

JULY 2019

NEW PROCEDURE FOR PURCHASING A REAL ESTATE

In Turkey, the only official state body performing and controlling the processing of paperwork for purchasing a real estate is the Land Registry Directorates ("LRD"). This organization is the state guarantor of the legality and transparency of a transaction.

The transfer of ownership of a real estate is only possible with an official deed ("Tapu") and the registration of the sales contract in the land registry. In other words, the contract ensuring the transfer of real estate ownership is only valid after registration. The purpose of the registration is to provide security and clarity for the transaction. According to the current procedure, the seller and the buyer need to be in the land registry to sign the contract before the officials of the registry office or as an alternative, the parties may appoint a legal representative to perform the same procedure on behalf of them in connection with the acquisition of real estate in proxy.

Based on changing global atmosphere and trends in globalization of the real estate markets, a remarkable change has been made on the transaction procedure for real estate acquisition with the addition of a paragraph to the Article 26 of the Land Registry and Cadastral Law ("the Land Registry Law", No. 6302) by the Law No. 7181 on July 10, 2019.

Accordingly, new paragraph states that the contracts ensuring the transfer of real estate can be completed by officials who separately have the autographs of parties that are in different land registries or in state offices abroad. The procedures and principles regarding the implementation of this paragraph shall be determined by a bylaw.

The new procedure will be effective as of January 1, 2020. It is expected that the bylaw that will regulate the new procedure will be drafted before long and will come into force on the same date.

The new procedure will bring flexibility and simplicity on the real estate sale contracts especially for foreigners and Turkish citizens living abroad. Foreigners who want to purchase a real estate in Turkey will be able to complete a sale contract in their country in a Turkish consulate before the authorized officers.

Once the new law comes into force there will be no more need for the physical presence of parties of the contract at the same time and the same place to conclude a real estate sale contract. In addition, this will allow the parties to complete transactions without appointing a legal representative.

CONTACT US

Polat İş Merkezi No: 29 Offices: 28 - 29
Mecidiyeköy, Istanbul, Turkey
+ 90 (212) 215 30 00
info@gurulkan.com
www.gurulkan.com