



A Buyers' guide to Turkey & Country overview

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1) PURCHASE PROCESS & LEGALITIES EXPLAINED

The information outlined below should be referred to for guidance purposes only it is a brief outline and in no way replaces the need for specialist consultation. It is an outline of a standard property purchase in Turkey.

Buying a property in Turkey often simpler than in other European countries. Under the direction of an English speaking independent Lawyer the process will explained and executed effectively.

a. Reservation Agreement & Deposit

On identifying the desired property a reservation agreement is made and a deposit taken this is usually £2000. This takes the property off the market and secures it in your name at the agreed price.

b. Instructing an independent lawyer

It is essential that you chose and instruct an independent lawyer to act on your behalf. A locally based lawyer who speaks English is the best option as they are familiar with the process and tend to be more efficient. Your agency or realtor will probably recommend an independent lawyer who will act on your behalf or you may research and choose one from the list of lawyers recommended by your consulate.



c. Power of Attorney (POA)

It is customary for buyers to give POA to their chosen law firm. This POA enables the lawyer to complete conveyancing on behalf of the client relating to the purchase of real estate. Essentially, a POA allows your lawyer to be your advocate, enabling you to go ahead with the purchase, without having to be local. The POA is a standard document drawn up at the Notary office before it is translated to you by an authorised translator. N.B. Although the POA allows the Lawyer to advocate for you it is customary for them to keep you abreast of every stage and confirm your approval to progress.

- Applications for the purchase of property in Turkey.
- Signing of the purchase contract.
- Obtaining a tax number on behalf of the client.
- Opening Turkish bank accounts.
- Connection and registration of water, electricity & utilities (as required).
- Obtaining title deeds (Tapu) on behalf of client.

Establishing a POA

The Power of Attorney instructed in the presence of the client in Turkey:

- This can only be done during office hours on weekdays (Monday to Friday)
- Client's passport details are translated into Turkish and the POA document is drawn up
- The original POA document is in Turkish so an official translator will be present to translate the document into the client's national language

Power of Attorney instructed from abroad:

- POA document will be sent to the client via e-mail in English.
- Upon completion of the document, the client must have it authenticated by one of the following: - Lawyer / police officer / magistrate.
- For all British citizens the POA then needs to be apostilled by the Commonwealth Office (instructions are provided with POA document).
- The document is then returned to the lawyer's office in Turkey where it will be translated into Turkish and notarised.

d. Purchase Contract

A standard sales contract usually includes the following details;

- Full property details, including plot, official description and location, according to the details on the deeds.
- Payment terms – As agreed between the client and the vendor at reservation.
- Where applicable, details of negotiated changes or upgrades to standard technical specifications, and / or negotiated additional details as detailed at reservation.
- Standard technical specifications regarding the development and the property including site and floor plans if applicable.
- If the property is being purchased 'Off Plan' or during construction, completion and delivery dates.
- If the property is already completed, exchange dates.
- Penalties clauses for both buyer and seller.

**The instructed lawyer will also check;**

- That the current title deed of property is free of debts and any other charges or any other restrictions.
- That the developer has acquired the required planning permissions and building licences.
- That the property is freehold and located within an area posing no restrictions on foreigners purchasing real estate.
- Current ownership of the property at the land registry office.

When the lawyer is satisfied with the outcome of their enquiries and all parties are in full agreement to the reservation terms, the contract will then be drawn up.

Draft Contract

If the client is purchasing a property 'sight unseen' or has been unable to attend the lawyer's office before returning home, a draft contract is prepared in Turkish and English and forwarded to the client. After reviewing and approving the contract the client will print and sign the indicated number of copies of the contract before returning them to the lawyer's office where counter-signing by the vendor shall be arranged and overseen.

e. Payments

There are a number of payment options for clients transferring funds to the developer or the lawyer:-

- Clients who already have a bank account in Turkey, or have one opened for them by their lawyer, can send payments directly to this account. These can then be transferred to the developer, with clients' permission, on the appropriate dates.

- Clients who do not have a bank account in Turkey can make payments direct to the lawyer's client account and on the appropriate dates the monies will be transferred.

The lawyer will ensure that funds are transferred to the vendor on the exact dates outlined in the purchase contract. The lawyer will also communicate information of these transfers to you, the client so you are kept up-to-date.

f. Application for Military Clearance

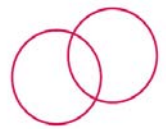
In Turkey, all foreign purchasers are obliged to acquire military clearance from the Army Headquarters before the title deeds can be transferred. The checks control that the property to be purchased is not in a:

- Military Zone (military sensitive / protected area).
- Registered Forestry area.
- Rural area without cadastral division.

