Deliverable 3: Final Report on Data and information on agricultural land market regulations across EU MS

"Agricultural land market regulations in the EU Member States”

Under the AgEconEurope II Framework Contract 935680-2018-A08-NL

Liesbet Vranken, Ewa Tabeau, Peter Roebeling with contributions from country experts and associates

27 April 2021
FINAL REPORT

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27 April 2021

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1 The views expressed in this report are of the authors only and do not necessarily represent the official position of the organizations the authors are affiliated with, or of the parties which produced legal and other sources based on which the statements and interpretations of these sources were made.
Authorship:

This study was carried out by the Wageningen Economic Research (WEcR) together with an expert in the field, Prof. Dr. Liesbet Vranken affiliated with the KU Leuven and BOVID BV, and a group of agricultural land market experts and their associates from the 22 EU countries studied.

This reports was made as a team effort. Contributions were made by the project core team, i.e. Prof. Dr. Liesbet Vranken (KU Leuven and BOFID BV), Dr. Ewa Tabeau (WEcR) and Dr. Peter Roebeling (WEcR), based on inputs from the 22 country experts and their co-authors listed below.

Liesbet Vranken was the scientific leader of the study, responsible for its contents, by designing, testing and implementing the research tools applied, processing and analysing information received from the country experts, drafting reports and deliverables and participation in project meetings.

Ewa Tabeau was the overall project leader and was responsible for the project coordination and communication with country experts and the European Commission. She collected data and information from country experts, contributed to the reports and deliverables, provided organization of project meetings, their agendas and minutes.

Peter Roebeling was a senior researcher on the project and was responsible for the quality assurance, i.e. monitoring the progress, reviewing, feedback, improving research tools, contributing to reports and deliverables, and participating in project meetings.

The authors of country reports included the country experts and their associates, who jointly delivered the country reports, completed country questionnaires, and provided other materials, including legal sources, references, relevant publications or parts thereof. They participated in project meetings and focus group discussions and responded to queries from the core team and the EC and co-authored the section with the country-level qualitative description of land market regulations.

<table>
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<tr>
<th>EU Country</th>
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1 Introduction

Agricultural land is a valuable asset in all countries, including the EU Member States, and its acquisition often subject to various conditions and restrictions. National land laws regulating land acquisition serve various objectives, such as, for example, keeping land in agricultural use or monitoring and possibly reducing land concentration. Sometimes they strengthen the position of a local farmer as opposed to foreign investment. The acquisition of farmland also falls within the area of EU law, which recognises the distinctive nature of agricultural land. The EU Treaties allow restrictions on foreign investments in farmland, if they are proportionate in their protecting legitimate public interests, including for example preserving agricultural communities, developing and maintaining sustainable agriculture, or preventing land speculation. Also the jurisprudence of the Court of Justice of the European Union (CJEU) legitimizes this course of action. However, drawing a line between a proportionate versus disproportionate protection of public interests might not always be clear-cut and remains challenging to several Member States.

Contributing to the debate on foreign investment in agricultural land was the objective of an Interpretative Communication of the Commission, C350-5, dated 17.10.2017, referring to the benefits and challenges of foreign investment in agricultural land. The Communication did not only respond to the European Parliament's request to publish guidance on how to regulate agricultural land markets in conformity with EU law, but it also aimed at "informing the debate on foreign investment in farmland, assisting Member States that are in the process of adjusting their legislation or may wish to do so at a later stage, as well as helping to promote the wider dissemination of best practices in this complex area." (C350-5, p.1) As such, the Communication provides a valuable framework for this report and offers guidance for the interpretation of our results and final conclusions.

Over the recent years, the European Commission and European Parliament initiated a number of research activities related to the agricultural land market regulations and impact of different policies (such as the common agricultural policy; CAP) on land market functioning. There exists abundant academic literature analysing these policy questions. For example, in 2008 a study funded by the European Commission investigated land market regulations in the EU and the distributional and capitalisation effects of the decoupled payments adopted as part of the 2003 CAP reform. The possible land capitalization effects of the subsequent CAP reform proposal in

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3 The term 'foreign investors' is used in this report as intra-EU, as most acquisitions of the agricultural land in EU take place in intra-EU settings.
2013 were discussed in a study funded by the European Parliament in 2013\(^6\), while the impacts of the implementation of the 2013 CAP reform were examined in a JRC study of 2016\(^7\). Alongside the CAP related studies, the European Commission initiated several additional research activities to explore the transitory restrictions on agricultural land acquisitions by foreigners imposed by New MS after their EU accession\(^8\), and to document land regulations which were adopted in some new MS as a response to the expiration of these transitory restrictions\(^9\). Academic literature discussed a variety of aspects related to agricultural land markets. The most prominent relate to the analyses of the diversity of land market regulations in the EU\(^10\) and the capitalization effects of the CAP subsidies into land values\(^11\).

This report recapitulates the outcomes of a study launched in 2020 by the JRC (EC) to collect the latest data and information on agricultural land market regulations in the EU. Most of the previous studies providing detailed information on agricultural land market regulations date back to 2017 covering only New MS and back to 2014 covering a wider set of MS (i.e. 24)\(^12\). Since then, many MS have updated their regulatory framework, particularly New MS after the expiration of the transitory restrictions on agricultural land acquisitions by foreigners which were introduced after their EU accession. Such information is relevant for understanding the overall development of the land regulatory framework in the EU and can provide insight in the potential implications for the CAP and for rural development in general.

The aim of this 2020 study was to provide reliable and up-to-date data and information on agricultural land market regulations in 22 different European Union (EU) member states (MS). Information and data collected in the project were based on the latest adopted legislation across covered MS as well as on inputs obtained from the agricultural land market experts (MS country experts), who studied the latest available documentation (e.g. including the MS legislation, other official documents, and academic literature) and taking into consideration relevant theoretical and empirical developments in the area of agricultural land markets analysis (with a special focus on

\(^6\) https://www.europarl.europa.eu/RegData/etudes/STUD/2013/495866/IPOL-AGRI_ET%282013%29495866_EN.pdf
\(^7\) https://www.europarl.europa.eu/RegData/etudes/STUD/2013/495866/IPOL-AGRI_ET%282013%29495866_EN.pdf
\(^10\) https://publications.jrc.ec.europa.eu/repository/bitstream/JRC102645/jrc102645_lbna28088enn_.pdf
http://le.uwpress.org/content/90/2/260.abstract
\(^12\) https://publications.jrc.ec.europa.eu/repository/bitstream/JRC102645/jrc102645_lbna28088enn_.pdf
the EU). The collected data and information on agricultural land market regulations in different MS allowed to update and improve the land regulation indicator developed by Swinnen, Van Herck and Vranken (2014).

2 Conceptual background

2.1 Importance of land market and land regulations

Well-functioning land markets are of utmost importance for economic development, particularly in rural areas (Deininger and Federer, 2001). Land is an important production factor for the production of agricultural goods. Well-functioning land markets (both sales and rental) allow to transfer land to the more efficient producers. In addition, land can be a source of political power. It is a store of wealth, a financial asset and is used to hedge against inflation which makes it interesting for investors who lack skills and/or interest to farm. As land is often used as collateral, well-functioning land markets are often instrumental for the development of credit markets (Brandao and Feder, 1996). The latter, in turn, can stimulate productive investments in land, at least if tenure security and/or property rights are secured (Feder and Nishio, 1998; Faruqee and Carey, 1999).

Land regulations will affect the functioning of the land market and therefore have important equity and efficiency consequences. Insights in the functioning of the land market are also important from an EU policy point of view. The CAP is a community wide policy and its budget is considerable. It has evolved quite extensively since its establishment in 1962, but one of the main goals remains to support farmers and improve agricultural productivity, ensuring a stable supply of affordable food and to safeguard EU farmers to make a reasonable living (EC, 2021). To what extent the goals can be reached will depend on country-specific characteristics and regulations. Land regulations interact with agricultural policies, such as agricultural subsidies that can be capitalized in land prices (Patton et al., 2008; Ciaian et al., 2010, Ciaian and Kancz; Van Herck et al., 2013). If regulations differ among countries, the redistributive impact of subsidies will also vary across countries.

2.2 Benefits of sales and rental market

Land sales markets are considered an important instrument to enhance efficiency. Land sales are supported because they transfer full rights to new users, are more likely to increase access to credit (as land can be used as collateral) and provide optimal incentives for investment by providing permanent security rights (Binswanger et al, 1993; Binswanger et al., 1995). However, the performance of sales market might be far from the theoretical ideal if there exist imperfections in other markets (e.g. labour, credit and insurance) or if transaction costs in land sales are high (Deininger, 2003). In such circumstances it can be difficult for efficient producers to access land via sales and, hence, rental markets have their advantages. Rental markets allow more flexible
adjustments in land size with relatively low transaction costs so that land is more easily reallocated to more efficient producers, and require limited capital outlay and, thus, more capital for productive investments (Vranken and Swinnen, 2006; Swinnen et al., 2006).

2.3 History of land institutions

Both land sales and rentals are compatible with a modern agricultural sector as both have their advantages. The share of rented land and, hence, the share under ownership-cultivation, differs widely across countries. The variation cannot be explained by East-West or Old-New member state differences (Swinnen, 2002; Swinnen et al., 2016). Political, economic and institutional factors have led to the development of different land market patterns. As such, one cannot provide blind recommendations on what type of exchanges (and associated regulations to facilitate these exchanges) are ideal. The political, economic and institutional context differs and should therefore be considered: what works well in one country might have perverse effects in another.

2.4 Policies impacting land use and transfer

The functioning of land markets and to what extent the aforementioned benefits are realized, depends on formal and informal mechanisms for defining and enforcing use and ownership rights. Absence of well-defined or adequately enforced land property rights in land hampers the functioning of both land sales and rental markets and leads to inefficient outcomes.

Given the importance of land and the functioning of land markets, it is not surprising that government interventions that influence the land market are widespread. Land regulations have been widely introduced, can constrain both the supply and demand of land, and can affect both sales and rental transactions. Regulations might restrict secure individual property rights. Such restrictions can pertain to the horizon over which property rights are held. Other regulations might pertain limitations on use, the security of tenure or transferability of land.

