices in some provinces. As official data indicate, while annual total housing sales in Türkiye did not change much, sales to foreigners multiplied threefold from 2017 to 2022 (Construction and Housing Statistics (2023). More specifically, the increase in housing sales to Russians was tenfold and to Ukrainians fivefold for the same period. As Aslan (2023) indicated, an accurate and thorough analysis of foreign interests is imperative for informing future urbanization practices in Türkiye. The problems that arise in the housing market, especially how they result for the local people, also deserve to be examined.

Reflecting the thematic focus of this special issue, the role of housing in promoting sustainable urban development is examined within the context of Antalya. One of the most important goals of Turkey's sustainable development, as determined by the United Nations, which directly touches the urban space, is undoubtedly to make cities and human settlements inclusive, safe, strong, and sustainable. The two targets by 2030 directly within the scope of this study are (i) to ensure that everyone has access to adequate, secure and affordable housing and essential services and to improve slums, and (ii) to develop inclusive and sustainable urbanization and strengthen capacity for planning and management develop participatory, integrated and sustainable human settlements. Housing provides various inputs and outputs for both of these goals. The crises faced in the housing market, which are evaluated within this study's scope, are major obstacles to achieving these goals. On the other hand, reducing inequalities, which is another goal of sustainable development, may not be possible due to the crises in housing markets.

Last but not least, this study has been consolidated through the main theme of this special issue, "Sustainable Human Development and City". According to Gözkaman (2024), sustainable human development is a cycle in which humans are at the center and in which a level of development befitting human dignity exists (in terms of education, health, and living standards) and all individuals are guaranteed equal access to these conditions both today and in the future. City, via its living/built environment and various occupational classes, hosts these features.

The main aim of the present study is to objectify the housing economics and being able to pay housing costs for some key occupational classes and foreigners in Antalya, Türkiye, through data employed by the Turkish Statistical Institute covering the overall housing production, sales, and population changes among locals and foreigners along with various details. Due to the lack of any records in the rental sector, housing rent and sale price data were collected in the study from three leading real estate platforms (sahibinden, hepsi emlak, and endeksa) to observe the annual price changes for these units

from June 2019 to June 2023. These changes have also been compared with the shift in foreign currency against the Turkish Lira (TL), USD values, and the monthly salary of some occupational classes in Türkiye. The main contribution of our study to the literature is to examine the impact of the internationalisation of the housing market due to a humanitarian crisis on the local rental/sale housing market. The study also questions whether regulations imposed only on finance maintain the supply and price balance in a housing market. Based on the findings, uncontrolled changes through the sale of units affect rental housing markets simultaneously in terms of changes in housing stock, rental prices, and affordability. In addition, approaching international residency policy in Antalya, Türkiye, without considering spatial and household aspects, has caused severe problems in the housing markets over the last five years. The possibility of a new housing crisis and unsustainable living environment due to the unbalanced demand/supply/price is high for the many cities in demand. This crisis is also important because of the features of housing such as having the ability to affect other expenses such as food, heating, health, transport and etc. Together, they shape urban development, impact household living standards, and affect residents' propensity to remain within the city.

The study has some limits due to the unavailability of data and, hence, analysis. The lack of comprehensive panel and cross-sectional datasets designed purposefully for housing research indicating the fate, location, and value of foreign/local-invested housing units with their time dimension hampers the conducting of any analysis. Due to this limitation, we were unable to test the change in housing prices for the same housing units, and also which units are preferred by foreigners, for what durations, and under which conditions during a humanitarian crisis.

## 1. Internationalisation of the Housing Market

Since the 1980s, many housing markets and cities have experienced internationalisation. The legal changes in the Turkish Constitution made after 2000 and international crises in neighbouring countries undoubtedly shaped this process in Türkiye by easing the entrance of foreigners into the housing market and allowing the sale of real estate to foreigners. The first waves of sales during the 2000s started with the Iran, Iraq, and Syria crises; more recently, citizens of the two sides affected by the war between Ukraine and Russia have made up a significant share. Many studies have been conducted on the possible and actual effects of this mobility on housing markets involving the inflow and outflow of populations. Locations where houses are mandatorily abandoned and where there is a risk of military operations and terrorism saw decreases in house values (Gluszak and Trojanek 2023). As observed during the Syrian civil war, military conflict and chaos have led to housing becoming unaffordable and informality in development in Syria (Wind and Ibrahim 2020), while the inflow of Syrians to Jordan has led to a rise in rents for low-income residents there (Alhawarin et al. 2021) and an abnormal increase in housing prices in the border cities in Türkiye (Aksu Kargın 2018).

