

Foundation Immovable Properties in Turkey

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SUMMARY

The General Directorate of Foundations (GDF) is a governmental institution that performs intensive land management implementations and controls them in the name of foundations coming especially from Ottomans and Seljuks. In fact, it is known that GDF represents nearly 40.000 fused foundations and administers nearly 80.000 properties-parcel based. Foundation properties may be exposed to some land management implementations both in rural areas and also urban areas based on different laws. In addition to these, information technology is also used in GDF's projects, based on land management implementations, in the concept of e-Turkey. It is aimed to determine with this study what the land management implementations of foundation properties and e-government applications of foundations in concept of e-Turkey are. This study explains mainly how many tenants there are as third parties in foundation properties in Turkey, how much money GDF earns from these tenants for properties, what the tender process of foundation properties is and related issues on foundation properties.

Türkiye'deki Vakıf Taşınmazlar

Vakıflar Genel Müdürlüğü, özellikle Osmanlı ve de Selçuklu dönemlerinden günümüze intikal eden vakıfların ve taşınmazlarının bulunduğu yoğun arazi yönetimi uygulamalarını yürüten, doğrudan Başbakanlığa bağlı bir kurumdur. Ülkemizde, 40000'in üzerinde mazbut vakıf ve bunlara ait 80000'in üzerinde parsel bazında vakıf taşınmaz olduğu bilinmektedir. Vakıf taşınmazlar hem kırsal hem de kentsel alanlarda, farklı kanunlara tabi olarak çeşitli arazi yönetimi uygulamaları için yer alabilmektedirler. Bunlara ilaveten, E-Türkiye projesi kapsamında, arazi yönetimi uygulamaları temelinde VGM tarafından yürütülen projelerde bilgi teknolojileri de kullanılmaktadır. Bu çalışma ile E-Türkiye kapsamında, vakıfların e-devlet uygulamaları ve vakıf taşınmazlarının arazi yönetimi uygulamalarının ne durumda olduğunun belirlenmesi amaçlanmaktadır. Bu çalışma temelinde, Türkiye'de vakıflar tarafından üçüncü kişilere kiralanmış taşınmazlardaki kiracı sayısını ve bu kiracılardan VGM'nün elde ettiği kira bedelinin ne kadar olduğunu, vakıf taşınmazların ihale süreçlerini ve vakıf taşınmazlarla ilgili benzer durumlar açıklanacaktır.

Anahtar kelimeler: Mazbut vakıf, taşınmaz mal, arazi yönetimi uygulamaları, e-devlet.

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1. INTRODUCTION

Foundation (“Vakıf” in Turkish) is an Arabic word and defined as "property, money formally allocated under certain terms and conditions and handed down by a community or a person so that a service is also provided in the future" (URL-1, 2014). Foundation became very important, especially in the Ottoman Time. It is known that there were about 200,000 foundations in the Ottoman Empire, known as a civilization of foundations, and that almost all services, excluding the state's internal affairs, security and palace affairs, were conducted through foundations (GDF, 2000). Foundation is one of the institutions which played an extremely important role within the Turkish cultural system particularly during the Ottoman period. Foundations lived in the golden age during the Ottoman Empire period and also became widespread with the growth of the Ottoman Empire (Coruhlu, 2013; Coruhlu and Demir, 2014a). Upon transition from the Ottoman Empire to the Republic of Turkey, all business and operations of the foundations were delivered to the General Directorate of Foundations (GDF), under the authority of the Prime Ministry of Turkey, management and control by Foundations Law numbered 5737. Today, all transactions of properties owned by fused foundations and the GDF are carried out by the GDF under Law 5737 (Official Gazette, 2008). Fulfillment of charities and requirements of Foundations is performed using the income derived from foundation properties. These properties are included in various land management practices according to the region in which they are located, and those which can be utilized are utilized by property development methods.

In addition to provisions of the legislation to which foundation properties are subject to in terms of their qualities, there are issues of land management practices in cadastral works, zoning practices, property development works, property registration processes, and expropriation processes, applications regarding properties with foundation entry thereon, information system applications and legal processes. It is possible to classify these issues into technical issues, legal issues and institutional issues. These issues should be absolutely resolved for targets represented in the GDF's Strategic Objectives for 2010-2014 (Coruhlu, 2013). In this context, the aim of this study was to identify foundations and immovable properties of these, the General Directorate of Foundations, the number of fused foundations in Turkey, income from immovable properties of fused foundations via leasing, evaluation of foundation properties, the importance of foundation properties on the Turkish Land System, and the other subject related to foundation properties.