Some policies, including regulations and other non-regulation policies, have a direct impact on land markets while others have an indirect impact. Presence of landowners without legal titles, multiple titles for the same parcels, inappropriate legislation governing the issuing of titles or legal restriction on issuing titles (e.g. for small farms below a certain threshold), could result in tenure insecurity (Brandao and Feder, 1996; Vranken et al., 2011). Tenure insecurity is a result of inadequate land administration, legal frameworks incapable of delineating boundaries of a land parcel and inability to settle disputes. Prohibition of land transactions can have far reaching consequences from an efficiency point of view as land cannot fluently move from less to more efficient producers. If sales are prohibited, land can less easily be used as collateral which, in turn, might negatively affect the credit market development.
Some regulations (e.g. prohibition foreign ownership, self-farming obligations, pre-emptive rights to farmers) are introduced to avoid that land is bought by speculators and/or foreign investors. Nevertheless, under specific conditions, investment in land by actors not interested to farm can be beneficial. Speculation provides liquidity to the market and transfer risk to those who have a comparative advantage in risk management (Brandao and Feder, 1996). Particularly, the acquisition of agricultural land by foreigners is an issue of concern because of the fear for land concentration and excessive land speculation. Nevertheless, foreign investments can have beneficial effects as it can contribute capital, technology and knowhow to and therefore improve productivity of the agricultural sector. However, the acquisition of land by (foreign) investors yields benefits only when information is evenly accessible and when markets are competitive (e.g. when property rights are clear and enforceable). Asymmetric information can be a source of speculation. Individuals have often a disadvantage in transfers with corporations as the latter often have better access to information and a wider (political) network. Rather than prohibiting certain transactions, it might be more desirable to focus policy attention on eliminating sources of asymmetric information or on creating national institutions and rules that give proper incentives to all market players (domestic and foreign buyers; tenants, landlords and owner-cultivators) so that multiple benefits (access to capital, knowhow & technology, productivity gains, access to land use and tenure security) can be realized.

Rent controls and other tenure regulations are often introduced to protect tenants from eviction and high rents (which could be considered an income subsidy at the expense of the landlord). However, very strict tenancy regulations might backfire if it reduces the amount of land that is offered for rent or if it diminishes the landowners’ incentive to make land-related investments.

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See Centre for European Policy Studies (CEPS) and Centre for Institutions and Economic Performance (LICOS) University of Leuven: Review of the Transitional Restrictions Maintained by Member States on the Acquisition of Agricultural Real Estate, Final Report 2007, executive summary, p. ii; Centre for European Policy Studies (CEPS): Review of the transitional restrictions maintained by Bulgaria and Romania with regard to the acquisition of agricultural real estate, Final Report, October 2010, executive summary
The efficiency and equity effects of strict rental controls and tenure regulations are therefore not straightforward.

Land fragmentation is often considered detrimental as it entails costs. Travel time between fields increases, land is lost for boundaries and access routes, the scope for irrigation and soil conservation is reduced, and the realization of economies of scale is reduced (Faruqee and Carey, 1999). However, some degree of fragmentation could have advantages and reduce risks. Scattered plots might also enable farmers to ease their seasonal labour bottlenecks (which could result in higher yields) and to smooth their income. The latter explains why fragmentation persist for the demand-side, i.e. why land users are in favour of fragmentation. Not surprisingly, there exists empirical evidence that fragmentation is not as inefficient as widely assumed, particularly if there are imperfections in other markets (e.g. insurance or labour markets) (Barel et al, 1992). However, fragmentation might be persistent even though there is no demand side explanation (no insurance reason). Legal disputes, inheritance rules and transactions costs may be the cause of persistent fragmentation and in such circumstances fragmentation is more likely to have negative effects (Faruqee and Carey, 1999; Vranken et al, 2004).

2.5 Measures serving different purposes

Governments are introducing a vast array of measures which can serve different purposes. Swinnen et al. (2014) make a distinction between 4 categories of measures: (1) measures to protect the tenant; (2) measures to protect the owner-cultivator; (3) measures to protect the owner; and (4) measures to prevent fragmentation. The first set of measures (to protect the tenant) include regulations that impose a minimum rental contract duration, maximum rental prices, automatic rental contract renewal, conditions for rental contract termination and pre-emptive purchasing rights for the tenant. The second group of measures (to protect the owner-cultivator) include regulations regarding maximum sales prices, pre-emptive buying rights for neighbouring farmers and maxima on the transacted area. They typically favour land ownership by the cultivator and, hence, discourage land being bought by investors not interested or willing to farm. The third group of measures (to protect the owner) includes measures to protect the non-farm owner. This comprises regulations regarding minimum rental prices and maximum tenancy duration so that the non-land owners can relatively easily rent-out the land to another more beneficial tenant (from the landowners point of view that could be a tenant that pays a higher rent or takes better care of the land). Finally, the last group of measures (to prevent fragmentation) includes regulations regarding minimum plot sizes and pre-emptive rights for co-owners.

3 Data and Methodology
3.1 Country Expert Survey: Structured Questionnaires

A survey among agricultural land experts from the different MS was conducted to collect up-to-date information on the current land regulations. A structured questionnaire was used for that purpose. The questionnaire contains modules on land ownership, sales and rental regulations. A first draft of the questionnaire was shared with the JRC-EC and all country experts in July 2020. Their comments and suggestions were incorporated in the final version of the questionnaire. The final version of the questionnaire can be found in Annex 1.

3.2 Semi-structured group interviews with country experts

Additional insights that, for various reasons, could not be captured in the questionnaire, were collected through semi-structured expert interviews. To this end, an on-line focus group discussion format was used.

Table 1: Timing and composition of the on-line focus group discussions

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<td>1</td>
<td>Austria</td>
<td>Klaus Salhofer, Heidi Leonhardt</td>
<td>Universität für Bodenkultur Wien, Austria</td>
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<td>Poland</td>
<td>Dominika Miłczarek-Andrzejewska</td>
<td>Warsaw University, Faculty of Economic Sciences, Poland</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Croatia</td>
<td>Ornella Mikus</td>
<td>University of Zagreb, Faculty of Agriculture, Croatia</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Estonia</td>
<td>Raul Omel</td>
<td>Estonian University of Life Sciences, Institute of Economy and Social Sciences, Estonia</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Latvia</td>
<td>Jerzy Michalek</td>
<td>Independent Senior Consultant; previously University of Kiel, Institute of Agricultural Economics, Germany, and EC</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Lithuania</td>
<td>Jerzy Michalek</td>
<td>Institute of Agricultural Economics, Germany, and EC</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Italy</td>
<td>Paolo Sckokal</td>
<td>Catholic University of the Sacred Heart, Department of Agro-Food Economics, Italy</td>
</tr>
<tr>
<td>Group IV</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24/09, 9:30-12:30</td>
<td>1</td>
<td>Ireland</td>
<td>Shailesh Shrestha</td>
<td>Scotland’s Rural College, Scotland</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Finland</td>
<td>Olli Niskanen</td>
<td>Natural Resources Institute Finland (LUKE)</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Germany</td>
<td>Alfons Balmann, Florian Heinrich</td>
<td>Leibniz Institute of Agricultural Development in Transition Economies (IAMO), Germany</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Denmark</td>
<td>Henning Otte Hansen</td>
<td>University of Copenhagen, Department of Food and Resource Economics (IFRO), Denmark</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Slovenia</td>
<td>Andrej Udovč</td>
<td>University of Ljubljana, Biotechnical Faculty, Slovenia</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Hungary</td>
<td>Imre Ferto</td>
<td>Hungarian Academy of Sciences, Institute of Economics, Budapest, Hungary</td>
</tr>
</tbody>
</table>
This allowed to collect additional qualitative insights, such as information on practicalities of implementation, which complemented the structured tables summarizing the available information (see Section 4). Four focus group discussions were organised with different sub-groups of country experts in the second half of September 2020 (see Table 1).

### 3.3 Country Reports by experts

Country reports with qualitative insights were requested from the experts as a source of information for further processing in the project. These reports describe factual, detailed, country-level information regarding the measures and the implementation of measures (e.g. presence and functioning of land-related institutions). If within-country variations were observed in the measures and the way they are implemented, the country reports should aim to substantiate this. Also, the reports should aim to substantiate surrounding regulations (e.g. credit market related) that might affect land regulations and their impact. The template for the country report can be found in Annex 2.

### 4 Results

#### 4.1 Structured cross-country tables

The agricultural land market regulations or measures are presented below in a standardized way in cross-country tables. Such format allows to integrate a wide range of underlying information and makes cross-country comparison easy. The measures are listed in Tables 2 to 6 and are grouped in 5 categories:

- M1. Measures to protect the tenant (Table 2);
- M2. Measures to protect the farm landowner (Table 3);
- M3. Measures to protect the non-farm landowner (Table 4);
- M4. Measures to prevent land fragmentation (Table 5); and
- M5. Other measures targeting agricultural land market (Table 6).

The summary tables provide a brief qualitative description of the measures. Tables that describe the measures with indices (numerical scales) are also available and can be found in Table A4.1 to A4.4 in Annex 4. Descriptions of the numerical scales used to describe the measures can be found in Table A3 in Annex 3. In brief, each measure gets a score that ranges from 0 to 1, 0 being the code for “no” (not exercising a given regulation), and 1 for “yes” (exercising a regulation). Answers different than “no” and “yes” were coded with fractions from the interval 0-1, depending on the actual situation in a country. Tables 2 to 6, Tables A4.1 to A4.4 and Table A3 are adapted from Swinnen et al. (2014).
Measures to protect the tenant in table 2 report whether there are conditions to terminate a rental contract. This does not capture the more regular conditions such as right to determine a rental contract with prior notice or in case of the contractual obligations are not fulfilled (e.g. not paying the rent). It rather captures whether there are additional conditions under which a rental contract can be ended by the owner (e.g. if rental contract can only be ended if the owner decides to cultivate the plot him/herself).

