

ALL YOU NEED TO KNOW
TO BECOME A HOME OWNER
IN TURKEY

YOUR PROPERTY INVESTMENT IN TURKEY MADE EASY



The mortgage specialist for International Buyers



UCB

A BNP PARIBAS company



HOW DO I GO ABOUT BUYING A HOME IN TURKEY?

Many people who have visited Turkey on holiday have become enchanted with the beautiful landscapes, the deep blue sea, the delightful Turkish weather, and have seriously considered buying a second home there.

Home prices in Turkey are far cheaper than in most European countries; owning a home there is an asset and offers a way of diversifying your investment portfolio.

Going to Turkey is becoming easier from most European countries: you can now fly to the Turkish coast in less than 5 hours.

Enjoy the Turkish lifestyle: it is summertime from March to October.

| We can help you make your purchase in Turkey easy.

As one of the leading mortgage specialists in Europe, we can provide you with dedicated service offering high quality and impartial advice to guide you through the process of becoming a home owner in Turkey. Our personal mortgage advisers are English speaking and offer friendly expert advice which makes buying your home easy.

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TURKEY, A SAFE ENVIRONMENT FOR FOREIGN INVESTORS

Ownership status is clearly defined in Turkish law

In Turkey, the land registry is efficient and reliable. The title deed is an indisputable proof of ownership.

TAPU is the name of this official document, also containing detailed information such as ownership rights and mortgage registration.

Where to buy: legal restrictions for foreign individuals

Before buying in Turkey, you have to make sure that the property you desire is neither located in a military area nor designated of historical importance. As a foreign individual, you cannot own more than 2.5 ha in Turkey

Equal ownership rights whether you are Turkish or not

When you acquire real estate in Turkey, you will have the same property ownership rights as a Turkish citizen.

All official documents are written in Turkish

During the transaction process, you will have to sign contracts in Turkish. In this case, a qualified translator is mandatory.

KEY STEPS TO BUYING A HOME IN TURKEY WITH UCB INTERNATIONAL BUYERS

Find your property. Bilingual and professional real estate agents can advise you on a wide range of properties in Turkey. At this stage, please make sure you obtain the ISKAN, the construction utilisation licence for the property.

Contact us to discuss your needs with a personal mortgage adviser and build together your financial plan. You will receive a detailed quotation on the basis of the information you provide.

Appoint a Turkish solicitor. He will be your local correspondent throughout the transaction process. This is a vital step and we will be happy to help you by providing details of English speaking solicitors in Turkey.

Get a Tax ID number from the tax office. Your Turkish Tax ID is mandatory to open your bank account in Turkey and will allow you to be registered for electricity, water and telephone. TEB, BNP Paribas' partner in Turkey, can help you to get your Tax ID number.

Open a current account at TEB. TEB will be happy to provide you with tailor-made financial services fitting your banking needs in Turkey, including building and contents insurance and funds transfer.

Sign your preliminary sales agreement. Although it is not compulsory, we recommend that you sign this document: once you have signed your preliminary sales agreement, no one else will be able to buy the property you have chosen, unless a right is established on the property in favour of a third party. The necessary information on the existence of such right can be obtained from the related Registry of Title Deeds.

Get the Military Zoning Permission from the Land Registry Office. The document given by the Army states the property is not located in a Turkish Military zone. Obtaining this permission can take up to 8 weeks.

Complete the mortgage application and life assurance forms. Return them to your UCB personal mortgage adviser together with the supporting documentation required. After processing your application, if your request is accepted, we will issue you a loan offer.

Wait at least 10 days, but no more than 30, before accepting the loan offer. All you need to do then is sign the documents and return them to us.

The mortgage funds will then be transferred to your bank account at TEB and blocked until the date of signing of the final deed. A cheque corresponding to the loan amount will be issued by TEB to be given at that date to the seller through the lender's legal representative.

The Title Deed Office will prepare the final deeds for the ownership transfer and the mortgage registration. You will need to fix a date for the signing of the final deeds with the seller and the deed officer. All you have to do then is sign the relevant documentation and you will be the owner of your Turkish home.



HOW DO I FINANCE MY HOME PURCHASE IN TURKEY?

You may have already decided which region you favour most, but before you start looking for a home, it is important to consider the question of finance.

THE PRICE YOU CAN AFFORD WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING:

- How much you are able to borrow;
- The period over which you intend to repay your mortgage;
- Your existing mortgages, loans and other commitments.