Stillman and Mare (2008) argued that the inflow of immigrants to an area is strongly correlated at the national level rather than related to local house prices. Gluszak and Trojanek (2023) investigated the effects of newcomers on housing rents and prices in some Polish cities; their findings revealed a minor significant impact on prices but a large impact on rents. According to Saiz (2003), who examined the tenant population increase via immigration to Miami, rents increased between 8% and 11% in the subsequent two years between 1979-1981 while they were less than 7% previously. Most importantly, research indicated higher-quality rentals were not affected by the immigration shock; rather, their prices fell. In addition to these migrations, the effects of arbitrary housing sales to foreigners, whose massive effects are seen in the long and short term, on the housing markets are also discussed. Decreasing affordability for residents due to the rising real estate prices (Chao and Yu 2015), the exact price differences between housing submarkets that are either exposed or unexposed to foreign sales (Guest and Rohde 2017) and increases in the number of international tourists (Rodriguez and Bustillo

2010; Alkan Gökler 2021) have been listed among the outcomes of internationalisation of the housing market. In addition to the long run, Salami et al. (2023) revealed the short-term influence of foreign housing acquisition during COVID-19 as the continuous increase in housing prices in Türkiye. Nevertheless, it is necessary to point out that the period during and after COVID-19 coincides with changes and easements in the legal aspects of real estate sales to foreigners and citizenship through property ownership in Türkiye, which have tipped the balance of housing markets.

Housing sales to foreigners have reached their current state via the changes and updates to the Land Registry Law Number 2644 and the Turkish Citizenship Law Number 5901. The laws do not limit the sale of housing except for in some strategically important regions of Türkiye and the only restraint is the upper limit of real estate for one person to 2.5 hectares and/or 10% of the total area of a district. In updates to the rules on acquiring citizenship, the amount of the real estate investment was reduced from 1,000,000 USD to 250,000 USD for foreigners in 2018. Reducing this limit has expanded sales previously limited to luxury housing to a broader spectrum. According to Görer Tamer et al. (2010), general regulation could not prevent the rise in foreign investors; on the contrary, it accelerated in certain areas, such as coastal regions, and has the potential to rise further in future. Despite these attempts, housing sales to foreigners in Türkiye have reached such a point that restrictions and prohibitions regarding issuing residence permits to foreigners have been implemented in some neighbourhoods. For this purpose, the USD 250,000 investment limit was increased to USD 400,000 in May 2022.

It should be noted that the implementation date of this change coincides with the time when the effects of the Ukrainian-Russian war began to be reflected in the Turkish housing market. Without being motivated to become Turkish citizens, citizens of many countries have resorted to purchasing homes instead of paying for a hotel for a holiday or extended stays. According to 2022 International Migration Statistics (TURKSTAT, 2023), Antalya received the most immigration in proportion to the provincial population, with a level of 10%. Due to this migration, the new population has not settled in some districts of Antalya, while in others, its proportion of the district population exceeds 10%. The number of foreigners with residence permits recorded in Antalya was 172,487 in 2022, whereas it was 57,423 in 2017. On the other hand, despite the increase in the number of tourists coming to Türkiye and Antalya, there is no increase in the occupancy rate of hotels or the average number of overnight stays (overnight stays in Antalya were 4.47 in 2017 and 3.95 in 2022) (TÜROB, 2022). These two facts together reveal a severe increase in the housing need due to international population mobility, especially as of 2022, and that it is impossible to meet this increase with new construction in the short term.

Undoubtedly, to observe the balance in the housing markets, the ongoing house building and the backlog housing need are the issues to consider. Also, the change in the number of households is an important variable. As Özdemir Sarı (2019) stated, Antalya was among the provinces experiencing an oversupply of housing units compared to the change in the number of households between 2000 and 2014. Also, Özdemir Sarı considered the backlog need for housing and the optimal vacancy rate for the same period; Antalya has observed surplus housing stock along with 38 other Turkish cities (2019). Furthermore, this study conducted a detailed analysis of Antalya from 2016 to 2022, scrutinizing district-level fluctuations in household and housing unit numbers to capture nuanced demographic and infrastructural trends<sup>2</sup> based on the official statistics gathered by the Turkish Statistical Institute called Construction and Housing Statistics (2023) and Population and Demography Statistics (2023). In 6 out of the 19 districts (İbradi, Kaş, Kemer, Konyaaltı, Manavgat, and Muratpaşa), a higher increase in the number of households than the number of housing units (based on the construction permit for

<sup>2</sup> District refers to ilçe in Turkish.

housing production) was observed during this period. Despite this increased difference, the number of housing units in all districts was greater than the number of households in the same district at the end of 2022. It is worth pointing out that the number of households includes locals and foreigners with residence permits, and the number of housing units refers to all housing units, even those under construction, including summer and rural houses and cottages. When the number of housing units whose construction started in the last two years (having the possibility of being under construction and without a permit for residence) is subtracted from this volume, the number of households is revealed to be greater than the number of housing units in 8 of the 19 districts. These districts are Finike, İbradi, Kaş, Kemer, Kumluca and Manavgat, whereas Konyaaltı and Muratpaşa are among the central districts. Even though foreigners without a residence permit also reside in these housing units, they are not included in official statistics. Considering the foreigners not registered as living in Antalya (who can stay in the city without a residence permit for up to 180 days), the inadequacy of the existing housing stock will emerge as a more serious problem.

