**KOCAELİ PUBLIC CONSULTATION MEETING**

**QUESTIONS AND ANSWERS**

1. **Can a rights holder who is disabled and retired, and owns one apartment, benefit from the loan?**

Yes. Rights holders who are retired or persons with disabilities—as well as those responsible for the care of a disabled family member—are eligible for the loan and may receive an additional 0.25-percentage-point interest-rate discount. Ownership of a dwelling other than the unit being redeveloped under the Project does not disqualify an applicant from the loan; however, it does make the applicant ineligible for the Category I additional interest-rate discount. For full conditions, please refer to the Implementation Guideline for Owners of Risky Structures.

1. **How many people have obtained climate- and disaster-resilient housing through the loan used in the project in İzmir?**

Thus far 407 people benefited from the loan in Izmir.

1. **When exactly does the loan repayment start? Will a delay in construction after the loan approval affect the repayments?**

Repayments begin in the month following the date the loan is disbursed, and there is no grace period. Under normal circumstances, construction must be completed within 18 months and, in any event, within 24 months. Delays in construction affect progress payments; progress payments are transferred from the owner’s escrow (blocked) account to the contractor’s account in accordance with the construction progress.

1. **Is there any discount for families with a disabled child?**

If the rights holder has a dependent individual with at least 40% disability, they may receive an annual 0.25-percentage-point discount on the interest rate.

1. **What is the maximum amount of loan per independent unit? How are the loan amounts determined? Can they be adjusted according to changing costs?**

The maximum loan amount is ₺2,500,000. The approved loan may not exceed this statutory cap or the amount specified in the construction contract with the contractor—the lesser of the two will apply.

1. **If a rights holder owns another property, can they still benefit from the loan?**

Ownership of a dwelling/home other than the unit being redeveloped under the Project does not disqualify an applicant from the loan; however, it does make the applicant ineligible for the Category I additional interest-rate discount. For full conditions, please refer to the Implementation Guideline for Owners of Risky Structures.

1. **Who is responsible for Occupational Health and Safety?**

The contractor is responsible. He is also the main responsible party for implementing both the Health and Safety Plan for construction and the C-ESMP.

1. **When will the loan application system open?**

At the moment, a date cannot be specified.

1. **Can the buildings previously demolished apply?**

The buildings demolished after October 2020 can apply.

1. **What should be the minimum and maximum land area (in square meters) to benefit from the support?**

There is no maximum or minimum land area requirement.

1. **Was a feedback survey conducted regarding the system implemented in the Izmir case?**

A feedback survey was not conducted yet as per the Stakeholder Engagement Plan, information meetings, face-to-face engagement, field visits and so on, the UTP PMU constantly gets feedback from stakeholders.

1. **What can be done about a conflict among the right holders (about the transformation decision)?**

Pursuant to the conditions set forth in Article 6 of the implementing regulation of Law No. 6306 and the paragraph 3 of Article 15 of the Regulation on the implementation of the same Law, “the land shares of owners who do not join the decision adopted by a simple majority of the stakeholders in proportion to their shares shall be sold by auction in accordance with the procedure specified in Article 15/A.”

1. **What can be done about the tenants who refuse to vacate?**

Pursuant to the conditions set forth in Article 5(4) of Law No. 6306, if the evacuation of buildings within the scope of the Law is obstructed, upon request of the Presidency/Administration and on the basis of written authorization to be issued by the competent civil authority, the eviction shall be carried out (or caused to be carried out) by opening locked doors/areas or having them opened with the assistance of adequate law-enforcement personnel.

1. **Is financing provided after the construction permit is issued? If, after the permit is obtained and the building is demolished, some rights holders are not deemed eligible for loan, how will the process proceed?**

The CDRC Project’s creditworthiness requirements are intentionally flexible to ensure access for vulnerable households. Applicants with limited repayment capacity may request a lower loan amount aligned with their financial circumstances, subject to applicable program limits and approvals.

1. **Will authorized staff come to determine whether our existing building falls within the scope of the project? Or should we apply and invite them ourselves?**

There is no such procedure. Homeowners need to only apply for risk assessment to be conducted by the firms licensed by the Ministry.

1. **How much can buildings without condominium easement benefit from the project? Is it necessary to establish condominium easement in order to benefit?**

Under current practice, establishing a condominium title or construction servitude is required to register a mortgage against an individual unit. To expedite financing, the Urban Transformation Presidency (UTP) is developing an alternative mechanism to record the mortgage against owners’ proportional land shares instead.

1. **If the eligibility criteria are met, can a widowed individual over the age of 65 with an income of 17,000 TL benefit from the project?**

Yes. However, the borrower’s monthly installment may not exceed 70% of their documented monthly income; accordingly, the loan amount will be sized to comply with this affordability threshold.

1. **If a person’s spouse or that person’s son owns a house, can the individual still benefit from the loan?**

Yes.

1. **Can an individual with a retirement pension of 27,000 TL benefit from the loan?**

Yes. However, the borrower’s monthly installment may not exceed 70% of their documented monthly income; accordingly, the loan amount will be sized to comply with this affordability threshold.

1. **If the rights holder’s spouse is disabled, what is the discount rate?**

Yes, the families with members with disability exceeding 40% can benefit from additional Category III interest rate discount. The discount is 0,25 points off the annual rate.