Your personal mortgage adviser at UCB will be able to help you determine the amount of loan available.

HOW MUCH CAN I BORROW?

Your overall financial commitments (e.g. existing loans and other payments, including your new UCB mortgage) should not exceed approximately one-third of your gross regular income.

We recommend you keep some of your money in your Turkish current account to help you with your property costs, including upkeep, local taxes, electricity and/or gas bills and furnishings.

WHAT TYPE OF MORTGAGE CAN UCB INTERNATIONAL BUYERS OFFER ME?



CURRENCY: Euro

MAXIMUM LOAN: Up to 70% of the value of the property

MINIMUM LOAN AMOUNT: Euro 50,000

SECURITY REQUIRED: First legal charge on the property

MORTGAGE TERM: 7-20 years

PROPERTY LOCATION: Istanbul + Turkish Riviera (See the map of Turkey at the end of the guide)

METHOD OF PAYMENT: Standing order from your current account

A valuation appraisal is carried out in most instances. However, it is important to note that this may vary slightly from the mortgage survey traditionally performed in your country. The appraisal is undertaken by a chartered surveyor.

WHY SHOULD I CHOOSE UCB INTERNATIONAL BUYERS MORTGAGE?

UCB International Buyers mortgage is a service of BNP Paribas, one of the largest financial groups worldwide. Already the leading mortgage provider for non-resident investors in France, we are now offering our experience and know-how to non-residents wishing to buy a home in Turkey.

QUALITY

Whether you are looking to buy a second home, take up permanent residence, or take advantage of an investment opportunity, UCB can provide you with mortgage and life assurance documentation in English.

Our personal mortgage advisers, English speaking, are on hand to assist you with any questions you may have about your mortgage application or any issues about buying your property in Turkey.

SAFETY

With a UCB International Buyers mortgage, you can use your Turkish property as collateral, so you can keep the equity on the property in your country of residence.

By choosing a UCB International Buyers mortgage, you will benefit from the French Consumer Law, offering one of the best levels of consumer protection in Europe.

With TEB, the bank partner of BNP Paribas in Turkey, we have developed a deep understanding of the Turkish market.

WHICH MORTGAGE IS BEST FOR ME?

UCB INTERNATIONAL BUYERS VARIABLE RATE MORTGAGE

One of the main characteristics of our variable interest rate mortgages is to offer you the comfort of stable monthly payments.

As in euro zone countries, our variable interest rate mortgages are linked to the variations in the European Central Bank lending rate. However, monthly repayments with UCB International Buyers mortgage usually remain stable when interest rates change. It is the duration which varies according to whether rates have risen or fallen. Following complete release of the mortgage funds, our rates are reviewed quarterly or annually depending on the type of mortgage you have.

There are no redemption charges for early partial or complete repayment on our standard variable rate mortgage products and you can convert free of charge to a fixed rate mortgage at any time.

Please contact your personal mortgage adviser for a personalised quotation tailored to meet your individual requirements.

Even if you initially opt for a variable rate mortgage, you can still switch to a fixed rate at any time and at no cost. Thanks to the UCB International Buyers mortgage range, you can combine a variable interest rate mortgage with an initial period of fixed rate.



DO I NEED LIFE ASSURANCE COVER?

We require our clients to be protected for the amount of the loan through a life assurance policy. We have put together a specific package with a specialized insurance company to provide comprehensive cover.

UCB can help you arrange adequate life assurance.

WHAT ABOUT BUILDING AND CONTENTS & NATURAL RISKS INSURANCE?

It is important that you make arrangements to insure the property and contents and that cover is adequate. Natural risks insurance (DASK) is also mandatory in Turkey.

These arrangements can be made by TEB when you open your bank account.

WHAT KIND OF HOME CAN I BUY?

UCB International Buyers is happy to consider mortgages for most types of residential homes, whether you wish to purchase an older property or a new home, provided this home has been completed in line with the official plans. Make sure this condition is fulfilled and get the property's construction utilisation licence: YAPI KULLANMA IZIN BELGESI, better known as ISKAN.



WHY IS THE PRELIMINARY SALES AGREEMENT ADVISABLE?

Buying a home in Turkey will normally take 2 to 3 months for a foreign individual, from the time you find the property to the final deed. Various papers and authorizations will be required before the buyer and the seller can enter into a formal agreement. So, while you wait for the final deed of sale, which is drawn up by the Title Deed Officer, it is advised to sign a preliminary sales agreement.