In addition to the dynamic structure of population and migration in Antalya, the housing market has been affected by household income level, climate conditions, secondary housing options, short amortization period, ease of selling real estate to foreigners, and high demand. The approach of the approach to the foreign residency policy ignores the perspective of housing policy and market dynamics; therefore, regulations only include administrative borders rather than housing stock and household characteristics. To illustrate, due to the increase in foreign sales since 2017, neighbourhoods in which the share of the foreign population exceeds 20% of the total population have been announced. New residence permits in these 1169 neighbourhoods have been forbidden since July 2022 (Göç İdaresi Başkanlığı 2022). Even if foreigners buy a house in these neighbourhoods, temporary protection registration, international protection registration, and change of residence province of foreigners within the scope of temporary protection or international protection and residence permits are closed. Although most of these neighbourhoods are located in the South-eastern Anatolia region close to Syria, the Hurma, Sarısu, and Liman neighbourhoods in Antalya's Konyaaltı district; the Kargıcak, Mahmutlar, Kestel, and Avsallar neighbourhoods in Alanya; Topçular District in Muratpaşa; and AOSB2 and AOSB3 in Döşemealtı were among them. However, citizens of many countries can stay for 90-180 days with a tourist visa in these neighbourhoods; it is not an obstacle to sales. Furthermore, due to no exact division between owner-occupied and rental housing units in Türkiye, any changes in the owner-occupied market influence rentals and vice versa.

## 2. The Effects of the Ukraine–Russia War

In addition to legal and spatial changes in Türkiye, the housing market entered a new era with the Ukraine–Russia war, which started in February 2022. Transnational elites are looking to protect their assets through migration to safe haven countries, secure in political terms, adhering to the rule of law to ensure their wealth/property will not be easily appropriated (Short 2016). It is worth indicating that the flow of Russians and Ukrainians is very different from the previous migrations of the citizens of war-torn countries such as Syria because of the better financial conditions in these two countries and also their legal status, such as asylum seekers or refugees. While Ukrainians can apply for temporary protection, Russians do not have legal protection status; however, both have the right to enter/visit Türkiye without a visa. As a result, Türkiye has become an alternative route for many foreigners who are leaving their country due to fear for their safety, encountering a new housing challenge that affects both owner-occupied and rental markets. Although no official statistics indicate the number of foreign rentals, only housing sales in Türkiye have been available since 2013; the increase in housing sales to foreigners in 2022 and the rising proportion of Ukrainian and Russian citizens in these sales are significant, as shown in Table 1.

Table 1: Housing Sales in Türkiye

<i>Years</i>	<i>Total housing sales</i>	<i>Housing sales (HS) to foreigners</i>	<i>The share of HS to foreigners (%)</i>	<i>HS to Russians</i>	<i>HS to Ukrainians</i>
<b>2013</b>	1,157,190	12,181	1.0	no data	no data
<b>2014</b>	1,165,381	18,959	1.6	no data	no data
<b>2015</b>	1,289,320	22,991	1.8	2,036	608
<b>2016</b>	1,341,453	18,391	1.4	1,224	484
<b>2017</b>	1,409,314	22,234	1.6	1,331	505
<b>2018</b>	1,375,398	39,663	2.9	2,297	624
<b>2019</b>	1,348,729	45,483	3.4	2,893	719
<b>2020</b>	1,499,316	40,812	2.7	3,078	771
<b>2021</b>	1,491,856	58,576	3.9	5,379	1,246
<b>2022</b>	1,485,622	67,490	4.5	16,312	2,574
<b>2023 (from January to September)</b>	900,074	28,064	3.1	8,683	1,341

Source: Construction and Housing Statistics (2023).

As a centre of attraction for foreigners, Istanbul has started to lose its position according to the findings in Table 2. The number of housing sales to foreigners in Antalya exceeded those in Istanbul during 2023. Considering the number of existing housing units and populations in Istanbul and Antalya, the enormous transaction volume in Antalya is clear. Examining Antalya in terms of the shares of sales to foreigners and locals, the decrease in local sales from 92.8% in 2016 to 72.8% in 2022 is worth noting. The surge in local housing prices has precipitated a distinct shift within Turkey's housing stock, largely driven by the particularities of the Turkish housing market. Increased total sales may paradoxically signify a reduction in the privately rented sector, stemming from Turkey's lack of differentiation between sale and rental properties. Unlike markets with a stable private rental stock, Turkey's housing supply is governed by property owners' discretionary decisions to sell or lease. Consequently, there exists no mandate to maintain a consistent private rental market, nor an imperative to stabilize housing supply across locations. This instability directly affects household housing costs, as scarcity significantly impacts rental prices and housing expenditures.