Under category “M2. Measures to protect the farm landowner”, some measures from Swinnen et al. (2014) were removed while others were added. This was done because the exemption regarding the restrictions on the nationality of foreign owners was only a temporary derogation. Instead, new measures were introduced after the derogation period. Table 3 describes whether there are restrictions regarding nationality for buyers from EU Member States. Some countries do have restrictions for non-EU buyers. However, these are not reported in table 3.

One new category was created, i.e. Other measures targeting agricultural land market (M5; see Table 6). Scales for the measures under this category have been preliminary defined. These measures are for the moment all gathered in one category.

Table 2: Measures to protect the tenant, by country

<table>
<thead>
<tr>
<th>Country</th>
<th>Minimum rental contract duration</th>
<th>Maximum rental price</th>
<th>Automatic rental contract renewal</th>
<th>Conditions for rental contract termination</th>
<th>Pre-emptive right for tenant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Yes, for certain contracts</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes, but only for sale of state land</td>
</tr>
<tr>
<td>Denmark</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Germany</td>
<td>No</td>
<td>No, but contract can be denied if price unreasonable price</td>
<td>Only if included in contract provision</td>
<td>No</td>
<td>Yes, but only indirectly through public organization if non-farmer wants to buy land</td>
</tr>
<tr>
<td>Estonia</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Ireland</td>
<td>No</td>
<td>No</td>
<td>Only if included in contract provision</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Spain</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>France</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Croatia</td>
<td>No</td>
<td>Yes, but only for state owned land</td>
<td>No</td>
<td>No</td>
<td>Yes, but only for sale of state land</td>
</tr>
<tr>
<td>Italy</td>
<td>No</td>
<td>No</td>
<td>Only if included in contract provision</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Table 2: Measures to protect the tenant, by country (continued)

<table>
<thead>
<tr>
<th>Country</th>
<th>Minimum rental contract duration</th>
<th>Maximum rental price</th>
<th>Automatic rental contract renewal</th>
<th>Conditions for rental contract termination</th>
<th>Pre-emptive right for tenant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia</td>
<td>Yes</td>
<td>Yes, but only land resulting from land reform</td>
<td>No</td>
<td>No</td>
<td>Yes, unless sold to family or unless the acquirer (other than the tenant) owns less than 10 ha for natural persons or 5 ha for legal persons</td>
</tr>
<tr>
<td>Lithuania</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Hungary</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Yes</td>
<td>Yes, but only for regulated tenancy contract, not for liberalized</td>
<td>Yes, but only for regulated tenancy contract, not for liberalized</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Austria</td>
<td>No, but reference contract duration exists</td>
<td>No, but contract can be denied if price unreasonable price</td>
<td>Yes, with limited duration</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Poland</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Romania</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Yes, for rented state land</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Slovakia</td>
<td>Yes</td>
<td>No</td>
<td>Yes, renewal according to old terms and rental price equal to cadastre price if the landlord does not react to tenant’s renewal offer within two months</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Finland</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Sweden</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Table 3: Measures to protect the farm landowner, by country

<table>
<thead>
<tr>
<th>Country</th>
<th>Restrictions legal form buyer</th>
<th>Restrictions nationality buyer for legal entities</th>
<th>Restriction nationality buyer natural person</th>
<th>Restrictions residence buyer</th>
<th>Restrictions experience buyer</th>
<th>Maximum sales price</th>
<th>Pre-emptive right (neighbouring) farmer</th>
<th>Maximum transacted/owned area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>No</td>
<td>No</td>
<td>No, except for self-employed farmers</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Czechia</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Denmark</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Germany</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No, but transaction can be denied if excessive price</td>
<td>No, unless there is an acceptable justification (e.g. farmer can consolidate or has lost land, or the share of owned land is low)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Estonia</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No, but pre-emptive right for adjacent land owner</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Spain</td>
<td>No, except for specific regions</td>
<td>No, except for specific regions</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No, but pre-emptive right for adjacent land owner</td>
<td>Not for sales, but renting in land as tenant is forbidden if certain area is already in ownership</td>
<td>No</td>
</tr>
<tr>
<td>France</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No, but transaction can be denied if excessive price</td>
<td>No, but existence of priority order of buyers outside pre-emptive rights with 1) tenant; 2) neighbouring young farmer; 3) other neighbouring farmer</td>
<td>No, but the sale can be denied /annulled if transacted area is too large</td>
<td>No</td>
</tr>
<tr>
<td>Country</td>
<td>Restrictions legal form buyer</td>
<td>Restrictions nationality buyer for legal entities</td>
<td>Restrictions nationality buyer natural person</td>
<td>Restrictions residence buyer</td>
<td>Restrictions experience buyer</td>
<td>Maximum sales price</td>
<td>Pre-emptive right (neighbouring) farmer</td>
<td>Maximum transacted/owned area</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>-------------------------------</td>
<td>-------------------------------</td>
<td>---------------------</td>
<td>------------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Croatia</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes, for farmers with residence in the country for the sale of State land</td>
<td>Yes</td>
</tr>
<tr>
<td>Italy</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Latvia</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
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<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Lithuania</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Hungary</td>
<td>Yes</td>
<td>Yes, nor foreign nor domestic legal entities can acquire land</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Netherlands</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Austria</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No, but transaction can be denied if excessive price</td>
<td>Yes</td>
</tr>
<tr>
<td>Poland</td>
<td>Yes</td>
<td>Yes, nor foreign nor domestic legal entities can acquire land</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Romania</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Slovenia</td>
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<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
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<td>No</td>
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<td>No</td>
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</tr>
<tr>
<td>Finland</td>
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<td>No</td>
<td>No</td>
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<td>No</td>
<td>No</td>
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</tr>
<tr>
<td>Sweden</td>
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<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Table 4: Measures to protect the non-farm landowners, by country

<table>
<thead>
<tr>
<th>Country</th>
<th>Minimum rental price</th>
<th>Maximum rental contract duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>No</td>
<td>Yes, but only for certain type of tenancy contracts</td>
</tr>
<tr>
<td>Czechia</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Denmark</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Germany</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Estonia</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Ireland</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Spain</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>France</td>
<td>Yes</td>
<td>Existence of reference contract durations</td>
</tr>
<tr>
<td>Croatia</td>
<td>Yes, for state owned land</td>
<td>Yes</td>
</tr>
<tr>
<td>Italy</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Latvia</td>
<td>Yes, but only for state owned land leased with redemption rights</td>
<td>Yes, but only for state owned land leased with redemption rights</td>
</tr>
<tr>
<td>Lithuania</td>
<td>Yes, for municipality owned land</td>
<td>Yes, but only for state owned land</td>
</tr>
<tr>
<td>Hungary</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Netherlands</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Austria</td>
<td>No</td>
<td>Existence of reference contract durations</td>
</tr>
<tr>
<td>Poland</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Romania</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Slovenia</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Slovakia</td>
<td>A non-binding minimum rental price exists which is set at very low level</td>
<td>Yes</td>
</tr>
<tr>
<td>Finland</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Sweden</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Table 5: Measures to prevent fragmentation, by country

<table>
<thead>
<tr>
<th>Measures to prevent fragmentation</th>
<th>Lower plot size</th>
<th>Pre-emptive right co-owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Czechia</td>
<td>No</td>
<td>Yes, but only for 6 months after acquisition</td>
</tr>
<tr>
<td>Denmark</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Germany</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Estonia</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Ireland</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Spain</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>France</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Croatia</td>
<td>Subdivision of already consolidated plot not allowed</td>
<td>No</td>
</tr>
<tr>
<td>Italy</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Latvia</td>
<td>No</td>
<td>Yes, unless sold to family or unless the acquirer (other than the co-owner) owns less than 10 ha for natural persons or 5 ha for legal persons</td>
</tr>
<tr>
<td>Lithuania</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Hungary</td>
<td>State land will not be subdivided in plots &lt;1 ha or &lt;3 ha for orchards</td>
<td>Yes</td>
</tr>
<tr>
<td>Netherlands</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Austria</td>
<td>Transfer can be denied if it leads to disruption of a favourable land structure</td>
<td>No</td>
</tr>
<tr>
<td>Poland</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Romania</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Slovenia</td>
<td>No</td>
<td>Yes</td>
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<tr>
<td>Slovakia</td>
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<td>Finland</td>
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<tr>
<td>Sweden</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Country</td>
<td>Requirement publication sale offers</td>
<td>Procedures for sale public land</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Belgium</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Czechia</td>
<td>Yes, for State land</td>
<td>Yes</td>
</tr>
<tr>
<td>Denmark</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Table 6: Other measures, by country (continued)

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Procedures for sale public land</th>
<th>Share deal approvals</th>
<th>Pre-emptive right for State/Public bodies</th>
<th>Pre-emptive rights family/relatives</th>
<th>(Temporary) moratorium to transfer ownership after acquisition</th>
<th>(Temporary) moratorium to sell public land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Estonia</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No, but granted tax relieves might have to be returned</td>
</tr>
<tr>
<td>Ireland</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Spain</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes, if tax reduction or exemptions were granted</td>
</tr>
<tr>
<td>France</td>
<td>No</td>
<td>No</td>
<td>Transfer of shares can be forbidden but only if totality of shares is transferred/sold</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Croatia</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Italy</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes, if public land is subject to specific constraints</td>
</tr>
</tbody>
</table>
Table 6: Other measures, by country (continued)

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Publication sale offers</th>
<th>Procedures for sale public land</th>
<th>Share deal approvals</th>
<th>Pre-emptive right for State/Public bodies</th>
<th>Pre-emptive rights for family/relatives</th>
<th>(Temporary) moratorium to transfer ownership after acquisition</th>
<th>(Temporary) moratorium to sell public land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No, but pre-emptive rights for tenant, co-owner, or State do not apply if sold to a spouse or relative of second or third degree</td>
<td>Yes, but only for land acquired from state or municipalities</td>
<td>No</td>
</tr>
<tr>
<td>Lithuania</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No, but maximum 300 ha can be acquired from State</td>
</tr>
<tr>
<td>Hungary</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Netherlands</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Governmental body can take possession of the land under specific conditions e.g. to build new residential area</td>
<td>No</td>
<td>Yes, if tax reduction or exemptions were granted</td>
<td>Yes</td>
</tr>
<tr>
<td>Austria</td>
<td>If a non-farmer wants to buy a piece of land, this has to be announced publicly and local farmers are able to make an offer for 4 weeks (one month)</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Table 6: Other measures, by country (continued)