This can be drafted and witnessed by the estate agent or your legal advisor and must be made before a Notary Public. It is an important step and you should seek advice from your local lawyer on the wording and conditions.

When using a mortgage to finance the purchase, the sales agreement should contain a condition precedent, so that if the mortgage application is not successful, the deposit will be refunded.

You need also to insert a second condition precedent stating that the deposit will be paid back if the Ministry of National Defense permission is not granted.

Having mutually agreed on the property and the price, both seller and buyer commit themselves to the sale by signing this document. On signing, the buyer deposits a sum - normally between 5% and 10% of the purchase price - with the seller. The deposit is usually described as a payment on account subsequently deducted from the purchase price, or may be used as a penalty fee if the agreement is broken.

The preliminary sales agreement is accompanied by a 5% to 10% deposit and binds both parties on an existing property.

WHY DO I NEED A LEGAL ADVISOR?

Although it is not compulsory in Turkey, we strongly recommend that you take Turkish legal advice.

- All official documents will be written in Turkish. So, unless you speak Turkish, your solicitor will be the one who makes sure that you agree with every document you will sign.
- His knowledge of the Turkish legal context will be helpful to advise you and answer any question you have during the transaction process.
- If you cannot be present in Turkey to sign official documents (tax number, current account, mortgage deed...), you can give him a power of attorney.
- According to Turkish law, if you don't understand Turkish, you have to pay a qualified translator to accompany you when you will sign official documents. By virtue of a power of attorney, your lawyer can handle all administrative operations on your behalf.

DO I NEED TO OPEN A BANK ACCOUNT IN TURKEY?

According to the current regulations, any monetary transaction which exceeds 8,000 Turkish Lira (YTL) has to be made through banks, private financial institutions or the Post Office (PTT).

Thus, the first thing to do is to open a bank account with TEB, the bank partner of BNP Paribas.

- During the transaction process, funds will be released on this account. You will also have to transfer your own deposit for the down payment.
- Once you own the property, you will need a Turkish account to pay your utility bills.

As you have specific needs, TEB has created a dedicated package to provide you with tailor-made financial services and make your bank operations in Turkey easy:

TEB financial services

- YTL and Euro current accounts along with a debit card for your local expenses
- English speaking call centre: available at any time, 24/7
- E-banking in English to manage your bank operations in Turkey from anywhere
- Automatic payments for your utility bills in Turkey
- Insurance: building and contents + natural risks
- Selected English functions in ATM's with USD EUR and GBP cash withdrawal feature

TEB dedicated branches

TEB has developed a dedicated retail service to foreigners coming to Turkey, with English-speaking staff. Please find more details on the network of TEB dedicated branches in Turkey enclosed on the last page.

TEB Bank (Türk Economy Bank)

Created in 1927, TEB is a reputable and prestigious institution, one of the highest rated banks in Turkey. TEB's expansion combined with its BNP Paribas partnership has made TEB a major Retail Banking actor in Turkey, endowed with an international dimension. TEB Retail network is made up of more than 300 branches and more than 450 ATMs all over the country. With its diverse product portfolio and deep commitment to service excellence, TEB is a major Retail Bank with solutions for every financial need.

For further information about TEB products and services, please visit the web site at www.teb.com.tr or call the +90 212 444 0 666 TEB Call Center.

HOW DOES COMPLETION TAKE PLACE?

Once you have established all permissions such as your right to buy the property, the seller's right to sell and the Military Zoning Permission, you can have the property signed in your name. Please note that your presence is required for this step unless you are legally represented through power of attorney.

For the final completion of the transaction, the following documents will be required

- Title deed of the property;
- Military Zoning Permission;
- Your passport (the original) and a certified translation verified by a Turkish Notary Public, two photos of yourself;
- In case you delegate someone else for this operation, the power of attorney, his/her certificate of identification and two photos of your delegate;
- Natural risks and building and contents insurance cover (DASK),
- Your Turkish Tax ID number;
- Purchase Tax receipt from the Tax Office (1.5% of the purchase price).

The completion of the transaction requires the presence of the buyer, the seller and a sworn translator at the Title Deed & Land Registration Office, also called "TAPU Office" in Turkey. UCB will be legally represented during final completion for the mortgage registration.

The property will be signed in your name. The mortgage on the property will then be registered. A TAPU (Title Deed) will then be delivered to you and a cheque corresponding to the loan amount will be given directly to the seller.