Table 2: Housing Sales in Istanbul and Antalya

<i>Years</i>	<i>HS to foreigners in Istanbul (the share of foreign sales in overall sales in Istanbul (%))</i>	<i>HS to foreigners in Antalya (the share of foreign sales in overall sales in Antalya (%))</i>	<i>Total HS in Antalya (the share of local sales in overall sales in Antalya (%))</i>
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<b>2013</b>	2,447 (1.0)	6,099 (9.3)	59,478 (90.7)
<b>2014</b>	5,580 (2.5)	7,300 (10.5)	62,227 (89.5)
<b>2015</b>	7,493 (3.1)	6,072 (9.4)	64,396 (90.6)
<b>2016</b>	5,811 (2.5)	4,352 (7.2)	60,608 (92.8)
<b>2017</b>	8,182 (3.4)	4,707 (7.8)	60,273 (92.2)
<b>2018</b>	14,270 (6.1)	7,938 (12.6)	62,940 (87.4)
<b>2019</b>	20,857 (8.8)	8,951 (13.7)	65,258 (86.3)
<b>2020</b>	19,175 (7.2)	7,735 (12.1)	63,898 (87.9)
<b>2021</b>	26,469 (9.6)	12,384 (18.6)	66,691 (81.4)
<b>2022</b>	24,953 (9.6)	21,860 (27.2)	80,459 (72.8)
<b>2023 (from January to September)</b>	8,965 (4.5)	10,372 (21.5)	48,150 (78.5)

Source: Construction and Housing Statistics (2023).

As can be followed by Table 2, the share of housing sales to foreigners in overall sales in the city exceeds enormously the percentages of İstanbul for the same statistics. Considering the Russia–Ukraine war as the only reason for this change can lead to other dynamics in Türkiye being overlooked. Although the effects of the February 2023 earthquakes on Antalya are not observed, it is predictable to understand the scarcity of housing stock for newcomers to the city. With more focus on Russia and Ukraine, according to Alkan (2022) and Asal (2017), the increase in the exchange rate, depending on the decrease in the value of the domestic currency, makes the value of goods and services in that country cheaper for foreign buyers. This change increases the competitiveness of housing markets by attracting foreign buyers to the country. Locals must refrain from competing with foreigners and so lose their chances of involvement; only buyers who can pay in foreign currency can purchase and rent housing. As observed, the foreign currency exchanges indicate the severity of competitiveness among locals and foreigners. While the euro and USD increased approximately fivefold between 2017 and 2022, the Russian ruble and Ukrainian hryvnia increased threefold based on the official statistics of the Central Bank of the Turkish Republic (TCMB, 2024). As Alkan Gökler (2021) indicates, the Regulations on Turkish Citizenship Acquisition through real estate ownership have shaped the process of foreign sales. However, the change in regulation in 2022, which is the increase in the value of real estate investment from 250,000 to 400,000 USD to obtain Turkish citizenship, does not cause any difficulty for foreigners wanting to purchase a home. Even the first change in the Regulation in 2018, decreasing the limit from 1,000,000 to 250,000 USD to get Turkish citizenship, made housing sales no longer limited to luxury units and expanded its spectrum.

The influences of these changes were also manifested in examining the change in housing prices in terms of the housing price index (HPI = 100 in 2017). For the TR61 region, where Antalya is located together with Isparta and Burdur, the HPI has increased tenfold between 2019 and 2023 and reached a record high in the country (Housing Price Index, 2023). A comparison is also actualised between TR61 and the three most populated cities in Türkiye (İstanbul, Ankara, and İzmir). TR61 has overtaken them and the country average for the examined period. However, investigating housing price changes with the HPI can be misleading for Antalya because the index covers the average of two other cities and Antalya. Yet, in the present study it is argued that the price increase for some districts is higher than

the average for Antalya. Moreover, the HPI does not include any information on rental housing units. Therefore, the need to examine housing rental and sale prices specifically for Antalya and its districts is obvious.

### 3. Data and Methods

The owner-occupied housing market has not only been affected by housing sales to foreigners because of the characteristics of rental and owner-occupied markets in Türkiye. There is no clear distinction between for-sale and rental units, which means there is no legal restriction on selling a house rented this year or next. In other words, the rental housing sector is created entirely by households' efforts, consent, and strategies based on generating income from housing.

