

## **BUYING PROPERTY IN TURKEY: GUIDE FOR FOREIGNERS**

This guide is prepared to help foreigners who wish to buy property in Turkey. However, this guide is not a substitute for professional consultancy services.

### **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.

Information on countries whose citizens can buy property and estate in Turkey can be provided from the Turkish Embassies/Consulates abroad and the General Directorate for Land Registry and Cadastre.

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

Persons with foreign nationality who buy property without construction (land, field) have to submit the project which they will construct on the property to the relevant Ministry within 2 years.

### **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.

It is possible to sign a “sales commitment agreement” before a notary. However, legal ownership to the property do not pass with a “sales commitment agreement” or other kind of sales agreements to be signed before the notary.

### **3. Legal Restrictions for Foreigners in Buying Property:**

**a)** Persons with foreign nationality can buy maximum 30 hectares of property in Turkey in total and can acquire limited in rem right.

**b)** Foreigners cannot acquire or rent property within military forbidden zones and security zones.

**c)** 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.

**d)** Legal restrictions do not apply in setting mortgage for real persons and commercial companies having legal personality which are established in foreign countries.

**e)** The properties are subject to winding up provisions in 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.

### **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)

If the preliminary application is incomplete, the file will be kept waiting.

**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) (If one of the sides cannot speak Turkish) certified translator,
- g) (If the power of attorney is prepared abroad) The original or certified copy of the power of attorney and its approved translation.

**Information on powers of attorney issued abroad:**

- Powers of attorney are issued by the Turkish Embassies or Consulates.
- 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. *(In the language of the country and including a approved photo of the interested person)*
- 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. *(In the language of the country and including a approved photo of the interested person)*

**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 is % 2.)
- b) Circulating capital fee which is determined locally has to be paid. (483,5 TL + 103,5 x 2.5 TL for 2018)

**5. Other points to be noticed by foreigners who wish to buy a property in Turkey:**

- The foreigner has to inquire with the Land Registry Directorate if there is any limitation on the property, such as mortgage, arrestment or any obstacle which prevents the sale of the property.

- If the application by the foreigner for buying a property is rejected, the act can be appealed to the relevant Regional Office of the Land Registry Directorate.
- It is advised that foreigners do not work with persons/companies who/which are not expert or reliable.
- Having a residence permit is not a condition for the foreigner who wishes to buy a property in Turkey.
- If there is a disagreement between the sides on the sale of the property, the case has to be brought before the Turkish courts by referring to judicial authorities.

#### **6. Acquisitions by Foreign Companies:**

- Acquisition of property by the companies which are registered in Turkey is governed by the Article 35 of the Land Registry Law No 2644.

**a)** Foreign commercial corporations which are established according to the relevant laws of their countries of origin can acquire property and limited in rem rights within the provisions of special laws. These special laws are:

- Turkish Petroleum Law No. 6491
- Law on Encouragement of Tourism No. 2634
- Law on Industrial Zones No. 4737

**b)** No restriction is implemented in favor of the said commercial companies in establishing mortgage.

**c)** Other foreign corporations (i.e. foundation, association,...) cannot buy property and acquire limited in rem right.

#### **7. Acquisition of Property by Companies with Foreign Capital:**

The companies with foreign capital,

- If the foreign investors hold, individually or collectively, 50 % or more shares of the said company,
- If the foreign investors do not hold any share of the said company, but have a right to assign or remove the managers of the said companies on the condition that the said company has a legal personality in Turkey, could buy property in Turkey in accordance with Article 36 of Land Registry Law No. 2644 and the "Decree on Acquisition of Property and Limited in Rem Rights by Companies and Corporations within the Context of Article 36 of Land Registry Law No. 2644", dated 16.08.2012.

The Land Registry General Directorate has published a circular No. 2012/13 (1735) on "acquisition of property and limited in rem rights by companies with foreign capitals"

***For more information <https://www.tkgm.gov.tr/tr/daire-baskanliklari/yabanci-isler-dairesi-baskanligi>***

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