Some information in this article will be given from the PhD thesis of the first author completed in July 2013 and other information from both the 2013 GDF Strategic Plan published in May 2014 and from the authors' experiences gained from working on

foundations and also foundation properties between 2007 and 2014.

2. MATERIALS AND METHODS

There are, in general, two types of foundations in Turkey as foundations founded before the proclamation of the Turkish Republic and founded after the proclamation of the Turkish Republic. The main subject of this article is foundations founded before the proclamation of the Turkish Republic especially in Ottoman Times. These foundations are divided into four parts in terms of characterization, ownership, administration and usage. The study will focus on administrative foundations, these are fused foundations, annexed foundations and community foundations. All of details are given in figure 1.

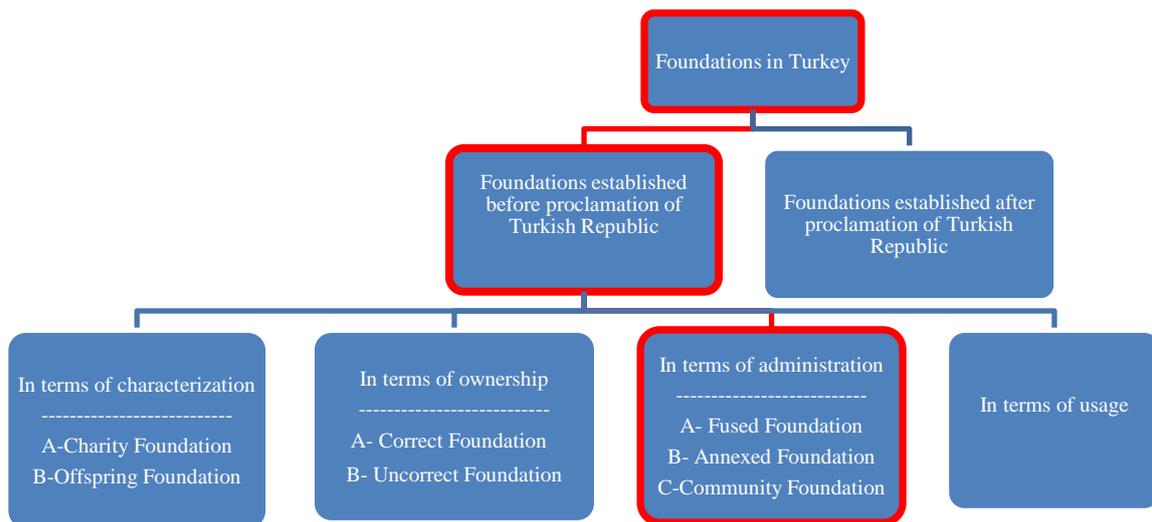


Fig.1. Foundations in Turkey

According to Foundations Law 5737, all foundations and foundation immovable properties especially from the Ottoman time have been administered and represented by the GDF. As known there are 41.720 fused foundations (URL-2, 2014) in Turkey. In addition, there are about 80.000 parcel based foundational immovable properties in Turkey conducted by the GDF (Coruhlu, 2013; Coruhlu and Demir, 2015). These properties are managed and represented by the GDF but it must be stated that these properties and foundations do not belong to the state. Each foundation has got a special legal entity itself. Foundation immovable properties have been implemented by various land management issues via different ways such as land registry, land development, land consolidation, land readjustment, geographical information system, e-governance and so on. These all can be seen as in the below figure centered on foundation immovable properties.

