

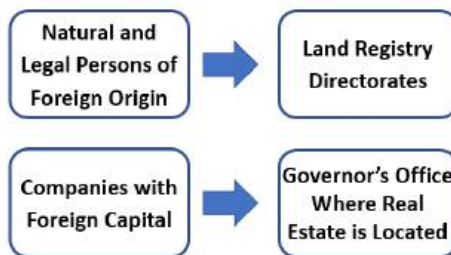


PRESIDENCY OF THE REPUBLIC OF TURKEY INVESTMENT OFFICE

ACQUISITION OF REAL ESTATE BY FOREIGNERS IN TURKEY

What Foreigners Looking to Acquire Real Estate in Turkey Need to Know

- In Turkey, acquisition of property ownership titles may only be approved upon registration at the land registry directorates.
- Preliminary real estate contracts, issued by notaries or entered into by natural persons in writing, do not confer transfer of property per se. They only serve as a commitment for the transfer of ownership; the property in question does not change hands by means of such instruments.
- Burdens such as mortgages, liens, and similar types of restrictions that may exist with regard to the said property that would prevent the sale thereof should be checked prior to the initiation of proceedings at the respective land registry directorate.
- Inquiries about properties may be made online at parselsorgu.tkgm.gov.tr, where specific details of the city, district, village, map section, and plot may be used to look up the property. Basic information on the real estate property, including its current status, is thus accessible online from anywhere in the world. Personal information of the owner remains inaccessible, however.
- Foreign nationals do not need to have a residence permit as a pre-condition to acquire real estate in Turkey. In addition, foreigners who acquire property in Turkey are granted renewable short-term residence permits under Law No. 6458 on Foreigners and International Protection.
- A natural or legal person intending to acquire real estate in Turkey is required to apply to the General Directorate of Land Registry and Cadastre together with the owner of the property. In addition, they may call the Alo 181 Call Center, offering service around the clock, or visit randevu.tkgm.gov.tr to make an appointment without having to visit the directorates' offices in person.
- Turkish companies with foreign capital, on the other hand, should first file an application at the Provincial Directorate of Planning and Coordination (PDPC) at the local governor's office where the real estate is located. Once granted a positive response from PDPC, they should then apply to the Land Registry Directorate. These companies may apply in person, via post, or e-mail.





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General Information

In Turkey, the term “foreigner” is defined under three categories with respect to the acquisition of real estate:

- Foreign natural persons
- Foreign legal persons
- Turkish companies with foreign capital

Article 35 of Law No. 2644 on Land Registry sets out provisions on the acquisition of real estate by foreign natural and legal persons. Article 36 sets out provisions on companies with foreign capital.

Countries whose nationals are eligible to acquire real estate in Turkey are determined by the Cabinet of Ministers, who may also stipulate special conditions for acquisitions if deemed necessary.

Legal Restrictions on Acquisition of Real Estate by Foreign Natural Persons

- If granted permission, natural persons of foreign origin may acquire any real estate in areas where private property is allowed (residential, commercial, land lot, agricultural etc.).
- If the real estate acquired does not include any previously built construction, the owner of the foreign origin is to apply to the relevant public administration within two years in order to develop a project.
- A natural person of foreign origin may acquire real estate and limited rights in rem anywhere in Turkey of up to 30 hectares. The Cabinet of Ministers may grant larger areas if deemed appropriate.
- Natural persons of foreign origin may not acquire and lease real estate within prohibited military zones or military security zones. However, they may acquire and lease real estate within special security zones upon permission of the governor's office.
- Total acquisition by natural persons of foreign origin may not exceed ten percent of the total district area where private property is allowed. Foreigners' request for acquisition shall not be permitted in case the ten percent limit is exceeded.



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Acquisition of Real Estate and Limited Rights in Rem by Legal Persons

In Turkey, only trading companies established according to the laws of their respective countries and having legal personality may acquire real estate and limited rights in rem as foreign legal persons. Legal persons other than such trading companies (foundations, associations etc.), on the other hand, may not acquire real estate and may not have rights in rem.

Acquisition of real estate by trading companies established in foreign countries according to the laws of their respective countries and having legal personality, on the other hand, may be granted in exceptional cases and is deemed possible only when stipulated under the provisions of international conventions or special laws. Among the specific codes inclusive of provisions on this matter are Law No. 6491 on Turkish Oil, Law No. 2634 on Tourism Incentive, and Law No. 4737 on Industrial Zones.

