

BUYING IN TURKEY - FAQs

Believe it or not, can be simpler to buy a house in Turkey than it is in the UK. Even for foreign buyers the process is relatively straightforward. However, Turkey is noted for its bureaucracy and it's important to follow all the correct procedures to avoid potentially costly mistakes.

At UTOPIA we've done our best to answer your FAQs, but please bear in mind that laws change, goalposts move and this page is intended for guidance only. For more detailed and/or specific information, we suggest that you contact us direct...

Who can buy property in Turkey?

Turkey has reciprocal agreements with a number of countries which allow their citizens to legally own real estate in Turkey, having the same right as Turkish citizens. These countries currently include Australia, Austria, Belgium, Canada, France, Germany, Greece (providing that some restrictions are reserved), Holland, UK, Ireland, Italy, Norway, Turkish Republic of Northern Cyprus, Luxembourg, Spain and the USA. It is probable that in the future, other countries will be added to the list.

Where can I buy property?

Foreigners are permitted to buy property in their own name in most of Turkey's tourist destinations, including Dalyan.

A recent change to the Village Act (Article 87) means that foreigners can now own property that is outside the centre of a village, providing there is a valid tapu (or title deed). Property which remains out of bounds to foreign buyers includes that which is located within a particular distance of military sites or strategically important areas (according to the Military Prohibited and Security Areas Act).

In effect, most of Dalyan is open to foreign buyers. But if you wish to obtain property in areas such as Gokbel, you may need to do so through a Turkish company or bank. In these areas, much of the land is officially

owned by the Turkish government or forestry ministry and it is only possible to obtain use of the land, not outright ownership - thus any purchase involves an element of risk. As this is a complex subject, may we request you contact Utopia direct for more information.

Is Dalyan a good investment?

Turkey has one of the fastest-growing economies in the world, and one of the up and coming destinations for people seeking a home abroad. It's unique riverside location, only 30 minutes from Dalaman International Airport, makes Dalyan especially attractive.

The most compelling reason is cost - you can buy a villa in Dalyan for the price of an apartment in Spain. The cost of living is much lower than in Europe - a loaf of bread is around 10 pence and you can enjoy an excellent meal out for around £10 a head. Winters are short and fuel bills comparatively low. Retirees find their pensions stretch a long way.

And then there's the lifestyle. The warm hospitality of the Turks soon wins over the most aloof European. Nothing is too much trouble. Everyone is welcome. Foreigners live side by side with Turks and soon adapt to the Dalyan way of life. Older people discover that Turks have a natural respect for seniority. Children are welcomed and watched over like one of the family. There's no rush in Dalyan, no need to Do It Now! People in Dalyan have time - time to talk, time to listen, time to help, time to do... absolutely nothing!

Worried about communication? Don't be. The second language in Turkey is English. Even in the smallest village you'll find people who can say 'hello'. Even if they can't, the Turks are experts at communicating - gestures, sign language, a battered old dictionary, they'll find a way to help you understand.

And the future? Turkey is not yet a member of the EU. Maybe this will happen, maybe not. Either way, Dalyan is poised to reap the benefits. If Turkey joins Europe, tourism will soar, along with property and land prices. If Turkey stays out of Europe, Dalyan will still be a unique destination, still attract foreign people to live, still be (dare we say?) a refreshing alternative to the European way of life.

Do I need a lawyer?

In Turkey, all property transactions take place at the local Property Registry Office. There is no legal requirement for a solicitor or notary to oversee the process. However, it's vital to ensure that all legal restrictions are adhered to; that there are no problems (eg debts, mortgages or encumbrances) on the vendor's side; and that he/she is free to sell the property (ie. the title deed is not shared.).

For this reason, professional advice is essential. Utopia has plenty of experience in the property business and we are happy to undertake a thorough investigation of any prospective purchase.

But for extra peace of mind, we strongly recommend using a lawyer (avukat). We can provide you with the names of locally-based English-speaking lawyers, any of whom will be able to conduct the necessary searches, guide you through the buying process and, if necessary, act as your representative at the completion stage.

What is a tapu?

This is the title deed and states the property's position, size, type (eg land, land with house etc) and plot number. It also gives the name of the owner. If you are interested in a property, always ask to see a copy of the tapu.

What about surveys and searches?