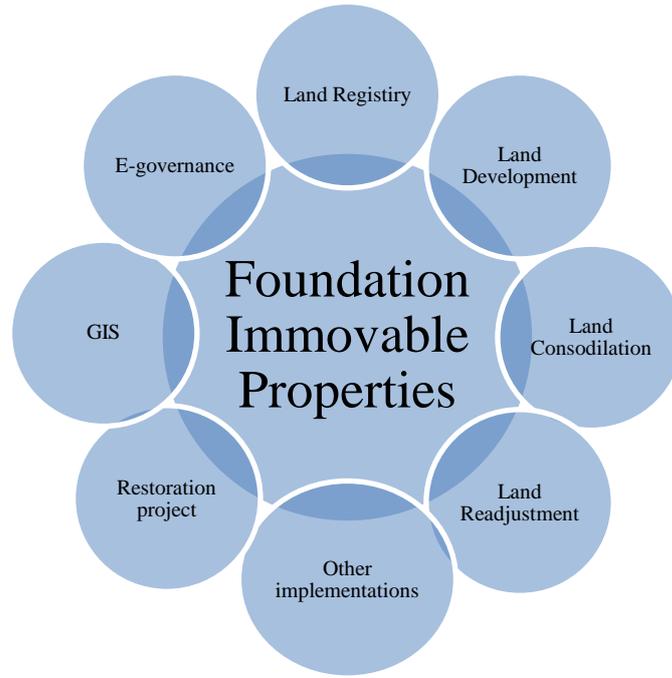


Fig. 2. Foundation immovable properties in various land management implementations in Turkey

The Development/ valuation of in the discipline of land management is to be investigated in this section. According to the current Foundations Law numbered 5737, like the abolished Foundations Law numbered 2762, all duties, powers and responsibilities of foundation properties have been assigned to the GDF. Based on the Foundations Law, foundation properties have been evaluated via various land valuation methods. The Foundations Law and the Strategic Plan of GDF's (Official Gazette, 2008; URL-3, 2014) aim at increasing the income derived from foundation properties via good management of foundations and their properties. In this section, land valuation methods used by the GDF, will be presented in figure 3.