<table>
<thead>
<tr>
<th>Requirement publication sale offers</th>
<th>Procedures for sale public land</th>
<th>Share deal approvals</th>
<th>Pre-emptive right for State/Public bodies</th>
<th>Pre-emptive rights family/relatives</th>
<th>(Temporary) moratorium to transfer ownership after acquisition</th>
<th>(Temporary) moratorium to sell public land</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Poland</strong></td>
<td>Yes, for State land</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Romania</strong></td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes, but granted tax relieves might have to be returned</td>
<td>No</td>
</tr>
<tr>
<td><strong>Slovenia</strong></td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Slovakia</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Finland</strong></td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes, if tax reduction or exemptions were granted</td>
<td>No</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>No</td>
<td>Yes</td>
<td>?</td>
<td>No</td>
<td>No</td>
<td>Yes, if land is needed for special reasons which could include cultural environment, defence, nature conservation and recreation</td>
</tr>
</tbody>
</table>
4.2 Statistical analysis of the cross-country summary tables

The reading through the cross-country tables is rather straightforward. Identifying patterns and regularities or concluding a lack thereof for all 22 countries at a glance poses, however, some challenge, especially without the help of specialized tools. In this section we therefore include a brief statistical analysis of the results from the cross-country tables. We discuss some basic descriptive statistics and present charts summarizing the findings. The discussion follows the order of the cross-country tables from section 4.1.

All calculations presented below are based on numerical equivalents of the verbal expressions included in the cross-country tables, as explained in the beginning of section 4.1.

4.2.1 Measures to protect the tenant (Table 2)

Figure 1. Total score on tenant protection in 22 Member States, around 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>Max</th>
<th>Min</th>
<th>Avg</th>
<th>Median</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>5.00</td>
<td>0.00</td>
<td>2.09</td>
<td>2.00</td>
<td>0.42</td>
<td>-0.79</td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Spain</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Slovakia</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td></td>
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<tr>
<td>Sweden</td>
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<tr>
<td>Slovenia</td>
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<tr>
<td>Estonia</td>
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</tr>
<tr>
<td>Latvia</td>
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<td></td>
</tr>
<tr>
<td>Hungary</td>
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<tr>
<td>Bulgaria</td>
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<td></td>
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<tr>
<td>Italy</td>
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<td></td>
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</tr>
<tr>
<td>Croatia</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lithuania</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Czech Republic</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Empirical statistics related to data from Table 2 (sec. 4.1):

15 **Avg** stands for the arithmetic mean, **Median** is the middle number in a sorted list of numbers with the same amount of numbers below and above, **Skewness** is a measure of symmetry, or more precisely, the lack of symmetry. A distribution, or data set, is symmetric if it looks the same to the left and right of the center point; the skewness for a normal distribution (fully symmetric) is zero; and **Kurtosis** is a measure of whether the data are heavy-tailed or light-tailed relative to a normal distribution. The kurtosis for a standard normal distribution is three. Positive kurtosis indicates a "heavy-tailed" distribution and negative kurtosis indicates a "light tailed" distribution.
Table 2 (section 4.1) contains results for five regulations related to the tenant protection. The median total number of regulations (bars in yellow; Fig. 1) of the tenant protection is 2, and very close to the average total score of 2.09 regulations, out of the range of min 0 to max 5. Estonia, Latvia and Hungary observe the median level (2) of the total score. On average, approximately two regulations are in place in the 22 countries (out of maximally 5) to protect the tenant of the farm land.

Two countries, Belgium and France, are characterized by a maximum protection of the tenant (max score of 5 regulations). Spain, Netherlands and Slovakia also have relatively many measures for protection of land tenants as they score 4, 3.75, and 3.5 points.

Two countries, Denmark and Finland, observe no tenant protection at all (score 0). Eight other countries, also have a low total score for tenant protection, including e.g. Ireland (0.125) and the Czech Republic (0.5), where scores are close to zero.

Figure 2. Distribution of the total score on tenant protection, 22 MS, around 2020

Generally, the distribution of the 22 EU countries on the protection of the farm land tenant concentrates towards lower values of the total score (Fig. 2). A majority of the countries (13 out of 22) have the total score between 0 and 2 and thus exercise only two or less regulations for the land tenant protection. Some 7 countries have the total score between 2.1 and 4 and only two countries between 4.1 and 5 regulations (Belgium and France). In the latter two countries the protection of the tenant is clearly high.

4.2.2 Measures to protect the farm land-owner (Table 3)

Figure 3. Total score on protection of the farm land-owner, 22 MS, around 2020
Empirical statistics related to data from Table 3 (sec. 4.1):

<table>
<thead>
<tr>
<th>Max</th>
<th>Min</th>
<th>Avg</th>
<th>Median</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.00</td>
<td>0.00</td>
<td>1.59</td>
<td>1.00</td>
<td>1.37</td>
<td>1.02</td>
</tr>
</tbody>
</table>

The median total score of the farm land-owner protection equals 1 measure, whereas the average total score 1.59 measures (Fig. 3), out of the range of min 0 to max 8 regulations (8 never exercised in any country). Both these values are low, indicating a generally low number of protective measures for farm land-owners in the 22 countries studied. Germany, Spain, Italy, and Latvia observe the median level (=1) of the total score, and Bulgaria, Estonia, and France a close-to-average number of the measures exercised (= 1.5). On average, 1.5 measures are thus in place in these latter countries (out of maximally 6) to protect the farm land-owner.

Hungary is characterized by a maximum protection of the farm land-owner (max number of 6 regulations). Croatia and Poland also have relatively many protective measures for farm land-owners, as they score 5.5 points (out of 6).

Eight countries, including Belgium, Denmark, Ireland, Netherlands, Finland, Sweden and also Czech Republic and Slovakia, exercise no farm land-owner protection at all (score 0). Nine other countries, have too a low total score (1 to 2), including Germany, Spain, Italy, Latvia; (each with 1 measure); Lithuania, Slovenia; (each with 2), and Bulgaria, Estonia, and France (each with 1.5 measures).
Generally, the distribution of the 22 EU countries on the protection level of the farm land-owner is highly asymmetric and strongly concentrates around the lowest values of the total score (peak at 0-1; 12 countries; Fig. 4). Almost all countries (19 out of 22) have the total number of regulations lower than 3 measures. Only three countries score high, i.e. between 5.1 and 6 regulations (Hungary, Croatia, Poland). No country exercises all 8 measures investigated.

4.2.3 Measures to protect the non-farm land owners (Table 4)

Figure 5. Total Score on Protection of the Non-Farm Land-Owner, 22 MS, around 2020
Empirical statistics related to data from Table 4 (sec. 4.1):

<table>
<thead>
<tr>
<th></th>
<th>Max</th>
<th>Min</th>
<th>Avg</th>
<th>Median</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>1.50</td>
<td>0.00</td>
<td>0.49</td>
<td>0.31</td>
<td>0.36</td>
<td>-1.61</td>
</tr>
</tbody>
</table>

The median total score of the non-farm land-owner protection equals 0.31 measures, whereas the average total score 0.49 regulations (Fig. 5), out of the range of min 0 to max 2 regulations (no countries have 2 regulations in place). Both these values are low, indicating a low number of protective measures for non-farm land-owners in the 22 countries studied. Austria exercises a close-to-median number of the regulations (=0.125), and Bulgaria and Latvia implement an average level of measures (0.5 each). On average, a fraction of one measure is thus in place in these countries (out of maximally 1.5 observed) to protect the non-farm land-owner.

Croatia is characterized by a maximum protection of the farm land-owner (max score of 1.5).

Ten countries, including Belgium, Germany, Ireland, Spain, Italy, Netherlands, but also Czech Republic, Estonia, Poland, and Slovenia, observe no non-farm land-owner protective measures at all (score 0). Three more countries have too a low total score (0.5 or less), including Bulgaria, Latvia and Austria.

Figure 6. Distribution of the total score on non-farm land-owner protection, 22 MS, around 2020

The distribution of the 22 EU countries on the protection level of the farm land-owner is highly asymmetric and peaks around the lowest values of the total score (0-0.5; 13 countries; Fig. 6). Almost all countries (19 out of 22) have the total number of regulations up to one point. Only three countries score higher, i.e. between 1.01 and 1.5 points (Croatia, France and Slovakia).
4.2.4 Measures to prevent fragmentation (Table 5)

Figure 7. Total Score on Preventing Land Fragmentation, 22 MS, around 2020

Empirical statistics related to data from Table 5 (sec. 4.1):

<table>
<thead>
<tr>
<th></th>
<th>Max</th>
<th>Min</th>
<th>Avg</th>
<th>Median</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.00</td>
<td>0.00</td>
<td>0.63</td>
<td>0.50</td>
<td>0.85</td>
<td>-0.41</td>
</tr>
</tbody>
</table>

The median total score of preventing land fragmentation equals 0.50, whereas the average total score 0.63 points, out of the range of min 0 to max 2 regulations (Fig. 7). Both these values are relatively low, indicating a rather low number of measures taken for preventing fragmentation in the 22 countries studied. Croatia, Latvia and Austria observe the median level of the total score (=0.5). A fraction of one measure is thus in place in these countries (0.5 out of maximally 2 observed) to prevent fragmentation.

Bulgaria, Spain and Slovakia are characterized by a maximum number of regulations preventing land fragmentation (2 regulations).

Nine countries, including Belgium, Denmark, Ireland, France, Netherlands, Finland and Sweden and also Estonia and Poland, observe no measures preventing land fragmentation at all (score 0). Four more countries have too a low total number of land fragmentation regulations (0.5 or less), including Croatia, Latvia, Austria, and the Czech Republic.

