

TURKEY

Property
hunt

"We want a 'nice little earner' in Turkey"

John and Sally Vettese would like to invest in a Turkish property that will bring them some rental income. We found some properties to get them started and sought some expert advice...

WORDS **VERITY WILLCOCKS** PICTURES **ISTOCK**



The harbour in Bodrum



THE BRIEF

? WHO

John Vettese, 51, and his wife Sally, 54, live in Edinburgh, where they own a house. John is an ex distribution manager and ex forklift trainer, and Sally is an assistant manager in a ladies' clothing shop.

🏠 WHAT THEY WANT

A buy-to-let property in a tourist resort. It could either be a holiday let or somewhere with potential to be let for long-term rentals to the local market. They would like a one- or two-bedroom property that's also close to amenities to appeal to the rental market. While they are happy to buy off-plan on a development, they don't want to buy on one that's too high-density. This is because they are concerned that this could affect their chances of selling the property if they had to.

✖ WHERE

Turkey, as it suits their budget. As they are keen to achieve the maximum rental income, they would like to look at the popular tourist resorts like Altinkum and Bodrum, and hope to rent it out for six months of the year.

🕒 REASON FOR BUYING

They view the purchase as a long-term, 10-15-year investment. It is their first experience buying property to make money, and once they've bought a place, they want to make money from it by letting it, and will also use the property themselves.

£ BUDGET

John has cashed in his pension so they have a lump sum of £38,000 to spend. They want this to cover all the costs associated with buying as well as the price of the property.



THE EXPERTS

John and Sally had a number of questions to put to our experts regarding taxes, insurance, management companies and what would happen if their developer became a victim of the recession. Here's what our panel had to say...



MARTIN SADLER
PROPERTY EXPERT

Martin is Sales Manager at Assetz International, which sells holiday homes in various countries (www.assetz.co.uk/international)

John and Sally have asked me some questions about insurance and tax. When buying in Turkey, where you arrange your insurance is not so important, providing it offers full cover. Obviously you will need to ensure it has buildings and contents cover, but in Turkey you also have the option of adding Teh Dask (earthquake) insurance. This is only offered in Turkey, but if you arrange with a UK insurer, you can usually request the Dask to be added at the company's Istanbul office.

As far as tax goes, on a fully managed property the costs buyers will have to pay vary, depending on the management company and the type of agreement you have set up with them. With the Assetz scheme in Istanbul, for example, local tax on rental income is covered as part of the management agreement.

I would encourage John and Sally to seek professional tax advice. As UK residents they will have to declare their worldwide income to the Inland Revenue, although there are legitimate expenses which can be deducted to offset any tax liabilities.

The local Turkish property taxes are payable in two equal instalments in May and November. Rates are calculated based on the value of the property and are subject to thresholds set by the tax authorities. Different annual costs will depend on the individual scheme, but buyers should definitely expect to pay street maintenance, at a cost of around 0.2 per cent of the property purchase price.



BURCU ORHAN
LEGAL EXPERT

Burcu is a Director/Attorney at Law at London Legal International (www.londonlegalint.co.uk), which specialises in Turkish law

John and Sally asked me how safe their cash would be if they bought off-plan and the developer's company went under before completion.

Many buyers just sign a contract with the developer/seller when they buy in Turkey which is extremely dangerous. The property-related transactions in Turkey have to be done in a specific way for the transaction to be valid. The contracts *must* be notarised for a buyer to claim his/her rights if the developer/seller disappears for some reason. If the buyer only has a signed contract and a dispute arises, the buyer cannot claim a right on the property. In that case, he/she will need to go to court and ask to be refunded for the full payment, plus interest perhaps. The court will first need to verify the contract's validity and the authenticity of the signatures before being able to even look into its contents.

We recommend buyers have their contract notarised as a Promise to Sell contract and have it registered at the land registry – this will enable them to claim the right on the property regardless of what happens to the landowner/builder. This process costs about three to four per cent of the purchase price but grants security. If the buyers are concerned about the cost of this, they should at least ask for a "conditional performance bond". This will not give them as much security but it would increase the possibility of them getting their money back, should a dispute arise.