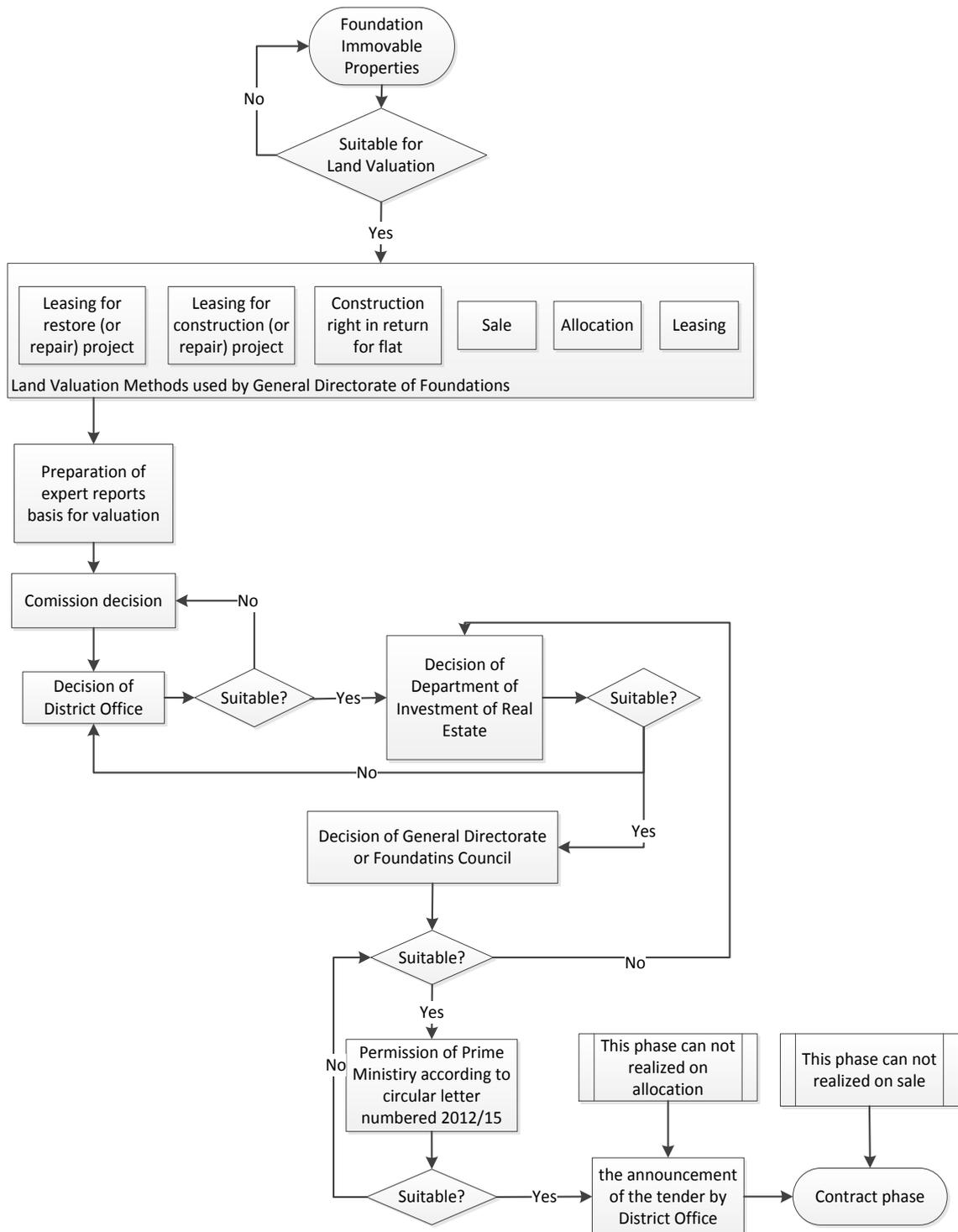


Fig. 3. Land Valuation methods used by GDF

The annual report of the GDF from 2005 to 2013 is given in table1 year by year showing that income from leasing on foundation immovable properties was 331.163.700 Turkish Liras in

2013 all over the country Turkey (URL-4). However, the other income operations were not shown in the below table, because the study aim is based on income through land valuation methods seen in figure 3.

Table 1. The income of Leasing from foundational properties in Turkey

Income type	2005	2007	2009	2011	2013 (TL)
Leasing	94.192.923	129.263.470	180.491.251	252.189.800	331.163.700
Interest	10.707.352	45.266.584	18.728.960	98.478.387	15.294.944
Others	-	-	-	-	-
Total	172.109.057	400.368.063	305.269.513	485.012.196	554.398.306
Income type	2006	2008	2010	2012 (TL)	2014 (TL)
Leasing	106.389.579	146.157.508	203.412.866	273.195.718	Not yet published by GDF
Interest	32.050.921	32.407.622	14.894.191	16.808.820	
Others	-	-	-	-	
Total	362.650.417	424.288.857	400.434.188	416.966.022	

As seen from table 1 leasing income from foundational properties in Turkey has been increasing for each year. The reason of this can be given as two main principles. One of them is that each leasing contract between the GDF and third parties is lasts until 31 December for each year, normally. If the GDF and its' tenants intend to continue the contract for one more year, they can sign a rental commitment. As seen from the below table the tenants, who were eager to be tenant for the following year, accepted the rent increase rate in order to be tenants the following as well by signature.

Table 2. Impact of leasing on total income in per year and average in total income

Year	Impact of leasing (%) on total income in per year
2005	55%
2006	29%
2007	32%
2008	34%
2009	59%
2010	51%
2011	52%
2012	66%
2013	60%
2014	Not yet published

Average %49

The approximate income from leasing/hiring from foundation immovable properties is 49% of total income. This situation shows that land valuation methods, hiring methods and also rent increase rate for next year are so important to GDF that these must be done with full concentration on the idea of increasing income.

What is the reason for the column of differences? The answer can be given with the contribution of new foundational immovable properties via different land valuation tools each year. Thanks to the Construction Right in return for flat, 105 independent units namely 95 flats and 10 shops; thanks to the Leasing for the construction (or repair) project, 22 centers namely 8 trade centers, 4 tourism centers, 2 educational centers, 4 dormitories, 1 gas station and car park, 1 health care service, 1 sport center; thanks to the Leasing for restoration (or repair) project, 4 centers namely 3 public baths, 1 cultural center, 4 trade centers, 1 house; were completed and delivered to the GDF units in 2013 so that these can be hired to third parties from the past to now and the future.

Table 3.The Rent increase rate for the following year from 2006 to 2014 with realization and expectations

Year	Rent increase rate for next year (%)	Expectation: Total income from hiring (TL)	Realization: Total income from hiring (TL)	Differences (TL)
2006	8	101.728.356	106.389.579	4.661.223
2007	11	112.918.476	129.263.470	16.344.994
2008	8	121.951.954	146.157.508	24.205.554
2009	15	140.244.747	180.491.251	40.246.504
2010	8	151.464.327	203.412.866	51.948.539
2011	10	166.610.759	252.189.800	85.579.041
2012	13	188.270.158	273.195.718	84.925.560
2013	6	199.566.368	331.163.700	131.597.332
2014	5,5	210.542.518	Not yet published	