The distribution of the 22 EU countries on preventing land fragmentation is highly asymmetric and peaks around the lowest values of the total score (0-0.5; 13 countries; Fig 8). Almost all countries (18 out of 22 ) have the total score up to one regulation. Only four countries score higher, i.e. between 1.01 and 2 points (Bulgaria, Spain, Slovakia and Hungary).
Figure 8. Distribution of the total score on preventing land fragmentation, 22 MS, around 2020

4.2.5 Other measures of land market regulations (Table 6)

Figure 9. Distribution of the total score on other measures of land markets regulations, 22 MS, around 2020
Empirical statistics related to data from Table 6 (sec. 4.1):

<table>
<thead>
<tr>
<th>Max</th>
<th>Min</th>
<th>Avg</th>
<th>Median</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.25</td>
<td>0.25</td>
<td>2.24</td>
<td>1.75</td>
<td>0.92</td>
<td>0.68</td>
</tr>
</tbody>
</table>

Other measures regulating land markets in 22 EU member states refer to procedures related to transactions of the state-owned land and pre-emptive rights to land of the state/public bodies or family members and relatives. Seven such measures were investigated in this study. No one of the 22 countries implemented all 7 measures (Fig. 9).

The median total score of the other measures regulating land markets equals 1.75, whereas the average total score 2.24 points, out of the range of min 0 to max 7 points (7 measures never in place in any country). Both these values are rather low, indicating a generally low number of other regulatory measures for land markets in the 22 countries studied. Estonia, Slovakia, France, Netherlands, and Austria observe a close-to-median level of the total score (=2 or =1.5 points).

Poland is characterized by a maximum of 6.25 measures exercised. Also Latvia, Lithuania, and Hungary have relatively many other measures, as they implement about 4 regulations (out of 7).

Three countries, Belgium, Denmark and Ireland, exercise very few other measures (score 0.25). Eight other countries, have a low total score too (1.50 or less), i.e. France, Netherlands, Austria, and Italy, Germany, Spain, Finland, and Sweden; all being the old MS.

Figure 10. Distribution of the total score on other measures of land market regulations, 22 MS, around 2020

The distribution of the 22 EU countries on other measures regulating land markets is highly asymmetric and concentrates around the lower values of the total score (0-2; 13 countries, 11 of which – old MS; Fig. 10). Another six countries (out of 22), all new MS, have the total score
between 2.1 and 4 points. One country scores really high, 6.25 regulations in Poland, suggesting an abundance of regulatory measures in place.

5 Country-level qualitative description of land market regulations

The following paragraphs are based on the country reports. Several parts are directly copied from the country reports. As such the section below is authored by the authors of this report as well as by the authors of country reports.

5.1 Belgium

The number of farms in Belgium declined with 28% between 2005 and 2016 (i.e., from 51,540 in 2005 to 36,890 in 2016), while the average utilized area per farm increased from circa 27 ha in 2005 to circa 37 ha in 2016 (or with 37%) (Eurostat, 2020). The majority of agricultural land (83%) is cultivated by natural persons with an average size of 36 ha. The remaining land is cultivated by legal entities who have a slightly larger farm size of 40 ha.

An important challenge for the sector is access to land (Lara, 2018). High population density and urbanisation increase demand for ‘open space’ or unbuilt land. Scale increase and the declining number of farms make that many farm buildings and surrounding farm yards become free for other destinations, i.e. non agrarian uses. A trend of ‘horsification’ and ‘gardenification’ of agricultural land has been observed, particularly around metropolitan areas (Bomans et al., 2010). Demand arises from the agricultural sector but there is also from recreation and nature development. These pressures result in increasing prices for agricultural land which makes it hard for young farmers or farmers interested to increase their scale to access land through sales. At the same time, landlords seem to feel less inclined to rent-out their farm land. The tenancy regulations in Belgium are very strict and strongly protecting tenants. As such landlords become less interested to rent-out land to farmers (Swinnen et al., 2016) which also makes it hard for young farmers as well as farmers willing to expand land through rental. Despite the lesser interest of landowners, still 63% of utilized area is rented.

There are limited regulations related to the sales of land. Most regulations are related to land rental and are mainly protecting the tenant. Since 2014, the tenancy legislation became the responsibility of the regions, instead of the federal state. This has led to some debates and proposals to introduce changes to the tenancy regulations. In Wallonia, some changes have been introduced and entered into force since 13/01/2020. In Flanders, some topics are being discussed but did not entered into force. Even with the introduced and proposed changes, the tenant will still be highly protect by the tenancy regulations.
The tenancy regulation stipulates provisions regarding rental. The tenancy regulations apply to the rental of immovable property which, from the moment the tenant takes possession of it (at the beginning or during the lease period), is mainly used by this tenant in his agricultural business. "Agricultural business" means the commercial exploitation of immovable property with a view to the production of agricultural products mainly intended for sale. However, this does not mean farming must be a main occupation. Someone who works a plot of land and harvests the products for personal use is not covered by the lease law. "Business" indicates an economic operation, implies a “regular” activity and the presence of a minimum of suitable operating equipment. It excludes a number of other specific uses, such as e.g. the lease for industrial fattening independent of a farm and cultivation contracts. “Cultivation contract” means the contract under which an operator of land and pastures, after having carried out the preparation and fertilization works, assigns the enjoyment thereof for a specific agricultural crop to a third party against payment. The culture contract assumes a use of less than 1 year.

Tenancy contracts have a minimum duration of 9 years. In the absence of a valid termination, the rental is automatically extended for consecutive periods of 9 years each, even if the first period of use has lasted longer than 9 years. For decades, this implied that, if no proper notice was given to terminate the contract, the rental continues for periods of 9 years. An important change is that since 2020 in Wallonia, only three extensions are possible after the initial lease period. After the third extension, the rental agreement will thus end. However, if the tenant remains on the land after the third extension, this will result in a tacit extension and the rental agreement will continue from year to year. During that period of tacit renewal, no (privileged) lease transfer can take place. A new instrument has been introduced as well, namely the end-of-career lease. This lease is used to bridge the period between the end of a regular lease (read: after the third renewal) and the retirement age of the tenant being reached. At the end of this agreement, the lessor will automatically dispose of the free enjoyment of the lease property without the lessor being able to object to it.

In addition, there is also the career lease: the landlord grants the tenant a fixed rental agreement until the latter has reached the age of 65, with a legal minimum of 27 years. The tenant must therefore be younger than 38 years at the time of entering into the career lease. However, this lease ends unconditionally upon reaching this age, no lease renewal is possible. During this career lease, sub-lease and lease transfer are allowed. Unilateral cancellation during this period is not possible. This formula gives the tenant the security of a full professional career and offers the lessor certain advantages in terms of rent and income taxes. Only the property tax is due, while the income from this lease is not taxable.

Landlords can only terminate a rental contract under specific conditions. For example, if the owner or a close relative wants to cultivate the land him/herself, the contract can be terminated with a two year notice. The tenant can end to contract at any time with a notice period of minimum one year.
The rental price is agreed between landlord and tenant, but a maximum rental price is set. This maximum price is based on the cadastral income and tenancy coefficient which varies according to the agro-ecological region. The cadastral income is based on the annual net rental income that one would obtain in 1975 for the real estate if it would be rented out. The cadastral income is indexed on a yearly basis. The tenancy coefficient is published in the Belgian Official Law Gazette. These coefficients are determined by the lease price committee. They can be different for land and buildings.

If agricultural land is sold, the tenant has pre-emptive rights. Tenancy contracts are inheritable upon the death of the tenant of the landlord: the new acquirer of the land inherits the rental contract, but also the heir of the tenant inherits the rental contract.

In certain areas, a land bank (which is a governmental body) has pre-emptive rights. The overall aim is to implement a policy of general interest. The pre-emptive right can be exerted to realize the aim of a land development project or a project, plan or program within the framework of the land development decree, or for a land consolidation or nature development project, or to acquire land that is entirely or partially located in delineated flood areas or riparian zones.

5.2 Bulgaria

All EU citizens can acquire agricultural land in Bulgaria. However, natural persons need to have been residents and legal entities need to be established in Bulgaria for more than 5 years in order to acquire right of ownership over agricultural land. Legal persons with registrations under Bulgarian law of less than 5 years may acquire right of ownership over agricultural land if the partners in the company, members of the association or founders of the joint-stock company have been residing in the country for more than 5 years. Each transaction of ownership changes is witnessed and registered by a notary public. An important part of the procedure is that the notary public checks/insures the legality of the transaction.

In addition, the citizens of Member States of the European Union – self-employed farmers, who wish to settle and reside permanently in the territory of Bulgaria and are registered in their capacity as such following the procedure of the Register BULSTAT Act, may acquire right of ownership of agricultural land and forest land plots for agricultural purposes immediately. In such circumstances, there is no residence requirements. Generally, neighbouring farmers as well as co-owners have pre-emptive rights which aims at reducing fragmentation of land holdings.

Two types of tenancy contracts exist in Bulgaria. On the one hand there are ‘lease contracts’ which have a minimum duration of one year and a maximum duration of 10 years for arable land. For some types of land longer lease contracts are possible. Lease contracts are always concluded in writing with notarized signatures and registration of the tenancy lease contracts in the land register is compulsory. Also termination of lease contracts needs to be entered in the notary books. The
lease payment is determined by Agricultural Lease Act. Given that the lease must be notarized, it implies a fairly easy way for the landowner to obtain a writ of execution and to enforce the amounts due through a bailiff, in case the tenant does not pay the agreed rent. In addition, the requirement to enter the lease contract, including a sketch/map of the property, ensures clarity in identifying the agricultural land involved. This minimizes the possibility of disputes over the extent of the property. As such the lease contract conditions are protecting the rights of the non-farmer owner.

On the other hand, tenancy ‘rental contracts’ have no minimum duration and a maximum duration of 5 years. The rental contracts can be concluded orally and hence registration in a land register is not mandatory.

Both types of contracts can be renewed so actual tenancy can last for longer periods, but there is no automatic renewal. Sitting tenants do have pre-emptive rights in case of contract renewal. Tenancy contracts are not inheritable upon the death of tenant, unless it is mentioned in the tenancy contract.

A substantial amount of land (approximately one third of all agricultural land in 2015) is owned by the state or municipalities. Vacant agricultural land from the State or Municipality Land Fund can be rented through tender or competition. The term of the lease agreement may not be longer than 10 business years for arable land and 30 years for permanent crops respectively, and not shorter than 5 business years, in accordance with the Agricultural Lease Act.

