

Circular

Istanbul, 18 September 2020

Circular No: 92

Subject: Procedures and principles on "value increase share" in the value increase of real estate due to changes in zoning plan defined.

The additional Article 8 of the Land Development Law contains provision indicating that the whole increased value of the land in the event that value is increased due to a zoning plan change to be made on the island basis upon the request of all immovable property owners will be taken as the value increase share.

Procedure and principles for the scope, detection, finalization, payment and distribution of the value increase share have been identified through the Regulation on the Value Increase Share on the Land Development Plan Amendment published in the Official Gazette dated 15 September 2020. Accordingly,

- Detection of the increase in the value that will occur in the real estate with the zoning plan change is determined by the assessment commission established by the Administration.
- The value increase share is paid by the immovable owners at the first sale of the property or at the license stage, at the latest.
- The value increase share is applied by increasing at the revaluation rate, effective from the beginning of the calendar year, for each calendar year on the date of payment starting from the year following the year in which it was determined.
- Except for license modifications to be made provided that the equivalent, construction area, building height and purpose of use are not changed, a building license cannot be issued without payment of the value increase share.
- Value increase share amounts should be paid by the real estate owners to the account of the Ministry of Environment and Urbanization.
- The provisions of this regulation will not be applied to the application zoning plan amendment proposals that received an official registration number by applying to the municipality, special provincial administration or relevant administrations before 20 February 2020.

Our explanations provided above include general information on the issue. No responsibility can be claimed against EY and Kuzey YMM ve Bağımsız Denetim A.Ş. due to the implications arising from the context of this document or emerging with respect to its context.

Best Regards,

KUZEY YMM VE BAĞIMSIZ DENETİM A.Ş.