The procedure for completing this application is primarily the responsibility of the seller. However, the lawyer assists in the collection of the required documents and collection of costs from the purchaser before completion of the actual application and following up.

g. Transfer & Registration of Title Deeds (Tapu)

After obtaining military clearance and when the last payment/ full amount has been received in preparation for payment to the seller, the title deed transfer takes place at the Land Registry office. At the same time, the final payment is transferred to the seller. Both the buyer and the seller (or respective Lawyers with POA) must be present for this process.



2) COSTS OF PURCHASE

Independent Lawyer conveyance for entire process: GBP 1200 maximum

Notary fees for power of attorney: GBP 180-220 circa

Military clearance cost: GBP 1100 circa (area specific)

Purchase tax: up to 3% (dependant on property price)

3) TURKEY IN BRIEF

Population: 70 million

Land Area: 769,630 km²

Capital City: Ankara

Currency: New Turkish Lira (YTL)

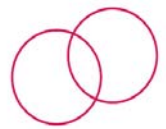
Language: Turkish

Strategically located

- Bordering 8 countries and 4 seas, Turkey is the Bi-Continental, multi cultural bridge connecting Europe and Asia.
- 60% of Russia's trade passes through Turkey.
- Turkey plays a critical role in the development of the newly independent states of Central Asia and is the point of export for Caspian oil and gas.

Resources

- Its diverse landscape and climate attracts volumes of tourists to its beaches, lakes, valleys and mountains.
- This same diversity makes it one of only seven net food exporters in the world.
- Its greatest resource is its youthful population, average age only 27, highly skilled professional workforce and entrepreneurship.



Historically democratic !

- Turkey has been a multi-party parliamentary democracy since 1947.
- It is the only secular state among the 50+ Muslim populated countries.
- It has free and privately-owned media, with no less than 16 national private TV networks, uncensored allowing freedom of speech.
- A member of NATO since 1952 (its only Muslim member), it 1st applied for full EU membership in 1987 and has been in customs union with the EU since 1996.

An economic powerhouse

- Turkey's average annual growth rate of 5+% makes it the fastest growing country in the Mediterranean.
- Currently the 17th largest economy in the world IMF predict that Turkey will move to 15th position by the end of 2008.
- Its exports range from cable for the Channel Tunnel to cars to China. It is Europe's largest supplier of textiles and apparel.
- Industries include; the only F-16 fighter factory outside the U.S.
- It is the regional centre for companies such as Coca-Cola, Indesit, Philips and Siemens.

Agriculturally Pioneering!

As of March 2007, Turkey is the world's largest producer of hazelnut, fig, apricot, cherry, quince and pomegranate; the second largest producer of watermelon, cucumber and chickpea; the third largest producer of tomato, eggplant, green pepper, lentil and pistachio; the fourth largest producer of onion and olive; the fifth largest producer of sugar beet; the sixth largest producer of tobacco, tea and apple; the seventh largest producer of cotton and

barley; the eighth largest producer of almond; the ninth largest producer of wheat, rye and grapefruit, and the tenth largest producer of lemon

Construction and contracting sector

The Turkish construction and contracting industry is one of the leading, most competitive and dynamic construction/contracting industries in the world. A total of 22 Turkish construction/contracting companies were selected for the Top International Contractors List prepared by the Engineering News-Record in 2007; which made the Turkish construction/contracting industry the world's 3rd largest in that year, ranking behind those of the USA and China.

Tourism sector

Tourism is one of the most dynamic and fastest developing sectors in Turkey. According to travel agencies TUI AG and Thomas Cook, 11 of the 100 best hotels of the world are located in Turkey. In 2005, there were 24,124,501 visitors to the country, who contributed \$18.2 billion to Turkey's revenues, with an average expenditure of \$679 per tourist. In 2007, the number of visitors rose to 27,214,988, who contributed \$18.5 billion to Turkey's revenues. Over the years, Turkey has emerged as a popular tourist destination for many Europeans, often competing with Greece, Italy and Spain. Resorts in provinces such as Antalya and Bodrum in Muğla (which are located in the Turkish Riviera) have become very popular among European tourists.