Sales of public land is done through a competitive procedure. Eligible parties for participation in auctions of agricultural land from the State Land Fund or land owned by the municipalities shall be only holders of registered compensation vouchers, of compensation bonds and of residential compensation bonds. Commercial companies (i.e. agricultural companies) cannot participate in the auction or tender.

State or municipality land is sometimes also distributed to local individuals who do not own land or own a small amount of land (often acquired as a result of land restitution). This process is outlined in Art.20 of Agricultural Land Ownership and Use Act (ALOUA). Art.21 of ALOUA lists the priority with which land is distributed. In this type of transaction/transfer land is given free of charge to qualified individuals. Land is given to those who have a greater need. According to Art. 21 of the ALOUA – acquiring land is given with priority in the following order: persons engaged in agricultural activity in the settlement; persons permanently residing in the settlement; agricultural specialists, as well as young families who undertake the obligation to carry out agricultural activity; persons whose properties have been expropriated for state or public use.

In view of the above, the lease contract is more favourable to landowners who are unsure of the tenants’ intentions or who want a commitment for a longer time period. In addition, with the lease contract a map of the property is included which ensures clarity in identifying the agricultural land involved. This minimizes the possibility of disputes over the extent of the property. With the short rental contracts, however, often fraud has been encountered. Their manipulation is easy, as it is
difficult to trace and verify the signatures (if they existed as all) of individuals. Therefore, the owners of agricultural land can easily be deceived.

Public land, comprising State and Municipal Land Funds, is an important tool for interventions in the agriculture land market in Bulgaria. The transactions with state and municipal land are carried out through formal, competitive procedures. The state and municipal land is primarily used to compensate former (natural person) owners and to facilitate expansion of small farms and farms of young farmers.

5.3 Czech Republic

Land ownership is highly fragmented in the Czech Republic. In 2017, there were 3 250 000 private owners of agricultural land. 3 198 000 natural persons are possessing on average just a bit less than 1 hectare. Half of them, thus circa 1,6 million owners, own less than ¼ ha. 52 000 legal entities own agricultural land. They own on average 16 hectares. The high fragmentation of land ownerships results in transactions cost when exchanging land. As such there is a desire to stimulate land consolidation. Land consolidation either simple or complex builds on voluntary participation of land owners in the process and on consensual approval of the land consolidation plan/project.

There is no study that proves empirically the causality between land consolidation and land market functioning. However, there is a commonly accepted view that land consolidation has significantly contributed to overcome the land market frictions (together with state land privatization). First of all, land owners have experienced value of their property during the negotiation of plot exchanges and have grasped their rights. Second, consolidated plots have better shapes and are bigger which makes them more attractive for potential buyers. Plots should also be better accessible once the consolidation is finished. Following the land consolidation process, the rental contracts are often renegotiated and likely with increased land rents.

There are particular benefits of land consolidation for municipalities since the finished land consolidation process enables them to design better their territorial (development) plans. Thus municipalities often carried out land consolidation before large infrastructure projects start. In other words, the intention to put forward essential infrastructural projects triggers the land consolidation process.

Land use is less fragmented as land use is consolidated through land rental. A high share of agricultural land is rented. This share has decreased over the last years, but still equaled 74% in 2020.

The Civil code (Act 89/2012 Coll.) is governing land transactions (sales, renting) as any other property transactions. The Civil code has liberalized the land market. It does not limit ownership
and tenancy in terms of size of the property, legal status of the owners or their nationality (country residence or citizenship of the owners).

The current Czech legislation gives pre-emptive rights only very limitedly. Family relatives and co-owners get the pre-emptive rights only for six months following the owner’s acquisition of the land (due to inheritance). If the tenancy of the state land has lasted for at least 36 months, then the tenant has got preferential right to buy (privatize) that land. The pre-emptive rights can be settled on a voluntary basis in mutual agreement between owner and tenant.

Land reforms (privatization and restitution) have more or less finished. As such there hardly any issues regarding unknown or not-identified owners, or with unproven restitution claims. The unfinished restitution concerns only substitutions of land parcels and financial compensation when the land property could not be returned in the original location. By 31-12-2018 it was just 425 hectares.

About 212 000 hectares were owned by public institutions and the state. Rules for the sale of State land are given by the Law nr. 503/2012 about State land fund, article 12 – sales to farmers. They include that a public offer is required; a price is settled in the offer. Eligible applicants include agricultural entrepreneurs (natural or legal persons) i) having farmed for at least 3 years and having operated at least 10 ha in the cadaster or in neighboring ones, and ii) owing at least 10 hectares in the cadaster or in neighboring ones and having farmed 10 hectares for at least 3 years elsewhere in the Czech Republic. There are pre-emptive right for farmers that rented land designed for privatization for at least 3 years, however the farmer is eligible to acquire under this rule no more than 70 % of such area. However, it should be noted that no state land was offered in 2019 and also currently there is no land offer on the website of State land fund. Most of the sales of state land was actually done under the Law No. 95/1999 which was replaced by the Act. 503/2012. Also, municipalities and regions (“Kraj”) have pre-emptive rights for transfer of the ownership from the state (without payment) s according to Article 7 of the Act 503/2012. Sales of land owned by municipalities and regions (NUTS3 level, i.e. “Kraj”) are not specifically regulated by a special law.

Overall, one can state that the land market in the Czech Republic is largely liberal. Natural and legal persons, regardless of their nationality can freely buy and sell their land properties. Taxation of land ownership and transactions is rather moderate. Due to these liberal conditions, demand for land purchases has clearly exceeded its supply in recent years. Also land tenancy conditions are predominantly set by the contractual parties with minor (only administrative) state interference. The outstanding issue is access to land plots and ownership fragmentation which largely depend on the progress of land consolidation. Thus land consolidation is the main issue preoccupying agricultural policy and land authorities. Another urging issue associated with land tenancy is soil and biodiversity protection. The current law states that agricultural land should be maintained fertile and soil degradation should be prevented. However, the actual enforcement of the regulations is insufficient. There are clear indications that the recent CAP measures like GAECs,
greening or the country’s maximum arable field size not exceeding 30 ha have contributed to an improvement of the situation. On the other hand, area payments provided by the CAP have to large extent been capitalised into land sale and rent price.

5.4 Denmark

Denmark’s agricultural land is mainly in ownership of the cultivator or his/her family. In Denmark, owner-cultivation and family ownership are by far the dominant form of ownership, and protection of owner-cultivation has been – and still is – mentioned in the Agricultural Act as a goal.

Regulations of agricultural land in Denmark is predominantly formulated in the Agricultural Act, which covers all types of agriculture. Regulations have been liberalized and less emphasis is put on owner-cultivation. Access to new types of finance and new types of ownership were considered to be necessary for the development of a competitive agricultural sector. There is no longer an upper limit on how much land a farmer can own, no education requirement, and no longer the requirement for the owner to run the property themselves. Moreover, the requirement that the owner must live on the property has been dismantled.

Access for companies to own agricultural property has been improved since 2010. Investors – Danish or foreign – can form a company that can acquire an agricultural property. It is required that the person who fulfils the conditions for personal acquisition of the agricultural property must have a controlling influence in the company.

Not surprisingly, tenancy has become more important over the past decades. In 1965, the share of rented land was smaller than 10%, but this share increased to circa 40% by 2020. The share of farms cultivating rented land, increased from less than 15% to circa 50% over the period 1965-2020. By 2020, a farm holding cultivated on average 190 hectares of which circa 70 hectares were rented.

Overall land market regulations are limited. Both rental and sales market are very liberal in Denmark, with limited measures in any of the above categories.

Enforcement and application of the legislation is considered to be well-functioning. The set of rules is relatively transparent and simple to administer, and access to exceptions and interpretations is limited.

The integration of corporate and personal data into public data systems also makes it relatively easy to link and assess the information needed to ensure enforcement. Further, the strong organization and integration of farmers helps to monitor enforcement. It will be difficult for farmers not to comply with the main rules, as other farmers who suffer from this non-compliance can relatively easily uncover incorrect conditions.
The legal system is also considered to be effective, which on the one hand has a preventive effect and, on the other hand, also overturns illegal acts in this area.

5.5 Germany

There are large differences in land use and ownership within Germany due to diverse geo-political history. There are huge differences in average regional farm sizes between the eastern and western part of Germany, but also within regions there are large differences. In the western part of Germany, the share of rented land is 56%. In some regions, such as in Bavaria, most farms are part-time and hobby farms, often smaller than 10 ha. In Schleswig-Holstein in the north, some 65% of the land is farmed by farms with an acreage of more than 100 ha. In the eastern part of Germany, there are even much larger farm sizes with an average of around 244 ha. The share of rented land in the eastern part is also larger than in the west with 69%.

The most important regulations for agricultural land sales in Germany are the Grundstückverkehrsgesetz (Law on land traffic, GrdstVG)) and the Reichssiedlungsgesetz (Reich Settlement law, RSiedlG).

With regard to their regulatory effect, the current regulation of land sales has to be considered as rather liberal and in certain regards as vague. The Grundstückverkehrsgesetz for example states that every land purchase needs to be registered and approved by local authorities (usually district level committees or offices). The approval of a purchase can only be denied (GrdstVG §9), if

- the purchase would lead to an “unhealthy distribution of land”,
- the transaction leads to an uneconomical fragmentation of plots, or
- there is a misbalance between the price and the value of the land.

