

January 2019

**RE: NEW RENT INCREASE RULES ADOPTED**

Law No. 7161 (“**New Law 7161**”), published in the Official Gazette on 18 January 2019, has adopted new rent increase rules for the leases of immovable properties categorized as houses and workplaces with rooftop.

According to New Law 7161, with the effect from 1 January 1 2019, the increase in rent of such properties shall not exceed average increase rate in consumer price index (CPI) in the previous twelve month period.

Previously, such rate was the producer price index (PPI). As an additional note, the effective date of this provision for leases of workplaces (not for houses) with rooftop was postponed to 1 July 2020, in the event the lessee is a merchant under the Turkish Commercial Code or a legal person.