Few Turks bother with a structural survey (partly because building costs in Turkey are comparatively low) but we can arrange for a builder or architect to check over a property for you, if you wish.

Searches are a more serious matter. As well as ensuring that your land or house is in an area where you can legally own it, you need to be certain that any building (one standing or your own project-in-waiting) complies with the zoning plan - or imar. This dictates how much of a plot can be built on - usually 30%, 20% or 10%. In rural areas, the usual limit is 5%. The only exceptions are houses built before the imar was imposed on an area.

You will also need to check whether there are plans for any roads or other structures which may affect the property in the future.

At Utopia, we do our best to check the tapu and imar plan for every

property or land plot that we market - however, we cannot be held responsible for unforeseen problems, which is why we recommend you engage the services of a lawyer.

What are the purchase costs?

As a rule of thumb, budget around 8% of the purchase price to cover related expenses. For a breakdown of current purchase costs, please return to the main site and click on the PURCHASE COSTS box.

What does the purchase procedure involve?

First make your offer. If it's accepted, you will make a contract with the agent and vendor, specifying the sales price, deposit paid, balance due and completion date. The contract will be translated for you and you keep a copy.

The minimum deposit is 10%. In Turkey this is generally paid in cash (Turks are unwilling to accept foreign cheques since they can take weeks to clear). Most banks will implement a commission charge of up to 2.5% on traveller's cheques or credit card payments. If you don't wish to carry cash, you could make an arrangement with your bank, prior to leaving the UK, for a money transfer - you can then fax them with the Turkish bank details when you are ready to pay over the deposit and they can send the money.

At this point the agent may ask for half of their fee - 1.5 per cent of the purchase price from both buyer and vendor - with the remainder to be paid upon completion.

You should then obtain at least 3 good photocopies of your passport(s). These will need to be translated and authenticated at the notary's office. Please note that if you buy in joint names, you'll need to have both passports translated and be liable to pay two lots of tax, including purchase tax. You will also need to make two payments to your lawyer, should you use one.

If you wish to nominate a lawyer or other person to complete the purchase on your behalf (to save you a journey to Turkey), the notary will also prepare power of attorney forms for you.

Next step is obtain a plan of the property from a surveyor (the equivalent of a UK land registry plan) and your tax numbers from the tax office.

Last step is to open a bank account at a Turkish bank - you may need accounts in both Sterling and Turkish Lira (plus Euros if the vendor requires payment in Euros). But this is a simple process.

There is usually a waiting period of at least 45 days between your offer being accepted and completion of sale. This is the time it takes for the copy of your passport, the land plan and other paperwork relating to the property to be checked and processed by the military authorities in Turkey. The main reason for this is to ensure that the property is not in a military zone.

You have the choice of waiting until the paperwork is ready and returning to Turkey to complete the sale, or nominating a lawyer (or another person) to act on your behalf.

If you choose the latter, you will need to give your lawyer or representative power of attorney (see above). You should supply at least 4 passport-sized photographs and nominate a bank account into which the balance will be transferred. Please note that the lawyer (or person holding power of attorney) will need access to this account. He/she will then contact you when the purchase is completed.

(Unless you are certain you will be able to come to Turkey to complete, it's recommended that you arrange power of attorney while still in Turkey since this is very difficult to organize in the UK!)

While waiting, you should arrange for the balance to be transferred from your UK bank to the Turkish bank. This generally takes at least 5 working days. It's **IMPORTANT** you keep all paperwork referring to the transfer so you can prove you brought the purchase funds from abroad. Please note that it can take up to 4 weeks for the funds to clear for withdrawal.

If you choose to return to Turkey to complete the purchase, you can bring your photos with you (see above). Expect to complete the purchase in one (exhausting!) day. This will involve a visit to the deeds office and much running around. Don't worry, a representative of Utopia will be with you all the time. Back in Dalyan, you'll need to register your purchase with the Belediye (local council). Then you can crack open the champagne!

Can I get a mortgage in Turkey?

The short answer is no - even if you could, the interest rates would be crippling. However, UK lenders are becoming more willing to consider lending on foreign properties, and it may be worth talking to your bank or a

registered financial advisor.

