

BUYING PROPERTY IN TURKEY

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BUYING PROPERTY IN TURKEY:

GUIDE FOR FOREIGN INDIVIDUALS

1. Legal Basis:

In accordance with the Article 35 of the Land Registry Law No. 2644, amended by Law No. 6302, which entered into force on 18 May 2012, the condition of reciprocity for foreigners who wish to buy property in Turkey is abolished.

Persons with foreign nationality can buy any kind of property (house, business place, land, field) within the legal restrictions.

2. Format of the Contract:

According to the Turkish laws and regulations in force, transfer of ownership of a property is only possible with an official deed and registry which is signed at the Land Registry Directorates.

Although the legal ownership to the property does not pass with an agreement of any kind unless an official deed is issued on the name of the buyer at the Land Registry; signing an agreement for the sale of the property such as “sales commitment agreement” or other kind of sales agreement with the seller before a notary is strongly advised as such agreement will at least be legally binding upon the seller to transfer the ownership at the Land Registry.

3. Legal Restrictions for Foreigners in Buying Property:

There are however some restrictions for buying properties in Turkey if the buyer is a foreigner.

These are:

- a) Persons with foreign nationality can buy maximum 30 hectares of property in Turkey in total.

- b) Persons with foreign nationality can acquire property or limited in rem right in a district/town up to 10 % of the total area of the said district/town.
- c) No purchasing or renting of properties to foreigners within military forbidden zones and security zones are allowed.
- d) The properties are subject to winding up provisions in the following cases: (i) if the properties are acquired in violation of laws; ii) if the relevant Ministries and administrations identify that the properties are used in violation of purpose of purchase; iii) if the foreigner does not apply to the relevant Ministry within time in case the property is acquired with a project commitment; iv) if the projects are not materialized within time.

These restrictions above do not apply in establishing a lien on a property within Turkish borders in favor of a real person foreigners and commercial companies legally established in foreign countries.

4. Application and Procedure:

Buyer should be from the country whose citizens can acquire property or limited in rem right in Turkey and meet the necessary conditions.

Application:

The owner of the property or his/her authorized representative should make a preliminary application to the Land Registry Directorate (Preliminary applications are made before noon by taking sequence number). No application will be proceeded without preliminary application.

Necessary Documents:

- a) Title deed of the property or information on village/district, block, building plot, detachment.
- b) Identification document or passport (Together with its translation).
- c) "Property Value Statement Document" to be provided from the relevant municipality.
- d) Compulsory earthquake insurance policy for the buildings (house, office, etc.)
- e) 1 photo of the seller, 2 photos of the buyer (photos to be taken within last 6 months, 6x4 size)
- f) (for Non-Turkish speaker buyers) certified translator and 2 witnesses.
- g) (If the power of attorney is prepared abroad) The original or certified copy of the power of attorney and its approved translation.

Powers of attorney:

- a) Powers of attorney are issued by the Turkish Embassies or Consulates.
- b) If the power of attorney which is issued by a notary of a foreign country is certified according to The Hague Convention dated 5 October 1961 and if it bears "Apostille (Convention de La Haye du Octobre 1961)" in French, there is no need for an additional certification of the said power of attorney by the relevant Turkish Consulate.

- c) If the power of attorney is issued by a notary of a foreign country which is not party to The Hague Convention dated 5 October 1961, the signature of the said notary has to be certified by the relevant authority of the foreign country and then the signature and seal of the said foreign authority have to be certified by the Turkish Consulate in that country.

Financial Aspect of the Procedure:

- a) Both seller and buyer have to pay the title deed fee, calculated according to the selling price which cannot be less than the "Property Statement Value" to be issued by the relevant municipality. (According to the Charges Law No: 492, the title deed fee percentage for 2013 is % 2.)
- b) Circulating capital fee which is determined locally has to be paid. (Maximum 70x2.5 TL for 2013.)
- c) Usually a holding deposit will be required, which varies according to the area and the negotiation between the parties.

5. Other Points to be considered before purchasing a property:

- a) Check if the seller has the right to sell the property;
- b) Check the Book of the Land Registry if there is any limitation on the property, such as lien, any kind of securities or encumbrances established in favor of third parties which prevents the sale of the property;
- c) Holding a residence permit is not required for buying a property in Turkey. Likewise, buying a property does not grant a residence permit in Turkey.
- d) Avoid working with persons/companies who/which are not expert or reliable.