Based on the countrywide official statistics indicating the number of residency permits of foreigners, more than 800,000 foreigners received residency permits for the first time in 2021 and 2022. First, to get these permits, a housing unit, its deed indicating the ownership status, or a leasing agreement for permanent accommodation is required. Another point that needs to be considered is that foreigners who do not buy housing turn to rental housing. All these changes require an examination in both the rental and sale housing markets, where uncontrolled foreign activities result in problems such as economic accessibility and exclusion/segregation from space for people, which is the main argument expressed in the present study.

In this context, the datasets and analysis methods referenced are given below.

(1) Due to the privacy of rental agreements in Türkiye, the tenant and owner do not have to notify the rental price to any institutions. Therefore, official rent microdata is not yet available. Similarly, the price is not officially collected and recorded for sale units at the city and district level. Therefore, housing rent and sale price data from three leading real estate platforms (sahibinden, hepsi emlak, and endeksa) are aggregated to observe the annual housing price changes for these units from June 2019 to June 2023. This dataset is transformed into annual periods and formulated at the district level based on the price of sales and rents per square metre to normalise the comparison between price levels. The districts with few or no ads were excluded from this evaluation. Prices per square metre values (rent in 14 of 19 districts and price in 17 of 19 districts) and their changes are mapped through GIS tools for the districts of Antalya. The difference in the number of districts taken into analysis is that it is very rare in some districts to find a rental housing unit compared to the owner-occupied housing in the same district based on the record of these platforms.

(2) In order to understand the local side of housing rent changes compared to the wages of households, the monthly salaries of some occupational classes between 2019 and 2023 in Türkiye were established. In selecting these classes, the main fields to have sustainable human development, including education, health, and any others intersecting with living standards, are considered. Therefore, teachers, policemen, nurses, civil servants, and minimum wage earners are determined. The share of 120 m<sup>2</sup> housing unit rents in the wage of a single breadwinner are compared in the districts of Antalya for 2019 and 2023. These rent levels are also shown in USD. Last but not least, housing prices of 120 m<sup>2</sup> to wage ratios are elaborated for the same districts and years.

### 4. Findings and Discussion

This study confirms two main findings and changes in the rental and owner-occupied housing markets in Antalya, Türkiye, as a consequence of the war between Ukraine and Russia; the details of these findings are explained below.



- (i) the increasing prices per square metre of properties for sale in the central districts (Konyaaltı, Kepez, and Aksu) negatively affect the rental sector,
- (ii) the districts of Konyaaltı and Muratpaşa, which have restrictions for obtaining residence permits, are also among the districts in which the change in household number exceeds the change in the number of housing units between 2016 and 2022,

#### 4.1. Housing price/rent values and their changes in the districts of Antalya

As represented by natural breaks in rental and sale prices per square metre, updates in the right to citizenship, international crises, and inelastic supply in the short term caused prices to increase. As seen in Figure 1, the evaluation of rental values in 2023 showed peaks in Kemer, Konyaaltı, and Alanya, followed by Aksu and Muratpaşa. When the change between 2019 and 2023 was examined, Kepez, Döşemealtı, and Korkuteli were the districts with the highest increase and then Finike and Kumluca. According to the prices per square metre of housing for sale in 2023, Kaş, Alanya, Kemer, Konyaaltı, and Aksu have the highest values. While Konyaaltı and Aksu are in the central region, the other districts are where holiday/secondary residences are notable. Aksu and Demre have the highest rates of price increases in house for sale in the relevant years. When the owner-occupied and rental housing markets are evaluated together, the first finding is that the increasing prices per square metre of housing for sale in the central districts (Konyaaltı, Kepez, and Aksu) negatively affect the rental sector. In addition, although it is not among the districts with the highest scores, the increase in housing prices in the holiday-oriented districts has risen to a level that will pose a problem in the coming years. The excessive price increase in holiday areas forces some people to move to the centre, where the sea and the airport are located. This causes local people to be more affected by the international market. Including the number of housing units and registered households during this period conflates the effect of population change and internationalisation on housing markets. The neighbourhoods where the issuing of new residence permits has been stopped due to the share of foreigners in the total neighbourhood population exceeding 20% as of 2022 are in the Konyaaltı (3 neighborhoods), Alanya (4 neighborhoods), Muratpaşa (1 neighbourhood), and Döşemealtı (2 neighborhoods) districts. These districts are chosen by foreign households for residence permit purposes, but even if they do not want to obtain a residence permit, they are frequently preferred in terms of rental/sale residences due to the similar values and households they contain.