One word of warning: taking out a bank loan to buy a dream villa is a major gamble. Especially if you're hoping to recoup your money out of rental income. You will find clients to stay, but you'll also have bills to pay (pool chemicals, the air con left running all evening) and your profit may be smaller than you'd hoped. Plus, you'll have to pay tax on it!

Consider the Turkish way of nest-building. If they've got cash they buy some land; a little bit later they lay the foundations and build some walls; only when they can afford it does the house get finished. If money is short, one option is to buy a plot of land and build later, when you can better afford it.

Do I really need to use an estate agent?

Agents in Turkey charge 6% commission - 3% from the buyer and 3% from the seller. Foreigners aren't used to paying commission on a purchase. So why pay it in Turkey. A fair question. But ...

At Utopia, we believe that we earn our commission. We don't just sell; we check out every property or piece of land before it goes on the market, doing our best to ensure that all paperwork is in order and that there are no 'hidden' catches. We take the time to assess your needs and try to supply you with details of properties which best suit your needs - if necessary, we will undertake a specific property search on your behalf. Should you decide to buy, we will be your English-speaking point of contact throughout the entire purchase process.

So while we act as agents for the vendor, we also act as agents for you! This is how we earn our 3%!

A word of warning: Dalyan is full of 'estate agents'. The man who drives your taxi, the smiling rug dealer, the restaurateur - all will offer to find and/or build your dream home, and some will deliver the goods! Others will take you on a tedious trundle around houses you don't want or land you can't build on.

Even if they find you something, be assured that they are making money out of you - usually considerably more than the 3% a genuine estate agent will charge. Most get away with it because they have a reasonable command of English and a good deal of charm. But ask

yourself this question... if I was in the UK right now, would I be asking the man at the local Indian restaurant to find me a house or, indeed, the mini- cab driver who took me there? Maybe not ...

Can I arrange an inspection visit?

You wouldn't buy a car with a test drive, so don't even think about buying a home in Dalyan until you've spent some time here! Stroll on the beach, cruise the lake, down a raki or two in the local bars... and then decide.

Whether you're an old hand at the Dalyan way of life or newly tempted to invest in Turkey, UTOPIA can help. We can book you a hotel room, arrange airport transfers, organise a hire car - all at reasonable rates. All you need to do is book your flight.

If you're considering retiring to Dalyan, it's essential you spend some time here out of season. We can help you find longer-term rental accommodation which is suitable for a winter stay.

So if you're thinking of visiting Dalyan soon - to buy or just for a well-earned break - talk to us first!

Is it better to buy land and build?

There are plenty of houses to choose from in Dalyan but many people prefer to build their own. This may or may not work out cheaper than a ready-built house - it all depends on the price of the land and the extent of your plans - but it gives you more choice, more control and more satisfaction.

What should I watch out for when buying land?

Take your time. Look at lots of land plots. Try and get a feel for the location. Look at where the sun rises - and sets. Is the sun blocked by the mountains, or is there too little shade?

As well as ensuring that the land has a tapu and there are no obstacles to you buying it, ensure the imar (build permit) gives you enough scope for the

kind of house you want. Check if the land is subject to flooding. Is there an access road? Are there water and electricity supplies nearby? You will need both once you start building and transporting services over a distance could bite a big chunk out of your budget.

Height restrictions apply in some areas. Or you may have to leave a certain distance between buildings and boundaries. Check first!

Is it cheaper to build than to restore?

It can be - up to 30% cheaper. But this depends on a) the original condition of the house and b) how much you intend to do to it. If you buy a property in reasonable condition and do not more than fix the roof and update the plumbing and wiring, you'll save on building costs. But attempting to turn a charming old ruin into a heritage piece will cost you dear.

If you have your heart set on a Turkish bungalow but can't find a suitable doer-upper, you may find it cheaper (and just as satisfying) to build one from scratch. UTOPIA has been involved in the build of several Turkish houses and would be happy to give you advice and a building quote.

Is it true I can only build in the winter?

Major building works are only allowed in tourist areas outside the summer months, so your builder will be doing most of the work between October and May. Bad weather can mean delays.

Will I need an architect?

Yes. Enlisting professional help right from the start is essential. A good architect can give prompt answers to many of your questions...

How do I find a good builder?

Finding a good builder in Dalyan is just like finding a good builder at home. The best ones are almost always busy. The bad ones will do their best to tempt you in! Ask for recommendations. Check on builders' previous work (don't just stand outside the houses, ask to go inside). Get several quotes. Listen to your architect's advice...