Except for the requirement that a land plot must not become smaller than 1ha, the reasons for a denial are rather vague. An unhealthy distribution is defined by stating that the transaction contradicts measures to improve the agricultural structure. An interpretation what this means has been developed by the German constitutional court, the Bundesverfassungsgericht in 1967 (BVerfG, 12.01.1967, 1 BvR 169/63). Accordingly, denials of land sales need a sound reason such as that the transaction indeed contradict measures to improve the agricultural structures. The Bundesverfassungsgericht argued that in the end this means that land is bought by a non-farmer while a farmer who is in need for land would be willing to step into the contract and use a pre-emption right. However, the interested farmer has to prove that he/she has a need for land, e.g. because they lost owned land, that their share of owned land is low, or that they are a neighbouring farm which can consolidate ore reduce fragmentation. Otherwise, non-farmers have the same rights to buy land and it would even be unconstitutional to prohibit the purchase of land for non-farmers just because these want to invest in buying agricultural land.
Pre-emptive rights for farmers exist, but the procedure is rather complex as farmers do not have direct pre-emptive rights, but have to exert their pre-emptive through public organisations. If a farmer is willing and allowed to use a pre-emptive right, a regional land settlement organisation needs to buy and register the land first. The farmer can buy the land from the land settlement organisation at a price which include also the registration fees and land sales tax paid by the settlement organisation which is typically circa 5%. Thus using a pre-emptive right means that farmers are willing to pay two time land sales tax and registrations fees on top of the original price.

Sales are also denied if there is a misbalance between price and value, particularly if the sales price is more than 50% above the value of comparable plots. In the state Baden-Wuerttemberg, the upper ceiling is 20% above the value.

It is important to note that there are no restrictions regarding the sale of whole farms (including land). However, after the transaction, the buyer can liquidate the farm and in that way, farmers cannot exert their (indirect) pre-emption rights.

The land rental market in Germany is regulated by the Bürgerliches Gesetzbuch (BGB), and by a specific agricultural law, the Landpachtverkehrsgesetz (LPachtVG).

Land rental contracts should be registered at responsible regional authorities. The conditions of the rental agreement can be rejected, as in the case of sales, when:

- the land rental leads to an unhealthy distribution, particularly to an unhealthy accumulation of land,
- the land rental leads to an uneconomical fragmentation of land,
- the rental price is in an unreasonable relation to the income that could be achieved with a proper sustainable cultivation of the land.

If the land rental contract is not registered, there are no sanctions imposed. As a result, it is estimated that only circa 25% of the rental contracts are registered (BMEL 2019). Rental contract duration can be freely negotiated.

With the exception of lacking sanctions for non-registration of rental contracts and certain bureaucratic and tax burdens, enforcement of land regulation is widely given in Germany. Nevertheless, there are complaints, such as by the Federal Ministry of Food and Agriculture, which argues that deficits in the regulatory framework exist, such as that share deals of whole farms are not covered by the Grundstückverkehrsgesetz (GrdstVG) and the Landpachtverkehrsgesetz (LPachtVG), local regulation offices are not properly checking for existing farms which might be interested in exercising a pre-emptive right or for reasons to reject a sales contract (BMEL 2019). Empirical evidence for such concerns is however weak and rather based on hearsay that on validated facts.
Based on these arguments as well as due to increasing land sales and rental prices, since about 2015, there have been some debates to introduce new land market regulations, e.g. measures to enforce the registering rental contracts, introducing the ability to reject sales contracts due to a high ownership concentration, a need to approve share-deals, i.e. transaction of whole farms, abolish double taxation of pre-emption, reduction of land development, support for the establishment of new farms by young farmers. However, to date (2020), the proposals did not yet translate into new land regulations.

5.6 Estonia

Agriculture in Estonia is characterized by a dual structure with relative small amount of large farms and large amount of small farms. The majority of agricultural production and land use is concentrated in the large farms even though they are outnumbered by the smaller ones.

According to FADN data, circa two third of agricultural land was rented in 2019.

Land regulations are stipulated by the Land Cadastre Act, the Forest Act, the Planning Act and the Restrictions on Acquisition of Immovables Act (RT I, 04.07.2017, 64). There are no restrictions on the amount, quality or intended use of the land that can be owned by either a domestic natural person or natural persons from another country which is a contracting party to the EEA Agreement or a member state of the OECD. However, there are restrictions on the acquisition of land by persons from third countries in certain border areas. Restrictions can also arise from national defence reasons.

Legal persons, either domestic or from a contracting state, have the right to acquire 10 hectares of agricultural land without restrictions. For the acquisition of larger areas, additional requirements apply. The legal person has to be engaged in the production of agricultural products or forest management for three years immediately preceding the year of making the transaction of acquisition of the immovable.

For third party nationals approval of agricultural land acquisition by the local council is needed. A third country citizen can acquire land if s/he has resided in Estonia permanently for a period of at least six months immediately before applying for the authorisation or if the citizen has been engaged in Estonia, for one year immediately preceding the year of applying for the authorisation, as a sole proprietor in agricultural production or forest management. A legal person of a third country can acquire land if it has been engaged in agricultural production or forest management in Estonia, for one year immediately preceding the year of applying for the authorization, and if a branch of the legal person is entered in the Estonian commercial register According to Restrictions on Acquisition of Immovables Act (§5(3)).
Despite the restrictions imposed, it may still be possible to buy land even if the conditions are not met. A potential example of such a case would be the use of a local representative of the beneficial owner. However, such cases have not been publicly addressed in matters related to the acquisition of agricultural land.

Sales of public land is regulated by State Assets Act (RT I, 10.12.2020, 32). Both the sale and the use of state land are generally carried out by auction.

The lease of agricultural land is regulated by Law of Obligations Act (RT I, 04.01.2021, 19). It stipulates that the tenant has an obligation to take care of the land. Stated land is rented at a public written auction. Auction notices are published at least two weeks before the auction in the publication „Ametlikud Teadaanded“ at www.ametlikudteadaanded.ee. Information on the concluded lease agreements is published in the state real estate register.

Despite the restrictions imposed, it is still possible to buy land even if the conditions are not met. A typical situation in such a case would be the use of a local representative of the beneficial owner. However, such cases have not been publicly addressed in matters related to the acquisition of agricultural land.

5.7 Ireland

There are around 137,500 farm holdings among which the specialist beef farms have the largest share of the agricultural area covering approximately 46% of total agricultural land. Most of the farms are relatively small sized farms with an average of 48 ha with around 40% of farms with less than 20 ha of farmland. Average farms size differs among regions with relatively smaller sizes in the North and West and larger in the South and East.

The Irish land sales market is very small with only around 13,500 ha of agricultural land sold in 2019. This quantity of land sales excludes sales transactions with a building included. However, the annual level of agricultural land sales accounts for less than 1 per cent of the total agricultural land. The market is slightly larger for land rental activity with around 700,000 ha of land being rented out in 2010 (CoA, 2010). It accounts for almost 19 per cent of total agricultural land (excluding commonage). Around 30% of farms rented some land in 2010 with an average area of around 19 ha of leased land.

Large areas of land are under a ‘conacre’ system under which the landowner rents out land for 11 months. The tenant pays in cash and uses the land for one production cycle. The tenant can seek for further yearly extensions if the landowner is happy with the arrangements. There is no legal binding to let the land for the same tenant. In the late 19th century, the system was preferred by the landowners because of their fear of losing land to the Land Commission if they rented out land for a longer period or tenants having a legal right to the rented land. The downside of the conacre
system is that tenants cannot make long term plans to increase production efficiency. Policy reforms and tax incentives were introduced in 2012 to encourage land transactions and long-term rental contracts and in this way to provide tenure security for tenants. Despite policy reforms and tax incentives, the larger share of 60 to 65% of rented agricultural land is still rented out on a conacre basis.

Land transactions do not require approval from a governmental body, but they need to be registered with the Property Services Regulatory Authority of Ireland (PSRA) and the local authority.

Duty and stamp duty taxes related to a land sales transaction are exempted and reduced under specific circumstances with the purpose of preserving cultural ties with the land (i.e., to keep the land within family), but also to keep it under active farming and improve efficiency of land use. Buyers can get reliefs for a stamp duty exemption if land is transferred between relatives or if the buyer has a farm restructuring certificate (an indication to expand buyer’s own farming activities). Sellers get a relief for the capital gain tax if land is sold to a farmer or an owner of an existing farming system who can provide proofs of buying the land to expand farming business; if the landowner is selling his land and retiring from farming; if the buyer is an own child of the seller and if the buyer engages on maintaining farming on the land (i.e., agricultural relief is granted) or if the buyer is making profit from the non-agricultural use of the land (i.e., business relief is granted). If agricultural reliefs have been activated, land cannot be resold within 5 years of purchase otherwise pay-back of any tax reliefs is acquired.

In the case of land rental transactions, tax exemption can be given to the tenant if the land is rented for a period of at least 5 years, if the tenant engages in maintaining farming on the land (i.e., agricultural relief is granted) or if the buyer is making profit from the non-agricultural use of the land (i.e., business relief is granted); to the landlord if the land is rented out for a period of 5 years or if the land is rented out.

Ireland is characterized by a rather liberal approach to land transactions. Ireland does not have strict regulations on land transactions, neither on persons or entities involved or area of land in any land transactions. The cultural association of land and ownership is very strong in Ireland, hence the land market is very small. Most of the land transfers are either moving land from one generation to another or through rental market. There is no legal binding in the historical conacre system of renting-out land. When a 11-month contract is over, the contract is extended for another 11-months unless landowner or tenant opt out of the contract.

The land rental market has become more formal in recent years. The 2011 Property Services Regulatory Act stipulates that rental agreements should be registered with the Property Services Regulatory Authority in circumstances where an auctioneer is engaged in the transaction. This may include conacre agreements but most conacre agreements do not involve an auctioneer and therefore lie outside those regulations.
The Revenue Commissioners strictly implement the legislation in relation to the tax incentives for long-term land leasing. The Revenue Commissioners have ensured that the tax incentives are not exploited as a tax-avoidance mechanism. In general, it appears that long-term leases are registered with the PSRA, where the lease qualifies for tax exemptions.

According to the Property Registration Authority of Ireland (PRAI), 93% of the total land mass of Ireland and almost 90% of the legal titles in Ireland are registered in the Land Registry. This includes both agricultural and non-agricultural land and indicates a high level of compliance with regulations around land ownership registration (PRAI 2020).

Some initiatives have also been taken to control activities that influence the rezoning of land and the agricultural land market. Persons engaged in lobbying need to register as lobbyists and changes in zoning must fit in the local development plans (which are required every 6 years). The current Programme for Government commits to ensuring that state lands being offered for sale, will automatically first be offered to the Land Development Agency (LDA).

