

Client Alert

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New Law on Short-Term Leases

The Law on Lease of Residential Properties for Tourism Purposes and Amendments to Certain Laws (the "**Law**") was published in the Official Gazette on 2 November 2023. The Law regulates the general principles, permits and administrative sanctions regarding the lease of residential properties for tourism purposes and it will enter into force as of 1 January 2024. The Law does not regulate the leases with a term of more than 100 days.

The Law requires that a permit must be obtained from the Ministry of Culture and Tourism for short-term leases for tourism purposes and a plaque must be hung at the entrance of such residential property. This permit can only be obtained by lessors, who hold a usufruct right or right of construction or ownership right over such property. Apart from the said lessors, lease arrangements for tourism purposes can be made exclusively through group (A) travel agencies certified in accordance with the Law on Travel Agencies and the Association of Travel Agencies.

The Law does not allow the tenants of residential properties to re-lease these properties to third parties for tourism purposes on their own behalf, if such properties are (i) leased by them for tourism purposes from a permit holder or (ii) leased by them from third parties for residential purposes.

For a permit to be issued, approval of all the condominium owners of the building, where the said residential property is located, is required. In residential complexes consisting of several buildings having more than one independent unit, the approval of the condominium owners of the building, where the residential property subject to lease for tourism purposes is located, is sufficient. Furthermore, there are additional requirements to be fulfilled if the number of properties of the same lessor exceeds certain thresholds. Additionally, certain exemptions are regulated for properties that are located within the residential complexes that approve the lease of properties for short-term tourism purposes through its registered management plan.

The Ministry is authorized to inspect the situations where the obligations are not fulfilled or where unpermitted leasing for tourism purposes is conducted and to issue administrative sanctions if such breaches are detected.

Should you have any questions, please do not hesitate to contact us.