2.1. The Importance of Optimum Income From Immovable Foundation Properties

The GDF have administered and represented foundations and foundational properties in order to perform foundation charters written on foundation founders' wishes. Foundation charters known as Vakfiye in Turkish are defined as "A document which includes the founder's statement and judge's oral hearing and decision regarding the foundation". Foundations certificate charters many include these:

- 1-) Sections of surahs and hadiths regarding thanks God and and good deeds of foundation.
- 2-)Dedicated real estates
- 3-)How the dedicated foundation will be used.
- 4-)Usage place of the income.
- 5-) Who will manage the foundation
- 6-)The Judge's decisions related the foundation's correctness and necessity.
- 7-) The deadline and judge's seal on certificate (URL-11, 2014)

In this perspective the mission for the GDF is defined as "to keep the foundations alive in accordance with their purpose, to carry the foundation consciousness to the future with a contemporary perception" and the vision for GDF is defined as, on the GDF website (URL-12, 2014). So, foundational purposes can be carried out by good management on foundational properties via appropriate land development methods.

2.2. Land Management Issues via E-Governance in GDF

Land management applications and implementations have been carried out by the GDF via web-the based service named EVOS. EVOS include all land management issues both performed by the GDF and the other governmental institutions related to foundational works. Some information will be beneficial in the name of explaining these subjects in detail.

EVOS (Entegre Vakıf Otomasyon Sistemi-*EVOS* in Turkish, Integrated Automation System of Foundations): An e-government application by the GDF seen in figure 3, by which web-based verbal data is currently managed as a result of efforts to establish a foundation information system, started in 2006. In this application, it is possible to work in conjunction with *MERNİS* and *TAKBİS*, which are other e-government applications (Çoruhlu, 2013).

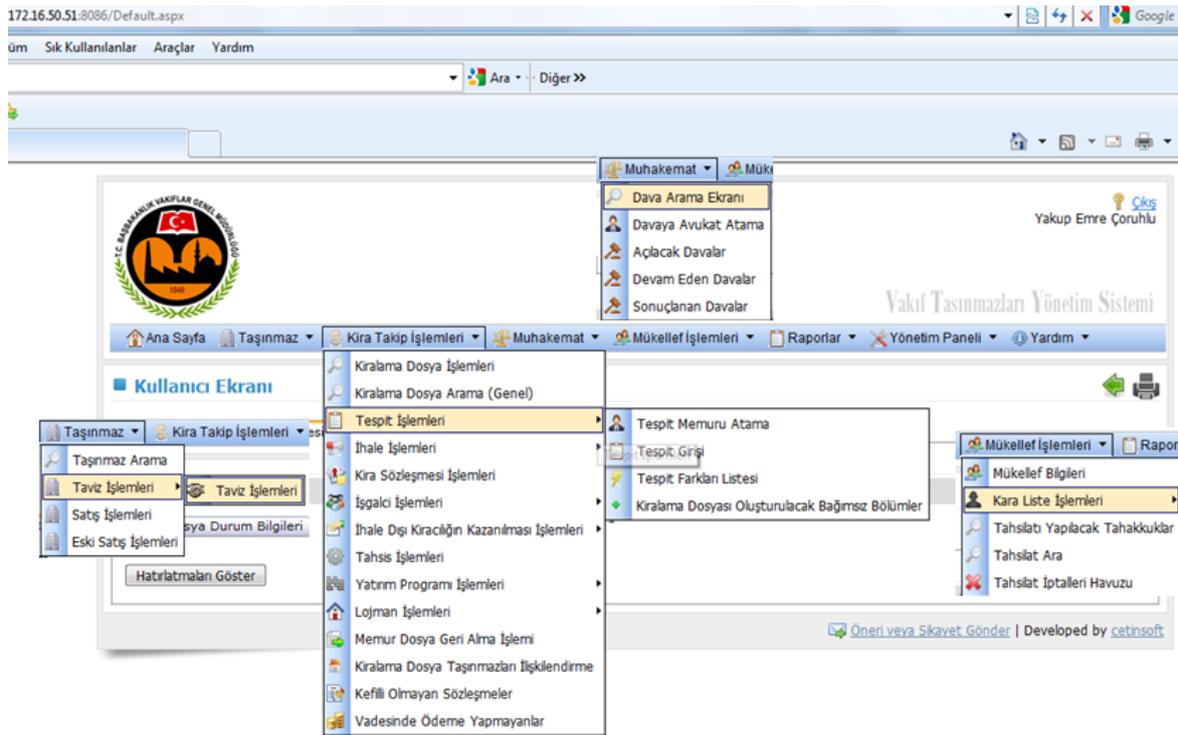


Fig. 3. The screen of EVOS

VTYS (*Vakıf Taşınmaz Yönetim Sistemi-VTYS* in Turkish): A piece of software under the name of Management System of Foundation Properties was developed and began to be used (Çoruhlu, 2013; Çoruhlu and Demir, 2014b; Çoruhlu and Demir, 2015).