1. **İzmit District, particularly the central area, is one of the priority zones for urban transformation. The area is also significant in terms of cultural heritage, with existing 8-story buildings, although zoning rights permit only 4 stories. In such a case, what course of action should be followed? Should zoning plans be revised before accessing loans with a 0.69 interest rate in this area? How will the process proceed? As the main stakeholders, what is the role of Kocaeli Municipality and the district municipalities in this process?**

As Per Annex 13 of the Kocaeli Draft ESMP, cultural-heritage assets are expressly ineligible for support under the CDRC, as their conservation, restoration, or adaptive reuse requires specialized expertise and procedures outside the Project’s remit. Authority over such assets lies with the Regional Board for the Conservation of Cultural Assets, which reviews building permits for projects within protected zones or in proximity to registered heritage and may require additional protective measures. The UTP PMU has no role in this permitting/approval process; accordingly, cultural-heritage assets are included on the Project’s exclusion list.

1. **Although the title deed is registered to a single rights holder, the building consists of five independent units. For this reason, many people are not in favor of the transformation. Will any measures be taken for such cases?**

An individual may access financing for only one independent unit. It is the potential beneficiary’s responsibility to adjust the title/ownership configuration of any additional units accordingly.

1. **Is an occupancy permit required fort each independent unit in order to use the loan?**

No there is no such requirement.

1. **If an entire four-story building is owned by me, do I have the right to use only one loan, or can I obtain separate loans for each floor? If necessary, can I use a mortgage to access the loan? Since completing the construction with a single loan would not be possible, is there any study or arrangement on this matter?**

An individual may access financing for only one independent unit. It is the potential beneficiary’s responsibility to adjust the title/ownership configuration of any additional units accordingly.

1. **Is a building with its rough works completed able to apply?**

For a sub-project to be included in the CDRC Project, construction progress must not exceed the blinding (lean) concrete stage by the time of final approval. Any building for which the rough/structural works have been completed is well beyond this threshold and is therefore ineligible.

1. **Is collaboration with TOKİ and Emlak Konut possible?**

Such a scheme under the CDRC is not possible at the moment.

1. **What type of financial support or assistance is provided to tenants?**

Rental subsidy is available to eligible rights holders. Under the Project, beneficiaries who previously missed the one-year application window may submit retroactive applications and receive the rental subsidy.

1. **How is the loan amount determined? Will there be any changes in the loan terms over time?**

The maximum loan amount is ₺2,500,000. The approved loan may not exceed this statutory cap or the amount specified in the construction contract with the contractor—the lesser of the two will apply. Loan terms may change in the future and be adjusted to economic circumstances.

1. **What are the procedures we need to follow to benefit from the project? When will the applications start?**

A date cannot be specified yet.

1. **Will each independent unit be able to benefit individually from the 0.69 interest rate?**

Yes. Check out the Implementation Guide for Owners of Risky Structures for information about the additional interest rate discounts.

1. **Will delays in the construction of the new building affect the repayment process for rights holders?**

Repayment starts one month after transfer of money to the homeowner’s blockaded count. A delay in construction activities does not affect the repayment plan.

1. **Which other provinces are covered by the financial support for urban transformation? Is it planned to provide this support solely through external financing?**

The CDRC is active in Izmir, the pilot province and it is set to start in Istanbul, Kocaeli, Manisa, Tekirdag and Sakarya. The CDRC is financed by the World Bank

1. **To which areas will asbestos and other demolition wastes be transported for disposal? After the Maraş earthquake, this was a major issue. Wastes disposed of near water resources may cause long-term health problems such as cancer.**

When asbestos is detected in buildings scheduled for demolition, its removal will be carried out solely by licensed and authorized companies in accordance with national legislation. Materials containing asbestos will generally be transported to the İZAYDAŞ (İzmit Waste and Residue Processing, Incineration and Recovery Inc.) facilities in Kocaeli, where they will be packaged and delivered. İZAYDAŞ operates under the continuous monitoring and regulatory oversight of the Ministry and ensures that all processing, transportation, and disposal activities fully comply with safety requirements and international best practices. As part of mitigation measures under the Environmental and Social Management Framework, these procedures eliminate the risk of air, water or soil pollution and protect both worker and community health throughout the process.

1. **Will additional floors be allowed for parcels where land consolidation has been carried out?**

Permissibility is determined by the applicable zoning plan. However, any additional floors or newly created independent units—beyond those originally existing—are ineligible for financing under the Project.

1. **Can the loan be obtained from banks that provide interest-free banking services?**

Currently, only Ziraat Bank is authorized for use of the loan.

1. **Can those who benefited from the zoning amnesty in 2017 benefit from the loan? Can retired citizens benefit from this project?**

Yes, such buildings can apply. Retired citizens can benefit from the project and are also eligible for an additional interest rate discount.

1. **Can the new building be constructed with a steel structure instead of reinforced concrete?**

Yes, the new building can be a steel structure if that is registered so in the construction permit.

1. **If the home is registered in the child’s name, can an application be made?**

If the home is registered in the child’s name and the child is of legal age, an application may be submitted.

**Feedback and suggestions:**

* It is important that cultural assets actively used as residences or workplaces undergo a restoration process to ensure their earthquake resistance. Efforts should be made to provide loan support for these buildings; otherwise, resilient urbanization cannot be achieved.
* The fact that progress payments are made without excluding feasibility and project processes from the investment budget prevents project designers and consultants from receiving their entitlements on time. Therefore, these aspects should also be prioritized.
* I think municipalities may be insufficient in accelerating the permitting processes. If the permitting stage is carried out under the supervision of the Ministry within a certain limited period, the system is expected to accelerate. Normally, the process of obtaining a building permit takes at best three months. The workload and approach of municipalities must be supported.