It is mandatory that you register the property transaction with the Local Municipality where the property is located within 30 days of purchase.



WILL I BE LIABLE FOR TAX IN TURKEY?

We would recommend that you seek professional advice on any tax and inheritance implications. Do not hesitate to discuss the opportunity to draw up a will with an English speaking tax advisor. However, you may wish to note the following:

WHAT KIND OF TAXES WILL I BE LIABLE FOR IN TURKEY?

Foreign nationals are not different from Turkish citizens in terms of tax or levies to be charged. There exists:

- Personal income tax (based on rental income and capital gains in Turkey);
- Real estate tax;
- Real estate acquisition and purchase levy: 3% of the sales price (1.5% from the buyer and 1.5% from the seller).

THE REVENUES THAT I GENERATE THROUGH MY PROPERTY WILL ALSO BE SUBJECT TO TAX?

If you decide to rent your property, you will have to pay a tax on the rental incomes.

No income tax is due on proceeds of sale if the property is owned for more than five years.

For further details on any tax liabilities you may incur in Turkey and/or your home country in relation to your Turkish property, you should seek advice from an independent tax consultant.



PRACTICAL INFORMATION

USEFUL ADDRESSES

UNITED KINGDOM



- **The British Embassy** www.britishembassy.org.tr
Address: Şehitersan Cad. No: 46 Çankaya Ankara Turkey
Tel: +90 312 455 33 44
- **The British Consulate**
Address: Meşrutiyet Cad. No: 34 Tepebaşı Beyoğlu
Istanbul Turkey
Tel: +90 212 334 64 00
- **The Turkish Embassy London** www.turkisheconomy.org.uk
Address: 43 Belgrave Square London Swix 8 PA England
Tel: +44 207 393 02 02/+44 207 393 95 52

IRELAND



- **The Irish Embassy**
Address: Ugur Mumcu Cad No. 88 MNG Binasi B Blok
Kat 3 Gaziosmanpasa Ankara 06700 Turkey
Tel: +90 312 446 6172
- **The Irish Consulate**
Address: Ali Riza Gurcan Cad Merter Is Merkezi no. 2/13
Merter Istanbul Turkey
Tel: +90 212 482 1862
- **The Turkish Embassy Dublin**
Address: 11, Clyde Road, Ballsbridge Dublin 4 Ireland
Tel: +353 16 68 52 40

FRANCE



- **The French Embassy** www.ambafrance-tr.org
Address: Paris Cad. No: 70 Kavaklıdere Ankara Turkey
Tel: +90 312 455 45 45
- **The French Consulate**
Address: Istiklal Cad. No: 8 Taksim Istanbul Turkey
Tel: +90 212 334 87 30
- **The Turkish Consulate Paris**
Address: 184 Boulevard Malesherbes 75017 Paris France
Tel: +331 56 33 33 33

NETHERLANDS



- **The Dutch Embassy** www.dutchembassy.org.tr
Address: Hilal Mah. Hollanda Cad. No: 3 Yıldız Ankara
Turkey
Tel: +90 312 409 18 00
- **The Dutch Consulate**
Address: Istiklal Cad. No: 390 Beyoğlu Istanbul Turkey
Tel: +90 212 393 21 21/10
- **The Turkish Consulate Rotterdam**
Address: Westblaak 2, Rotterdam, 3012 KK Netherlands
Tel: +31 10 413 22 70

ITALY



- **The Italian Embassy** www.iic.org.tr
Address: Atatürk Bulvarı No: 118 Ankara Turkey
Tel: +90 312 426 54 60/63
- **The Italian Consulate**
Address: Boğazkesen Cad. Tomtom Kaptan sok. No: 15
Beyoğlu Istanbul Turkey
Tel: +90 212 243 10 24/252 54 37
- **The Turkish Consulate Rome**
Address: Via Palestro, 28 00185 Rome Italy
Tel: +39 06 494 15 47

TURKEY



- **Ministry of Public Works and Settlement - General Directorate of Land Registry and Cadastre** www.tkgm.gov.tr
Address: TAPU ve Kadastro Genel Müdürlüğü/Dikmen
Ankara Turkey
Tel: +90 312 413 60 00 (pbx)
+90 312 413 61 01 02-03 04 (direct)
Fax: +90 312 413 61 05 413 61 13 25
E-mail: webmaster@tkgm.gov.tr
- **Revenue Administration** www.gib.gov.tr
Address: Department of Taxpayer Services İlk Adım Cad.
06450 Dikmen Ankara Turkey
Tel: +90 312 415 29 00/+90 312 415 30 00