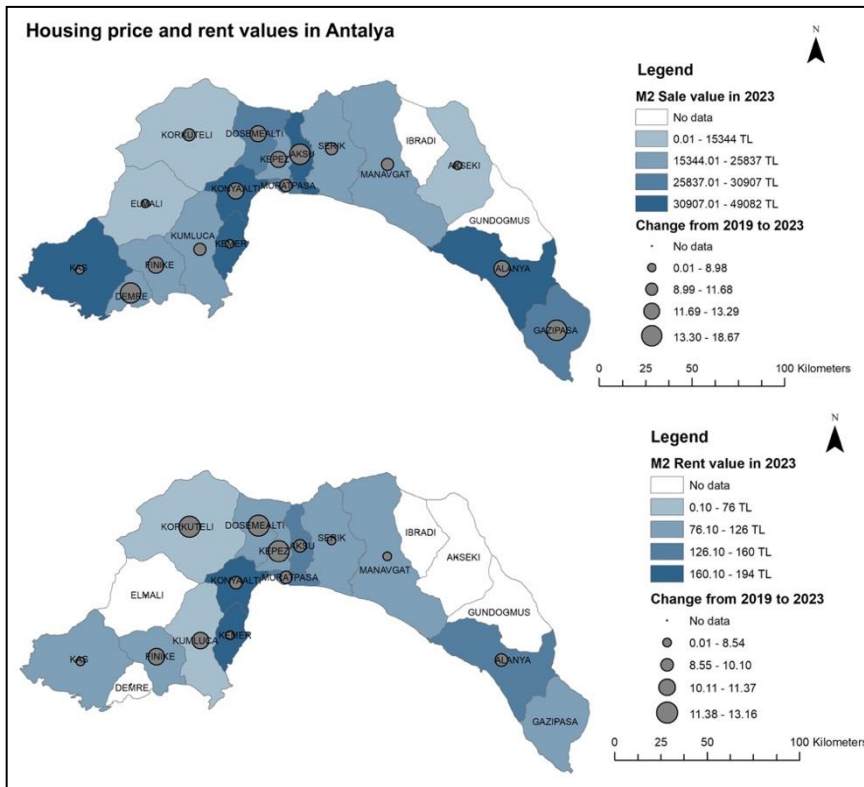


Figure 1: Housing prices and rents and changes in them in the districts of Antalya

Source: Author’s calculations.

The increase in sale prices per square metre was compared to the increase in rents per square metre for housing units between 2019 and 2023 through paired samples t-test results across Antalya. The changes in rental and sales prices per square metre of housing units between 2019 and 2023 were moderately and positively correlated ( $r = 0.44, p < 0.01$ ). A significant average difference was found between housing unit rental and sale price changes per square metre ( $t = 2.744, p < 0.05$ ). On average, the change in sale prices is 2.3% higher than the changes in rental prices. A district-level examination of these changes revealed a significant average difference (higher changes in sale prices) between the rental and sale price changes per square metre of housing units in 11 out of 14 districts. The remaining three districts are Döşemealtı, Kepez, and Konyaaltı, which are densely populated districts in Antalya's central zone, hosting a high share of local people with 33 percent of the entire city (TURKSTAT, 2022).

Altogether, considering the value and changes in rental/sale prices, foreign/local population dynamics, and housing stock, Muratpaşa and Konyaaltı are among the districts seeing a change in household numbers exceeding the change in the number of housing units between 2016 and 2022, whereas the opposite is the case for Alanya and Döşemealtı (Population and Demography Statistics, 2023; Construction and Housing Statistics, 2023). For the very central districts Muratpaşa and Konyaaltı, the impact of immigration on recent price rises is robust even though no new residence permits are being issued.

#### 4.2. Occupational classes and their rental housing units in Antalya

While the homeownership rate announced in Türkiye was 60.7% in 2021 (Building and Housing Qualifications Survey, 2021) and 57.8% in 2020 (Survey of Income and Living Conditions, 2020), there is no exact rate for Antalya in recent years. Although the change in the prices of housing units appears to affect a larger segment of society due to the share of homeowners in the total population, the more

mobile households within the housing stock are renter households in Türkiye. Aksoy Khurami calculated the occupancy duration of owner-occupiers as 19 years while tenants for 4.7 years based on the Household Budget Survey in 2018 (2022). For this reason, the change in rents is a variable that has severe effects in a short time. The local people's housing cost burden (the share they allocate from their income to housing rent when they live in a 120 m<sup>2</sup> housing unit with a housing rent per square metre above the average) is given in Figure 2 comparatively at the district level and between 2019 and 2023.