NOTE: With respect to mortgages, an exception is stipulated whereby there is no limitation as to the mortgages to be created over the property in favor of foreign natural and legal persons.

Acquisition of Real Estate and Limited Rights in Rem by Companies with Foreign Capital Established in Turkey

Companies established in Turkey as a legal entity are considered under the category of foreign-owned companies in accordance with the following conditions:

- Foreign investors hold fifty percent or more of the shares, or
- Foreign investors are entitled to appoint and dismiss the majority of the board of directors

These companies may acquire property and limited rights in rem in order to engage in activities set forth in their articles of association.

For this purpose, companies are required to apply first to the governor's office where the property is located.

On the other hand, if the real estate intended for acquisition is located in a prohibited military zone or a military security zone, the real estate acquisition shall be subject to the permission of the General Staff; and if the property is situated in the private security zone, it shall be subject to the permission of the governor's office of the respective region.

In the event of positive settlement of the application to acquire real estate, the governor's office shall inform the company/enterprise and the Land Registry Office in writing so that the registration may be fulfilled.



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The following procedures do not require permission from the governor's office, therefore the application to the Land Registry Office may be directly made without seeking permission.

- Creation of mortgage
- Acquisition of real estate within the scope of cashing out a mortgage by the beneficiary of a mortgage
- Transfer of real estate ownership and limited rights in rem arising out of company mergers and demergers
- Acquisitions in organized industrial zones, industrial zones, technology development zones, and free zones
- Acquisitions realized due to the transactions considered as loan within the framework of the relevant banking legislation or for the purpose of collection of receivables

Inheritance

In Turkey, foreigners' right of inheritance is protected. In the event of a foreigner's death, the real estate owned by them shall pass to their inheritors. If the inheritor is eligible to acquire the real estate (if they are eligible in terms of nationality and if the local limitation conditions per person and throughout the country allow), the inheritor may then own the inherited property. Otherwise, such person is to transfer the real estate immediately. Otherwise, the Ministry of Treasury and Finance shall sell the real estate and reimburse the price to the inheritor.

Right to Acquire Turkish Citizenship Through Real Estate Purchase

Natural persons of foreign origin are granted the right to acquire Turkish citizenship by means of exceptional procedures upon purchase of real estate worth USD 250,000 and more.

For this purpose, foreigners:

- Shall purchase real estate worth at least USD 250,000
- Shall state, in the application for acquisition, that they purchased the real estate for this purpose, the title deed should state this purpose, and the foreigner shall declare that they shall not sell the real estate for three years in the section of the form where declarations are made.

Once the land registry procedures are complete, the foreign national may apply to the relevant administrations to claim the right of residence or citizenship by submitting the certificate of eligibility to be issued for the owner.



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Requirements for Land Registry Procedures

- Land registry of the real estate or information on the village/quarter, map section, plot, building, and independent section
- Photo ID or passport issued by the country of which the foreigner is a citizen (notarized and certified translations should be submitted for ID cards and passports issued in alphabets other than the Latin alphabet)
- If the procedure involves representation, document regarding representation (order regarding guardianship, letter of authorization, power of attorney etc.
- Document on the current market value of the real estate issued by the relevant municipality
- Mandatory earthquake insurance policy for the buildings
- A photo of the seller and two photos of the purchaser (taken within the last six months, size 6x4 cm)
- Certified interpreter if a party does not speak Turkish

Power of Attorneys Issued Abroad

If the procedure is to be conducted by a third person authorized by means of a power of attorney issued abroad, the power of attorney must include the authorization relating to the procedure to take place. Besides, the power of attorney shall meet the following conditions:

- Issued by Turkish consulates at their discretion over real estate
- Issued by competent authorities entitled to issue power of attorneys abroad
- Issued in the language of the country where it is issued
- Includes photo (with a clear seal and signature over the photo)
- Includes the apostil, if issued in a country that is a party to the Hague Convention
- Should have certification of the signature of the official signing the power of attorney by the relevant authority and the signature and seal of such authority should be certified by the Turkish Consulate if the power of attorney is issued in a country that is not a party to the Hague Convention

The application should also provide notarized and certified Turkish translation of the power of attorney that meets the required criteria.

For detailed information the acquisition of real estate by foreigners in Turkey:

<https://www.tkgm.gov.tr/tr/icerik/foreigners-0>