Once you've found your builder you will make a contract with him, and this will include your building specifications, payment terms and schedule. Builders base their bid on the building spec and any changes you make after contracting the builder will lead to extra costs. He will want some of the money up front, then stage payments, then a final settlement fee. Haggle!

Who will supervise the building?

Utopia manages building projects, acting on your behalf throughout the process. We contract the builders, monitor their work and make sure your bedrooms face in the right direction and you don't end up with brown tiles instead of blue! Simply put, we are your eyes and ears, sending you regular progress reports (backed up by photos), detailing where your money is being spent and ensuring your wishes are being met.

And what will all this cost?

The size and design of the house, the proximity to roads and utilities - all have a bearing on cost. Building materials are affected by inflation. Government rules, which dictate the cost of licences and permits, change with the wind. For this reason, the following guide is a rough estimate of costs, based on July 2004 prices...

* To build a two-storey (50 sq m per floor) 3-bed villa - from £55,000

* To build a one-storey village house over 100 sq m - from £40,000

* To build and equip an average size swimming pool - from £12,000

These estimates include the cost of building materials and labour, plans and permits, and a mid-range architect's fees. They assume you will opt for medium quality tiled floors, standard lighting, kitchen and sanitary fittings. Furniture/white goods will cost extra.

Should you decide to nominate Utopia as your building project managers,

we will charge 7-10% of the final building cost, depending on the extent of our involvement.

Should I have a swimming pool?

If you are buying as an investment and plan to let to holiday-makers, then yes - most expect a pool, and a private villa with a pool can command at least £500 a week in high season.

If the house will be for your private use, think hard about whether you really need a pool. Upkeep is costly and there are plenty of hotel pools in Dalyan which you will be welcome to use for the price of a few beers and some meze!

How much will I pay for utilities and taxes?

Water is metered and costs around 40p for 1000 litres. Electricity costs about 5p per unit. Gas is around £10 a bottle and one of these lasts 3 months with daily use. Annual property tax is charged at between 0.3% and 0.6% of the property's purchase price, while Dalyan's annual 'community charge' (for street lighting, rubbish collection and so on) is a few pounds a month.

Who will look after my home when I'm not around?

Utopia has its own in-house property management service called House Minders. We can look after your Turkish home for one-off yearly fee. A small price to pay for peace of mind. For more information, please return to the home page and check out the [Property Services link](#).

Can I let to holiday-makers?

Turkish law allows you to rent out your home and profit from it, although rental income is liable for tax assessment in either the UK or Turkey, and it's as well to ensure you are abiding by all the local by-laws.

At Utopia, we prefer to concentrate on sales so we leave the letting to other people. If you want help with letting your home, we can put you in touch with Dalyan Villas - a UK-based agency specializing in letting privately-owned villas in Dalyan. You can contact them on www.dalyanvillas.com

What if I want to sell later on?

There's nothing to stop you selling up and moving on. However, it's important that when you buy, you transfer your purchase funds into Turkey through a Turkish bank account, identifying the purpose i.e. (transfer purpose for the purchase of Turtle House, Tapu No. 1234) and ensuring you have enough to cover both the purchase and any related expenses. Keep all receipts so that you will have no problem should you later wish to sell up and take the money out of Turkey.

You are free to sell to Turks or foreign buyers. A legal change (Decree 32 August 1989) has made the Turkish lira convertible so proceeds of the sale of a property can be converted to whatever currency and subsequently transferred to any country you choose.

Freehold resale costs (local documentation and legal fees, plus agent's fees) work out at around 5% of the sales price.

If I sell will I be liable for tax?

The UK and Turkey signed a double taxation treaty in 1986 (amended in October 1988) which covers the reciprocal agreement regarding income tax and corporation tax in Turkey and income, corporation and capital gains taxes in the UK. Which means... you won't end up paying tax in both countries but you will have to pay it in one!

Residential sales are subject to capital gains tax in Turkey unless the property has been owned for at least four years. However, the UK tax position depends on individual circumstances and Utopia recommends you consult an accountant and/or talk to the Inland Revenue direct.

Copyright © 2003 [Utopia Ltd]. All rights reserved.
Revised: 23/11/04.