The government-determined household income level is utilised for a single breadwinner and family support for four people in each family. In this context, teachers, police, nurses, civil servants, and labourers with a minimum wage level were considered occupational classes, with more than 30% of income as a burden limit. Even though the wage and its change differ, the burden of the occupational groups examined, which remained below 30% in 5 or 6 districts in 2019, is only below that level for Korkuteli in 2023. The housing cost burden increased in all districts except Korkuteli, and the districts with the highest increase are Aksu, Muratpaşa, and Serik. The burden rate for the minimum wage in 2019 and 2023 is very high, considering that at least 37% of the country's labour force is earning the minimum wage and many others less than it in 2022 (Habertürk, 2022; DİSK-AR, 2024). In 2023, there is no district below the 30% band for the minimum wage. In fact, in all districts except Finike, Kumluca, and Korkuteli, the rent of the relevant house is more than their salaries. As long as uncontrolled housing market conditions continue, it will be impossible for some professional groups working in Antalya to afford to live there.

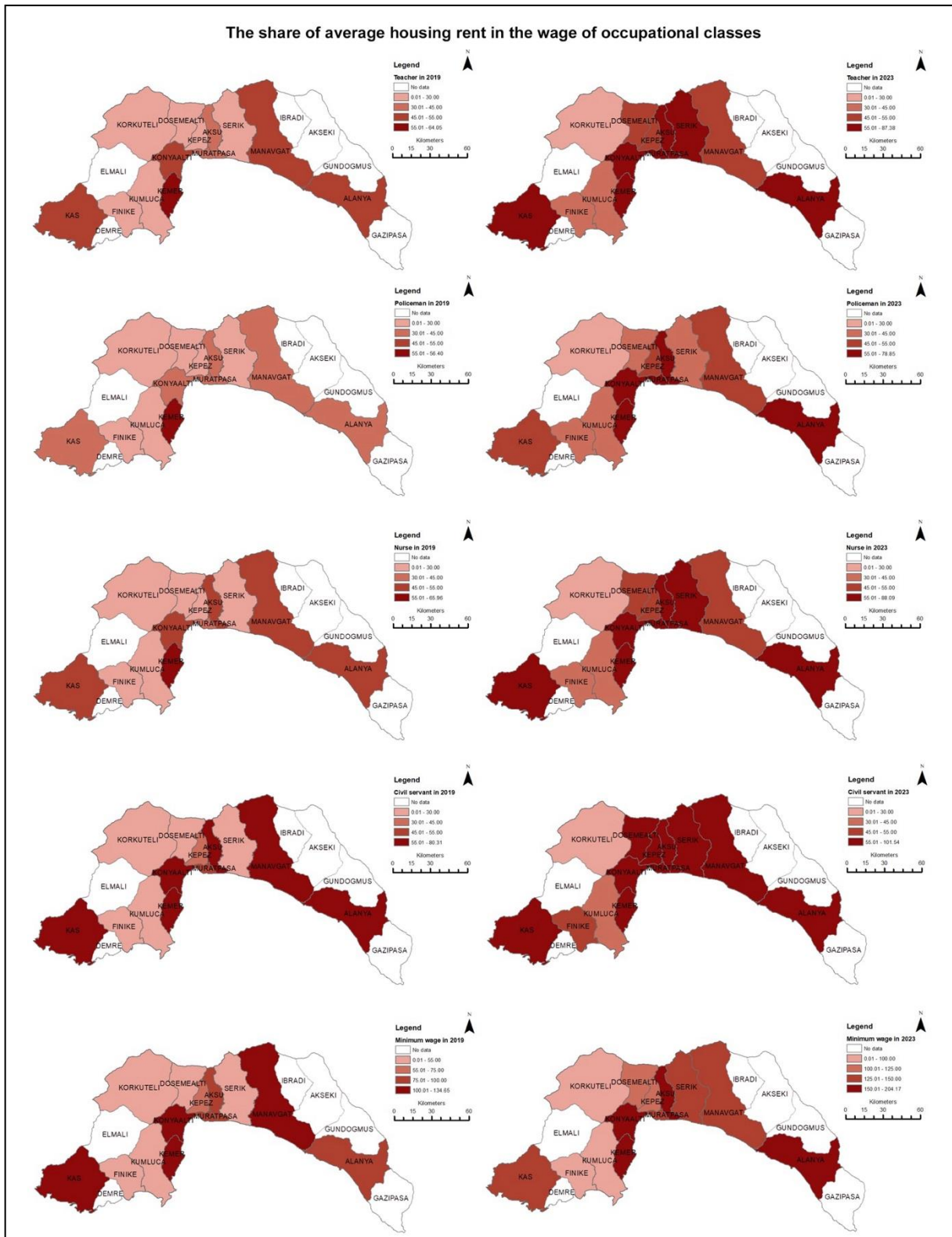


Figure 2: The share of average housing rent in the wages of occupational classes

Source: Author's calculations.

Although there is no supportive data, the possibility of staying up to 180 days without a residence permit has also triggered a price change because landlords, who have the right to increase the rent once a year, have an opportunity to increase it with each of these short-term shifts.