AMANDA LAMB
OVERSEAS PROPERTY EXPERT

Amanda is presenter of Channel 4's hit TV series *A Place in the Sun*. She also appears at all of our *A Place in the Sun Live* exhibitions

When buying off-plan it is important that buyers research the purchase well and buy through a reputable developer. Turkey has no escrow laws relating to developers holding clients' money, so the security of your purchase will depend on the business you are buying with. Buying through a larger, well-respected organisation offers the greatest level of security, with refunds offered in the event of non-completion.

John and Sally should also be aware that the quality of construction can vary in different locations in Turkey, therefore I'd recommend that they have a survey done prior to purchasing or make sure they buy from a reputable firm that has built similar properties before. Most builders in Turkey provide a ten-year building guarantee.

Although John and Sally plan to use the property themselves, their main motivation is for the property to earn as much rental income as possible. In order to do this they need to pick their location very carefully. Plenty of on-site facilities will make their property attractive to holidaymakers, as will the proximity of restaurants, bars and other attractions within a short distance. How much rental income they receive will of course depend on the property's location, but a two-bedroom apartment in one of the more popular tourist areas could fetch up to €600 (£530) per week during the high season.

ESSENTIAL GUIDE

TURKEY

✕ THE PLACE Fast becoming a budget beach-holiday destination as it's outside the Eurozone, Turkey has it all. As well as glorious beaches, it has plenty of attractions, including classical ruins, and it's proving a new destination for golfers, too.

? WHERE TO GO The Turkish capital Istanbul has enough sights to keep you busy for several days. Must-sees include the Blue Mosque and the imposing Topkapi Palace. And be sure to take a boat trip along the Bosphorus and visit the Grand

Bazaar, which sells all kinds of goods. If it's beaches and sunbathing you're after, Turkey's established resorts include Kusadasi, Bodrum, Altinkum and Alanya. Close to Izmir, the well-preserved classical ruins at Ephesus are a must-see. Head to Ölüdeniz to bathe in the country's famously beautiful turquoise lagoon (best seen from the air on a paraglider!). If you like walking, the Lycian Way, starting at Fethiye and ending near Antalya, offers clifftop views over the coast and the more intrepid can tackle the summit of Mount Tahtali along the way.

☀ CLIMATE Average temperatures climb into the early thirties during the summer months.

✈ GETTING THERE EasyJet flies from Gatwick and Luton to Istanbul, and from London Gatwick to Bodrum (starting from April), and from August it will be flying from Manchester to Dalaman. Thomsonfly flies to Antalya, Bodrum and Dalaman from multiple destinations around the UK. Pegasus Airlines flies to Antalya, Bodrum, Istanbul and Izmir (as well as several other Turkish destinations) from London Stansted. Flights take around four hours.



THEY RATE
8/10

PROPERTY 1

Low-rise apartment

from £35,000

Where: Tuzla Park, Bodrum

Property details:

- one bedroom
- bathroom
- living area/kitchen
- terrace
- unfurnished
- communal pools and gardens
- close to golf, sea and airport

For more details:

Contact Spot Blue: 020 8339 6036;
www.spotblue.co.uk

These one-bed apartments have been built in low-rise blocks of eight to avoid ruining the views of the surrounding hills. They have plenty of on-site facilities, which should make it easier for John and Sally to let to tourists. Residents enjoy indoor and outdoor pools, a fitness centre, sauna, sports court, a restaurant and a bar. The apartments are also walking distance from three golf courses. One drawback is that Tuzla Park is 25 kilometres from central Bodrum – although there is a shuttle bus. The agent thinks these apartments could be let for £229 a week, for 20 weeks a year with good marketing.

John and Sally are keen to buy a property that will have strong rental demand, but they don't want a high-rise development – will this apartment in Bodrum fit the bill?

