

Turkish Real Estate Market

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SUMMARY

Classical microeconomic theory posits “land” as one of the three factors of production, along with labor and capital. Real estate can be defined as “the property consisting of land and the buildings on it”.

A fully functioning and well-regulated real estate market can be an important factor to enhance the economy of countries both through upgrades in the housing stock and building capacities as well as the development of mortgage finance.

The main pillar in real estate market is having a well-defined land policy. Economic growth, poverty eradication, governance and environmental sustainability are the main goals of the land policy.

In Turkey, lands were registered as one of the most important assets since 15th century. A positive land policy was established in 1926 by the Constitution and Civil Code in Turkey. The Turkish real estate market has been developed over land policy within its own rules.

Many positive developments have been recorded in the Turkish real estate sector over the last few years. Initial cadaster has been completed. Land registry - address information - central civil registration information systems have been completed and are in automation now. Rights related with land are under the State guarantee. Urban regeneration was at the top of the sector’s agenda. Thanks to the enactment of the “Law of the Regeneration of the Areas under Disaster Risk”, buildings under risk are now being demolished and new structures with international standards are bringing out. On the other hand, restrictions for foreigners acquiring property in Turkey have been eased with the enactment of the “Reciprocity Law” in 2012. 19.5% of the total GDP represents the

construction and real estate sectors in Turkey, which creates great investment potential in the sector. It is important to note that, real estate, rental and business activities in GDP, increased from USD 350 million to USD 6.5 billion in 2012. The total number of houses sold reached 1.289.000 in property market in 2015 all over Turkey.

In this article; Turkish land policy and real estate market have been evaluated on legal framework, technical framework, data management, property rights, access to credit, rationale dispute resolution, financial transparency, appropriate regulations, effective governance, actors of the system, sectors of the system and by this way some results have been presented for effective real estate market studies.