

# Law on Residential Leasing for Tourism Purposes Comes into Force on 1 January

## *December 2023*



The procedures and principles regarding the lease of residences to real and legal persons for tourism purposes, which have been determined with the Law No. 7464 on Residential Leasing for Tourism Purposes and Amendments of Other Laws (the “**Law**”) and its implementing regulation published on 28 December 2023, will enter into force on 1 January 2024. Detailed announcement regarding the regulation will be shared in the coming days.

### **Rental for Tourism Purposes**

Although the Law uses the term “rental of residences for tourism purposes”, it has been defined and should be understood to cover rental of residences for all purposes for a maximum of 100 days. Therefore, leasing of residences for up to 100 days will fall within the scope of the Law.

### **Certificate**

The Law requires obtaining a certificate (the “**Certificate**”) from the Ministry of Culture and Tourism (the “**Ministry**”) prior to leasing.

In order to obtain the Certificate, it is required to submit to the Ministry, a decision unanimously taken by all the condominium owners of the building in which the rental activity for tourism purposes will take place, that evidences all the freehold owners’ consent to the lease. In residential compounds, it will be sufficient to obtain the consent of only the freehold owners of the building in which the relevant flat is located.

One lessor can rent out more than one property in the same building provided that total rented places does not exceed more than 25 percent of the building. For example, in a building consisting of 40 flats in total, a lessor will only be able to obtain Certificate for to rent a maximum of 10 flats.

### **High Quality Residences**

In high quality residences, which is defined as buildings where certain services such as reception, security and daily cleaning are provided (the “**High Quality Residences**”) approvals of other condominium owners will not be a prerequisite for the Ministry to issue the Certificate, provided that the building management plan allows for short-term rental activity. Additionally, rental activities in the High Quality Residences can be carried out through a company operating the residence, rather than the freehold owner, which can obtain the Certificate under its own name.

### **Sub-lease Prohibition and Its Exceptions**

The Law does not allow for sub-lease of the rented property save for two exceptional situations:

- (i) High Quality Residences rented for tourism purposes through entities, and

(ii) Use of the rented flats by the staff of the legal entities

### Sanctions Envisaged in the Law

The Law sets out in detail sanctions that can be imposed on both persons who are engaged in rental activities for tourism purposes based on or without a Certificate. In addition, sanctions also cover those who undertake intermediary services for rental of residences for tourism purposes and also providers of e-commerce and promotion of these activities on-line, as follows:

#### *Sanctions to be Imposed in Case of Unauthorized Rental Activity*

- 100,000 Turkish liras fine for each rented residence without a Certificate,
- 100,000 Turkish liras fine to the providers of intermediary services, which provide such services to rental of residences for tourism purposes without obtaining the Certificate,
- 100,000 Turkish liras fine per each flat to e-commerce websites or those providing promotional activities for the rental of residences for tourism purposes without obtaining the Certificate, and those who fail to remove the relevant content within 24 hours despite the Ministry's warning to that effect, and
- 1,000,000 Turkish liras fine to lessors who lease the same residence more than four times within a calendar year starting from the date of the first rent agreement, where each lease agreement is for a term of more than 100 days.

#### *Sanctions to be Imposed on Certificate Holders*

- 50,000 Turkish liras fine in case the information and documents requested by the Ministry (i) are not provided within 30 days, or (ii) are incomplete or contain misleading information,
- 50,000 Turkish liras fine in case change in the identity of the lessor, which is due to a legal transaction other than inheritance, is not notified to the Ministry within 30 days from the date such change is effectuated before the land registry,
- 100,000 Turkish liras fine (i) in case of providing misleading information on the location, quality or physical characteristics of the flat rented for tourism purposes through advertisements, brochures, social media, web pages or similar tools to the users of such media, (ii) in case the rented flat to not meet the advertised conditions, or (iii) the leased flat is delivered to the user for a period shorter than the period specified in the agreement,
- 100,000 Turkish liras fine if the flat rented for tourism purposes is not delivered in a status compliant with the rental agreement, and
- 100,000 Turkish liras fine if it is determined during an inspection that the residence does not meet the qualifications required for the issuance of the Certificate.

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