THEY LOVE:

- John and Sally think the apartments look good; they like the fact that they're low-rise.
- They think a property here would have wide appeal as two resorts are nearby.
- Tuzla Park is opposite a fairway so it would be ideal for attracting golfers.
- They like that all the rooms seem to have been finished to a high standard.
- John and Sally think the living space looks well proportioned.
- They think the communal pool looks excellent and think this and the gardens would appeal to families.
- Overall, they think the property has good rental potential.

THEY HATE:

- Although the kitchen is bright, they think it's a bit small.
- The property doesn't seem to have air conditioning.
- They think the price is too high for them once fees are taken into account.



TURKEY

Property hunt



PROPERTY 2

Central apartment

£37,000

Where: Sun Complex Apartments, Altinkum

Property details:

- two bedrooms
- one bathroom
- living area/kitchen
- unfurnished
- communal pool
- gym
- underground storage

For more details:

Contact Turkish Connexions: 01772 735151; www.turkishconnexions.co.uk.

In the up-and-coming town of Altinkum, this four-storey complex ticks the box for proximity to amenities and attractions – vital for successful letting. In a semi-residential area, it's only 400 metres from the beach and 750 metres from the town. Altinkum is enjoying new investment, with a new marina opening this summer, and a golf course is being built in 2010. There are restrictions on building in the area, so those wanting to buy here will have to buy a resale property rather than on the latest development – which should allay John and Sally's fears about not being able to sell it if they had to.

This apartment in Altinkum is right in the middle of it all – which should make it easier to let, but will John and Sally like it?

THEY LOVE:

- They like the interior of the apartment.
- The rooms look like they have been finished to a high standard.
- John and Sally like the bathroom.
- The balconies look to be a good size.

THEY HATE:

- This exterior of this property doesn't have the instant appeal of property one.
- They think the kitchen is functional but a bit basic.
- As the photos show the property unfurnished, John and Sally found it difficult to judge the size of the rooms and think they look a bit small and only big enough for bunk beds.
- John and Sally think the interior looks a bit dark.
- Given that they want their £38,000 to cover the purchase price and all fees, they think the £37,000 price tag is too high for them.





PROPERTY 3

Bargain two-bed

from £28,000

Where: Apollon Holiday Village, Altinkum

Property details:

- two bedrooms
- one bathroom
- living area/kitchen
- large terrace
- unfurnished
- sea, pool or garden views
- two pools and facilities
- walking distance to the beach, shops

For more details:

Contact Nirvana International: 01189 744950; www.nirvanainternational.com

With its central Altinkum location, this apartment should be a good bet for rentals. It's close to the shops, Altinkum's new marina, and five minutes' walk to the nearest beach. On-site facilities include two swimming pools, a gymnasium, a Turkish bath, sauna, nine-hole crazy golf, 100-seat bar and restaurant, a barber and a supermarket. As far as rental potential goes, the agent thinks this apartment could bring in £230 a week, renting for three months over the summer, but there's not really scope to let to locals.

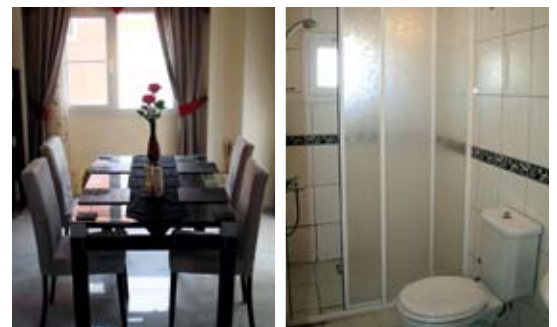
John and Sally want their £38K to cover the purchase price and all the costs of buying – so these apartments, starting at £28K, are well within their budget

THEY LOVE:

- John and Sally love the location of the property, as it's close to the new marina.
- The development has a lot of facilities, which should attract tourists.
- The living area looks very well proportioned and large enough to do some entertaining if you wanted to.
- The bedrooms look spacious.
- John and Sally thought the apartment had been shown to good potential the way it had been dressed.
- The pool area looks very inviting; in fact, they think the whole complex looks suited to families.
- John and Sally think this apartment looks great value for money and has good rental potential.