VAKBİS (*Vakıf Kütük Bilgi Sistemi-VAKBİS* in Turkish): An e-government application module by which foundation registry information of foundation properties registered in EVOS are blended with title deed details retrieved from LRCIS (Çoruhlu, 2013).

MERNİS (Merkezi Nüfus İdaresi Sistemi *MERNİS* in Turkish): The *MERNİS* project is a project that transfers all civil status details into electronic medium and enables instant updating and sharing through a safe network of any change in civil status details from 957

centers scattered across Turkey (URL-5, 2014).

MERSİS (Merkezi Sicil Kayıt Sistemi-MERSİS in Turkish, Central Registration System CGS in English) Central Registration System is a central information system. Thanks to this system, commercial registration procedures are carried out electronically together with trade register records, registration and content. All this information is stored regularly and served to third parties if it is needed via internet (URL-6, 2014).

KVK (Konumsal Veri Konsolidasyonu-KVK in Turkish, Cadastral Data Consolidation (KVK) is available as an open source WEB GIS application that provides collection, query and management in a single system of all cadastral parcels in Turkey. Date of about 58 million parcels is presented via the web interface and used in activities within TKGM. Through the software, cadastral data in various formats in scattered locations are combined in a single system (URL-7, 2014).

MEGSİS (Mekânsal Gayrimenkul Sistemi-MEGSİS in Turkish) It is an open-source application developed by the General Directorate of Land Registry and Cadastre (GDLRC), where cadaster data are collected by the center system from local users in the cadaster offices in digital .cad format and are harmonized with land registry data in order to be submitted to stakeholder institutions, organizations, municipalities and citizens via the e-government link. (URL-8, 2014).

VAKIFBANK: The bank with which GDF works with on monetary issues. Business and transactions of all foundation lessees covered by EVOS are carried out *with this bank*.

NOTARY PUBLIC: A person authorized by the state to issue and certify contracts, instruments and other documentation directly in accordance with law, and retain their true copies (URL-9, 2014). Notaries are people who ensure that any contract executed between the GDF and third parties are prepared, signed and recorded.

LİHKAB (Lisanslı Harita Kadastro Mühendisleri ve Büroları-LİHKAB in Turkish): The Licensed Surveying Engineers and Bureaus (LSEB): Some technical cadastre works, which were conducted by the Cadastre Office of GDLRC and private surveying engineering bureau under the control of the cadastre offices, have been passed to LSEB based on the law numbered 5368 put into practice in 2005. Passed technical works have been implemented by LSEB under the control of the Cadastre Office of GDLRC (Demir et al., 2015).

TAKBİS (Tapu Kadastro Bilgi Sistemi-TAKBİS in Turkish, Land Registry and Cadastre Information System-LRCIS in English), which is the most important pillar of location-based information systems, is a major project, which began in the 1990s (URL-7, 2014; URL-10, 2014). LRCIS was completed in all units on the basis of Title Deed Registry Offices and is run in certain provinces and regions based on Cadastre Offices. In cadastre pillar of the system, problems stemming from cadastre bases leads to a delay in operability of the system literally across Turkey. LRCIS will be the basis of all spatial-based information systems (Çete et al., 2010). All web based interfaces and their relation to EVOS can be seen in figure 4

