



## **The High Court of Appeals Allows Extraordinary Termination based on “Important Reasons” for Residential and Roofed Workplace Leases**

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### **I. Introduction**

Under the Turkish Code of Obligations No. 6098 (“TCO”), residential and roofed workplace lease agreements are subject to a special termination regime. In principle, early (extraordinary) termination is permitted only under specific and limited statutory grounds. The High Court of Appeals, in its decision numbered 2025/3126 E., 2025/4810 K. that is published in the Official Gazette dated March 12, 2026 and numbered 33194 (“**Decision**”), addressed whether the extraordinary termination based on “important reasons”, as regulated under Article 331 of the TCO, can be applied to residential and roofed workplace leases.

### **II. Legal Framework for Early Termination of the Lease Agreements**

Under the general provisions governing lease agreements, where a definite term has been expressly or implicitly agreed, the lease agreement terminates automatically upon expiry of that term. In indefinite-term lease agreements, either party may terminate the agreement by complying with the statutory termination periods and notice requirements, unless a longer notice period or a different termination period is agreed. In addition, pursuant to Article 331 of the TCO, “*either party may terminate the lease at any time by complying with the applicable statutory notice period where important circumstances have made the continuation of the lease relationship unbearable for that party.*”

In terms of residential and roofed workplace lease agreements, Article 347 of the TCO stipulates that a fixed-term lease agreement gets extended for one year unless the lessee gives notice at least fifteen days before expiry. The lessor, however, cannot terminate the agreement solely because the contractual term has expired.

Article 331 of the TCO, regulated under general provisions governing lease agreements, provides an extraordinary termination option. Pursuant to this provision, either party may terminate a lease at any time, subject to the applicable statutory notice period, where important circumstances that make continuation of the lease relationship unbearable for that party were to occur.

This provision raises the question of whether this extraordinary termination ground regulated under Article 331 of the TCO is applicable for residential and roofed workplace leases. The High Court's decision confirms that it does.

### **3. Analysis of the Decision of the High Court of Appeals**

In the case subject to the Decision, the parties entered into a three-year residential lease agreement on April 25, 2022. On May 6, 2023, the lessor notified the lessee that the lease is terminated as per Article 331 of the TCO due to unforeseen force majeure circumstances and requested that the premises be vacated following the applicable notice period. As the lessee did not vacate, the lessor initiated legal proceedings for eviction of the leased premise.

The first instance court dismissed the lawsuit with the reasoning that Article 331 of the TCO is not applicable for residential leases. The first instance court accordingly concluded that the landlord's claim must instead be treated as a termination lawsuit based on the landlord's need under Article 350 of the TCO. Since the contractual term did not yet expire, the court rules that the lawsuit was filed prematurely.

The Ministry of Justice appealed the Decision in favor of the law. Such appeal is an extraordinary legal remedy that Ministry of Justice can file in cases where the Ministry finds it important to remedy the legal mistake and prevent court making the same mistake. The appeal was based on the premise that Article 331 is applicable for all types of lease agreements, including residential and roofed workplace leases.

The High Court of Appeals found the appeal admissible and emphasized that lease agreements are continuing-performance contracts and that, where important circumstances make continuation of a contractual relationship unbearable, a party cannot reasonably be expected to remain bound by the agreement. Accordingly, the extraordinary termination right stipulated by Article 331 constitutes a termination ground for all lease relationships, including residential and roofed workplace leases.

#### 4. Conclusion

The Decision clarifies that the extraordinary termination based on important reasons, as regulated under Article 331 of the TCO, is applicable to residential and roofed workplace leases too. Accordingly, although lessors are subject to strict statutory limitations for termination of residential and roofed workplace leases, either party may rely on Article 331 where important circumstances have made continuation of the lease relationship unbearable, provided that the applicable statutory notice period is complied with.

The Decision therefore establishes that Article 331 may serve as an exceptional legal basis for early (extraordinary) termination even before the expiry of a fixed-term lease. Existence and seriousness of the circumstances that are presented as the cause for such termination must nonetheless be assessed on a case-by-case basis.

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