THEY HATE:

- There aren't any close-up photos of the balcony so they can't make a judgement on this.





AFTERTHOUGHTS...

Although they loved property one, John and Sally have decided to take a closer look at property three

Sally: We only expected to be able to afford a one-bed for our money so it's been a nice surprise that we can afford a two-bed. From a rental point of view, though, I'd be happier with a one-bed; with a two-bed you might get a larger group who might run amok in the property! We were both quite taken with property one. Both on the outside and on the inside it looked perfect. Unfortunately with the price starting at £35,000 it's a bit too close to our budget, so it's a no to that one – unless Spot Blue want to reduce the price! We've decided to take a viewing trip to see property three instead.

John: Although I was initially put off property three because I don't really like large developments, we are doing this to make some money so personal feelings don't come into it. It offers us the best value for money and rental potential with all the amenities on offer. My only concern is if we'll be able to rent it out because of the number of properties on the development. In the back of my mind, I was hoping to get a rent of £200 a week so it's a bonus that the agents say you can get £230. Let's see what happens!

BUYING GUIDE

Tracking down Turkish delights

We round up Turkey's property hotspots

Why Turkey?

When you start thinking about property hotspots, you could pretty much circle the entire country as it's enjoying a surge in popularity – and this is set to continue. Visitor numbers to Turkey reached 23 million last year and are expected to reach 30 million next year, according to figures from ABTA and the Foreign and Commonwealth Office.

There is also still the possibility that it will join the EU which could lead to it adopting the euro, but until then foreigners can enjoy the favourable exchange rate and cheap cost of living. The country is also becoming more accessible, with increased flights, including new routes from budget airline easyJet. Property-wise, you can pick up a villa from around £55,000, and an apartment from around £25,000 – depending on where you look. Starting in Istanbul and travelling down the Aegean Coast, here we round up Turkey's most inviting opportunities.

Istanbul

As a capital city with plenty to attract visitors Istanbul will naturally always be a draw, and its ascension to European Capital of Culture next year should bring in even more tourists.

Altinkum

With starter prices lower than many places, Altinkum is up-and-coming. Situated on the Aegean Coast, it is accessible via both Bodrum (one hour)

and Izmir (1.5 hours) airports. It's set for big things, with a new marina due to open in May, along with new shops and restaurants, and there are plans to establish a number of golf courses. Both attractions are expected to bring more tourists to the area, increasing demand for rental accommodation.

Bodrum

Long a tourist hotspot, Bodrum remains a perennial favourite. EasyJet is starting to fly there from April, which will make it even more accessible, plus the centre is just ten minutes from the airport. Bodrum's property market is split: cheaper properties can be found in Bodrum itself and on the outskirts, but Bodrum peninsula is an exclusive enclave.

Dalaman

Home of Turkey's famous blue lagoon at Ölüdeniz, Dalaman incorporates everything from the cheap-and-cheerful Fethiye to the more exclusive Göcek, where the likes of Demi Moore and our very own HRH Prince Charles have holidayed. Not only has easyJet just started flying there, but the Hilton Dalaman Golf and Spa Resort is opening in April.

Belek

A relatively new destination, Belek is attracting attention as a golf resort, having been pronounced 'Best Golf Destination of the Year In Europe' by the International Association of Golf Tour Operators. And it's just 30 minutes



from Antalya airport. This is certainly a destination to watch.

Alanya

Situated on the southern Mediterranean coast, Alanya is drawing interest because of the increasingly likely prospect of a new airport at Gazipassa in the next few years, which will make it much easier to get to, thus making the resort more attractive to tourists and home-buyers. Currently the nearest airport is Antalya, which is about a 1.5-hour drive away. Although it's not as cheap as Altinkum, there are bargains to be found in Alanya, with properties starting from around £35,000.

WE NEED YOU!

If you need some help finding your place in the sun, e-mail the editor Richard Way at richardw@apitsltd.com, with details of where, your budget and the type of property you want. Please include a phone number and recent photo. Successful applicants will be contacted.