USEFUL TURKISH TERMS

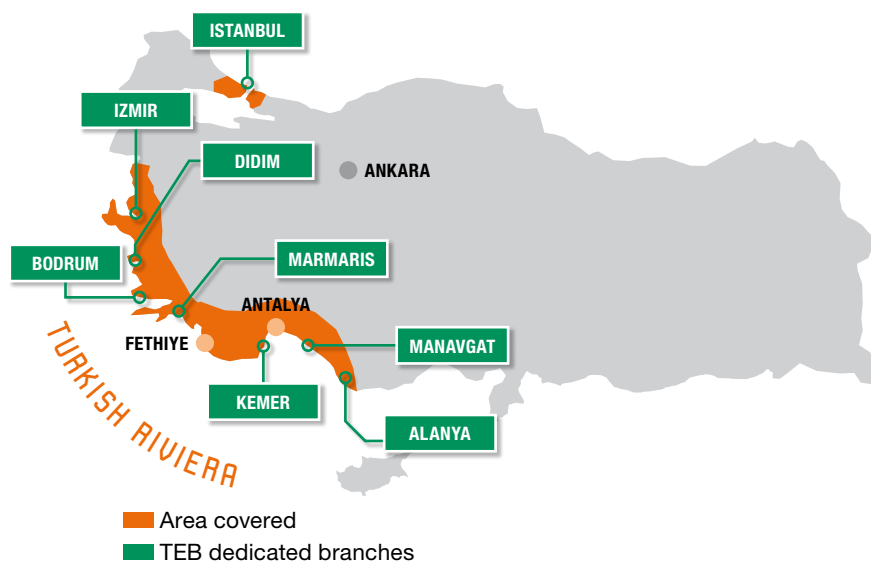
- REAL ESTATE SECTOR:** Gayrimenkul (Emlak) Sektörü
- REAL ESTATE AGENCY:** Gayrimenkul Danışmanlığı, Emlakçı
- PROPERTY:** Gayrimenkul
- TITLE DEED:** Tapu
- CONSTRUCTION UTILISATION LICENCE:** İskan belgesi/ Yapı kullanma izin belgesi
- REGISTER OF TITLE DEEDS:** Tapu Kütüğü (Sicili)
- PRESALES AGREEMENT:** Satış vaadi sözleşmesi
- POWER OF ATTORNEY:** Vekaletname
- TAX ID NUMBER:** Vergi Kimlik Numarası
- ATTORNEY:** Avukat, vekil
- TAX:** Vergi
- INSURANCE:** Sigorta
- INSTALMENT:** Taksit
- BANK ACCOUNT:** Banka Hesabı
- RESIDENCY PERMIT:** İkametgah
- VALUATION APPRAISAL:** Ekspertiz (Gayrimenkul Değerleme)
- NOTARY PUBLIC:** Noter
- MORTGAGE:** İpotek
- LAW:** Kanun
- CURRENCY:** Para birimi
- FLAT OWNERSHIP LAW:** Kat Mülkiyet Kanunu



USEFUL PHONE NUMBERS IN TURKEY

Firehouse	110
Health Help Desk	112
Directory enquiries	11811
Police emergency	155

OUR PRESENCE IN TURKEY



To contact us:

International Buyers Department
+33 320 182 029
Email: IBNS@ucb.fr

All information in this booklet is based on prevailing practices at the time of publication and should be regarded as a general guide only. Specific advice applicable to your own circumstances should be sought from a Turkish legal advisor.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE OR ANY OTHER DEBT SECURED ON IT.

CHANGES IN THE EXCHANGE RATE MAY INCREASE THE STERLING EQUIVALENT OF YOUR DEBT.

IF STERLING IS NOT YOUR NATIONAL CURRENCY, THE EQUIVALENT IN YOUR NATIONAL CURRENCY OF YOUR LIABILITY UNDER A EURO MORTGAGE MAY BE INCREASED BY FOREIGN EXCHANGE RATE MOVEMENTS.

WE REQUIRE THAT THE PROPERTY AND CONTENTS BE INSURED, AND LIFE ASSURANCE IS ALSO REQUIRED.

Mortgages require a charge on your property.

All loans are subject to status and in most instances a valuation appraisal and are not available to persons under 18 years of age.

Written quotations are available upon request.



Union de Cr dit pour le B timent

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