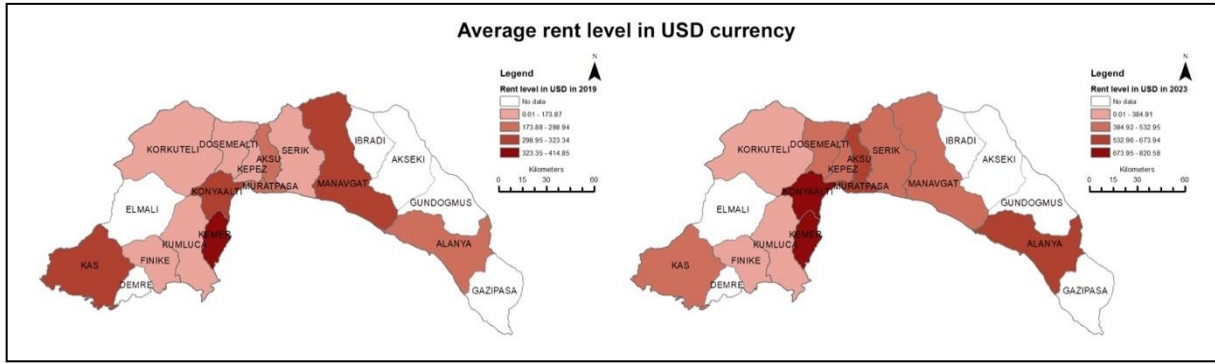


Figure 3: Average rent level in USD

Source: Author's calculations.

The total household income of international investors or immigrants is unknown, and no minimum income level is determined for these people to obtain a residence permit. For this reason, the values of housing rent and prices in USD were considered to examine the changes in the international arena. The average levels of housing rents were compared at the district level between 2019-2023. According to the results, although the change in the US dollar exchange rate did not cause as high an increase in rental values as in the Turkish lira, an increase was still observed.

### CONCLUSION:

The findings of this study indicate that unregulated housing markets pose various risks and consequences that cannot be resolved in the long term, especially for residing households. The reasons for the lack of regulation are legal and policy gaps or a comprehensive registration system that includes the qualifications, quantities, beneficiaries, and owners of housing units in Türkiye. In this regard, to create a housing policy, it is necessary to first generate an information bank for any housing units.

In Türkiye, there is no restriction for setting rents (upper and lower limits) under current conditions. Although the annual amount of rent increases is apparently limited, this is not a policy tool that is seriously controlled and guaranteed. Moreover, short-term rentals legitimise multiple increases in rent during a year for that unit, with many landlords considering these rises as precedents. The right to stay in Türkiye for up to 180 days without residence has also influenced these short-term rentals and rental price changes. Thus, for landlords, who have the right to increase the rent once a year, when the tenant leaves the house voluntarily it provides a good opportunity to raise the rent more than once. The level of rent, which foreign households have no idea about, can only be limited by a well-functioning registration system. The same situation is valid for housing units for sale. Failure to prevent the purchase of houses for investment purposes by foreign or domestic households (buying/selling more than one house in a year) also affects both house prices and the number of housing units in the stock. Regulations and records concerning housing stock are an evidential necessity, along with the need for policy, to reveal the housing market trends that can be observed in the long term and to establish the reasons for and locations of changes in housing rental/sale prices.

All the unique characteristics mentioned above show that it is important to reveal the risks and obstacles along the sustainable housing market of Antalya. For both local and foreign households to live a life worthy of human dignity and for the city to have a spatially and socially sustainable development, housing market must generate minimum number of problems. A housing market with many problems (especially the inability to maintain payments) will have various negative consequences in the long term in the lives of the households living in. These may include living in poor and unsuitable conditions in order to spend less on housing, and not being able to allocate a

share of the budget to other vital expenses due to the amount of housing expenses. Both of these results will constitute an obstacle to development as it will lead to housing-related deprivation. Also, from social and demographic perspectives, households that will be beneficial to a city would not prefer to live in that city not to face these conditions. The lack of key occupational classes will lead to troubles in development.

Finally, the acquisition of Turkish citizenship should not only be based on the price of the unit that households buy. Considering financial values as the only management policy tool for housing policy and real estate investments of foreigners in Türkiye reinforces the idea of housing as a commodity with an investment function. It leads to the right to housing being abandoned entirely. However, the management of immigration and implementation of local and national housing policies should be conducted so as to serve the well-being of both sides.

### ***Etik Standart ile Uyumluluk***

***Conflict of Interest:*** The author(s) declare that they do not have a conflict of interest with themselves and/or other third parties and institutions, or if so, how this conflict of interest arose and will be resolved, and author contribution declaration forms are added to the article process files with wet signatures.

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