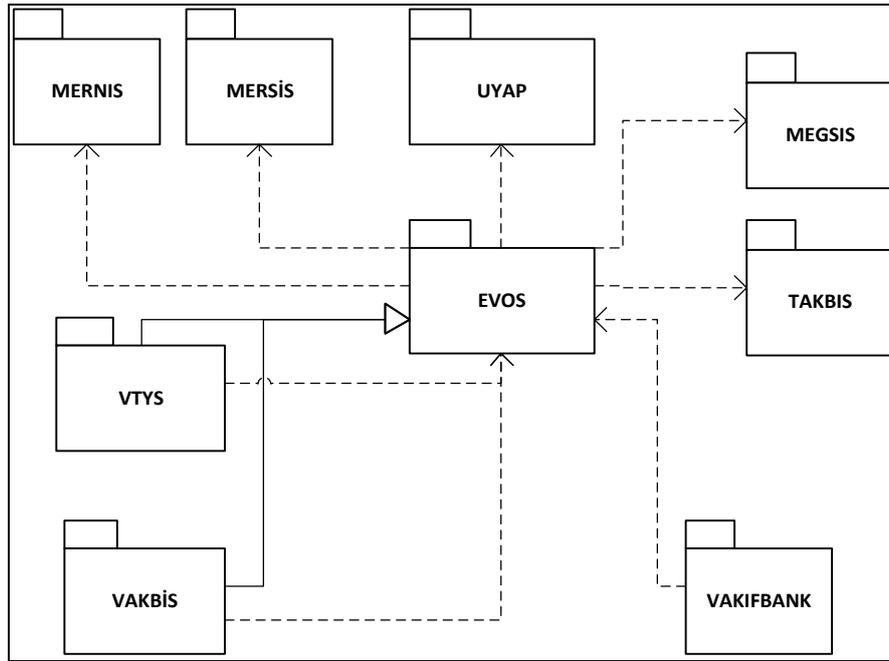


Fig. 4. EVOS with the other e-government interfaces in terms of interoperability

3. CONCLUSIONS AND SUGGESTIONS

In the Ottoman time, each foundation had been managed by board members of the foundation itself. But now, there is no one in order to manage to foundational works from the board members of foundation in Turkey because of some reasons such as the death of board members or foundation employees, migration, escaping etc., so these foundations had to be managed by the Turkish Governmental Institution, the General Directorate of Foundations since the first Foundations Law 2762 was abolished in 2008. Now these foundational duties have been represented and managed by the same institution according to new law numbered 5737 put into practice in 2008. All practices and land management implementations for foundational duties are mentioned by the law 5737 so that there will not be difficulties in practices.

As stated at the beginning of article, nearly 40.000 foundations and their 80.000 parcel based immovable properties have been administered and represented by the GDF since 1935. When the first Foundation Law 2762 has put into practice.

It can be said that foundational immovable properties are very important for Turkey, these properties originated from especially the Seljuk's and Ottomans times, and these are used for different aims such as religious facilities, cultural centers, trade centers, health care centers, shops, houses, public baths etc. in Turkey.

The GDF carries out social welfare and food aid, medical care, scholarships, and the restoration of cultural heritages-cultural assets be protected so that these heritages such as mosques, bridges, houses, public baths, church, and so on., can be handed down to future generations.

The GDF aims to increase foundational income so as to increase social aids increase other foundational aims. So the rental income from foundational properties is an important point for the GDF. To accomplish these aims with in the control of the GDF, land management, land development, land acquisition, land purchase and sale, rent increase rate etc. have to be managed carefully. Moreover; all these duties can be carried out by the strict control of the GDF. Is it possible now? The answer of this question is simply all of them are possible thanks to the usage of web based information systems.

The GDF web based information system, given above in detail, EVOS is a part of e-governance. Day by day the system is being accelerated with the contribution of the GDF employees. However, the system has some deficiencies in the name of becoming a part of e-Turkey.

The failure to access spatial data of foundation properties by e-government is a problem. The GDF's system does not include spatial data for foundational parcels. Therefore, it is also necessary to immediately provide access to spatial data on the basis of foundational parcels conducted by GDLRC. As a result, EVOS, an e-government application in GDF, was developed to a large extent in accordance with the e-government perspective just for foundational work only by GDF, but EVOS must be proceeded and integrated with the all of the e-government applications in e-Turkey in the name of interoperability.

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BIOGRAPHICAL NOTES

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Osman Demir is an Associate Professor in Division of Land Management on Department of Geomatics Engineering at the Karadeniz Technical University (KTU) in Trabzon in Turkey. He graduated from the Department of Geodesy and Photogrammetry Engineering at KTU in 1989. He received his MSc degree in November 1993 and his PhD degree in September 2000. He worked for private sector as geomatics engineering in three years, university as academicians since 1993, and public sector as head of commission for protection of natural heritage in Trabzon Zone since 2010. His research interests are cadastre, 3D cadastre and cadastre information system, land registry and management of natural protected areas and foundational properties.