The Department of Public Expenditure and Reform have reviewed the Regulation of Lobbying Act of 2015 (DEPR 2020). This review indicated that almost 2,000 organisations and individuals have registered their lobbying activity with the Standards in Public Office Commission (SIPO). Overall, there is widespread opinion that the new lobbying legislation is successful although various organisations (including the SIPO) have sought recommendations for some further reforms. The review involved a consultation process with organisations submitting their recommendations for amendments. The Review did not recommend any amendments to the 2015 Act on the basis that there was no ‘compelling business case for change’

5.8 Spain

The Spanish agricultural sector observed a trend towards fewer number of farms and larger average farm sizes with particularly a sharp decline in the number of holdings that cultivate areas smaller than 2 hectares and a mild increase in the farms cultivating more than 50 hectares.

Almost all land (almost 95% of agricultural land) is in ownership of natural persons in 2016. From 2003 till 2016 the share of utilized agricultural land that is rented increased from 19% to 33%, while the share that is in ownership-cultivation decreased from 94% to 59%. Land that was under other regimes increased from 4% to 8%. The latter category includes sharecropping (“aparcería”), and other regimes such as communal lands lent for exclusive use (“tierras comunales cedidas en suerte de explotación”), lands exploited by free-of-charge provision (“tierras explotadas por cesión gratuita”), trust lands (“en fideicomiso”), lands in dispute (“en litigio”), tenancy at sufferance (“en precario”).
There are restrictions regarding the nationality of the buyer, but only if the transaction involves land that is located in specific areas like islands, Spanish territories in North Africa and the Strait of Gibraltar.

Exemption from or reduction of transfer and registration taxes are applicable for the transaction of priority land. “Priority land” is land that is owned by professional farmers, either natural persons or legal entities, that allows the occupation of at least one unit of agricultural labor (i.e. work by one person full time in one year) and whose unity labor income is between 35 and 120% of the reference income (i.e. average of national gross income in non-agricultural activities). In the case of legal entities (cooperatives, SAT or other), at least 50% of the members need to be professional farmers (Ley 19/1995 de Modernización de las Explotaciones Agrarias, Chapter I, art. 4-6). A professional farmer is a natural person, owner of agricultural land, who receives at least 50% of his income from agricultural activities or other complementary activities (e.g. management, farm products processing or direct sale, institutional representation), at least 25% of the income is directly linked to agriculture, and devotes at least half a unit of agricultural labor to agricultural and complementary activities (art 2.5). If transactions leads to a unification of plots of land into one single plot, it can become “priority” land so that tax exemptions apply. To fully benefit from these tax reductions, partial or total transfers are not allowed during the following five years.

There are also special reductions in the transfer tax for young farmers: under 40 years old; with enough agricultural qualifications or in the process to acquire them within the following two years; already a professional farmer or with the intention of becoming one; living in the county where land is located; the land to be acquired requires at least one unit of agricultural labor or the farmers commits himself to reach such occupation in two years (art.2.7 of the aforementioned law).

Adjacent land owners have pre-emptive rights under certain conditions. If the land owner owns “priority” land, if the sold plot is less than twice the minimal agricultural size and if by acquiring the plot the landlord achieves a plot of minimal agricultural size or larger; then the adjacent owner has pre-emptive rights to acquire the plot. If none of the adjacent owners could achieve the minimum size, then the one with a larger plot has the pre-emptive right. Adjacent land owners have also pre-emption rights for plots less than 1 ha. Also tenants, co-owners as well as co-heirs hold pre-emption rights. If pre-emption rights are exerted, then land cannot be sold during 6 years after its acquisitions.

Regulations exist regarding the subdivision and sale of agricultural land. There is not a unique minimum size, it varies geographically and depends on if it is rain-fed or irrigated land. Nevertheless, subdivision is possible when land is sold to adjacent land owners, if both resulting plots are as least as big as the minimum agricultural unit; or when land is sold to the tenant who exerted pre-emptive rights; or because of force expropriation.

Rental contracts have a minimum duration of 5 years and are renewed with the initial duration of the contract. Under specific conditions the contract can be terminated. Tenancy contracts are
inheritable in the sense that the new acquirer of the land inherits the rental contract, but also the 
heir of the tenant inherits the rental contract. Land rental contracts can be determinated if rent is 
not paid, if the tenant does not use the land for farming, if the tenant subrent the land, the land is 
damage intentionally. If the owners wants to end the contract at the end of the rental contract 
duration, a one year notification period applies (otherwise the contract is automatically renewed).
However, there are no specific conditions for the land owner that s/he can only stop the contract if 
s/he will cultivate the land him/herself.

Natural persons that are already owners of more than 500 has of rainfed or 50 has of irrigated 
agricultural land, are not eligible as tenants. When agricultural land is devoted to extensive 
livestock, then the limit is 1,000 ha. In case of agricultural cooperatives, those area limits are 
multiplied by the number of members.

There are special procedures for the sale of public agricultural land, although the law stems from 
the 1970s and there are currently limited sales of public land.

In Spain, the agricultural sector is subject to laws and regulations that are quite demanding, aiming 
at the promotion of land mobility, among other relevant objectives. In this sense, one can barely 
find limitations for natural and legal persons, except for national security reasons in particular 
geographical areas of the Spanish territory, in terms of land transactions in order to ease the 
incorporation of young people to the sector, promote farming cooperation and increase the duration 
and flexibility in the case of the rental market.

5.9 France

In France (mainland France excluding overseas regions), the utilised agricultural area (UAA) 
accounts for 54% of the national area. In 2016, there were 437,400 farms with a farm UAA of 63 
ha on average. Only 20% of the UAA was in ownership-cultivation, the rest was rented. Of the 
80% that was rented, circa 20% (thus circa 16% of total UAA) was operated by farm partnerships 
or companies that rented from the farm partners.

In France, any land sales transactions need to be approved by the SAFERs (Sociétés 
d’Aménagement Foncier et d’Etablissement Rural’). SAFERs’ role is to regulate the transfer of 
aricultural land, in view of avoiding speculation, favouring the settlement of farmers, in particular 
young farmers, supporting land consolidation, and favouring environmental protection. The 
SAFERs intervene in case a transaction is not fit, and can reject the transaction, that is to say before 
the ownership is official. There is no legal maximum sales price. However, SAFERs intervene 
when they think that the price asked by the seller is too high for the context (region, type of land) 
and ask the seller for a decrease of the price. Rejections of sales by SAFER also happen when for 
example the sale implies the dismantling of a farm. Related to the transfer of shares of an 
aricultural company, the SAFERs can stop a transfer of shares but only in the cases where the
totality of the shares are sold at once. When only part of the shares are sold, SAFERs cannot intervene, giving rise to concerns over land grabbing.

Land regulations are strongly protecting tenants. The level of rental prices is regulated as well as the duration of tenancy. Rental prices must fall within a range, with the minimum and maximum prices set each year by the State. The lease is for 9 years, or 18 years or 25 years. There are tax incentives to conclude 18-year rental contracts. Annual leasing is only possible when a successor is supposed to take over a farm (annual leasing must then not be renewed more than 5 times) or when SAFER rents out land. Rental contracts that are not written are necessarily for 9 years.

Rental contracts cannot be terminated by landowners by the end of the lease, except to sell the land. In this case, the current tenant has pre-emptive rights to purchase the land. At the end of the lease, rental contracts are automatically renewed for the same duration, or the landowners have the possibility to withdraw their land only if they (or their heirs) will farm the land over the next 9 years at least. In this case landowners must inform the tenant at least 18 months before the end of the rental contract.

Rental contracts are inheritable after the current tenant’s retirement or decease, that is to say that the farm successor is automatically the new tenant. Landowners are free to choose another farmer tenant only in the case when the exiting tenant has no successor.

Since 2016 transferable lease contracts (Bail cessible) can be established. The exiting tenant can himself/herself choose the new tenant. The transferable contracts can last only 18 years (not 9 years) and do not entail automatic renewal.

In 2016 also another type of rental contract was introduced, namely the environmental lease (Bail environnemental’). The contract can be concluded only at the start of a new contract or when an existing contract is renewed (an ongoing contract cannot be transformed, contrary to the ‘Bail cessible’). With this contract, the farmer-tenant commits to apply environmentally friendly practices on the rented land (to be agreed on by the tenant and the landowners) and in exchange, the rental price required by the landowner can be set below the minimum regulated price. This type of rental contract has however so far been scarce.

Tenants have priority pre-emption rights, also the state (to urbanize land) and the SAFERs have pre-emptive rights. SAFERs cannot intervene on the sale of land between an owner and the tenant in place (who has pre-emptive rights on the land rented), on the condition that the tenant buyer has been operating the land for at least 3 years, and that he/she commits to operate it for at least the next 9 years. If the SAFER denies a transaction because prices are not representative of market prices, the SAFER negotiates with the parties to reach an agreement. In case this is not possible, the SAFER has a pre-emptive right and can purchase the land at the modified price. The land owned by the SAFER is then sold to a new buyer or rented out until it is sold. Several transactions can however not be regulated by the SAFERs although they should, due to the fact that their intentions are not notified to the SAFERs. In addition, the SAFERs sometimes do not have
sufficient funds to purchase pre-empted land. When there is agricultural land for sale, there is also a priority order for buyers (outside the pre-emptive rights): (1) the tenant on the land; (2) neighboring young farmer; and (3) other neighboring farmer.

There is no restriction on ownership of agricultural land by non-EU foreigners, but there is a restriction on the farming use of land: non-EU foreigners who want to farm the land must obtain the farming authorization.

Publicly owned land is rarely sold. It does happen, e.g. if land owned by public research institutes or public universities. In 2020-2021, publicly-owned land in Grignon, an area close to Paris, which have been used for decades by INRAE and the agricultural university AgroParis Tech (land, buildings, farm) has for example been offered for sale. These activities are being moved to a megacampus further from Paris (Saclay), and the Grignon estate is on sale.

Regulations are all well enforced, except for two things. all sale intentions should be notified to SAFERs but this is not the case; some (but not possible to know how many) are not notified, thus slipping through the net of SAFERs regulation. The key money “pas-de-porte” is an illegal practice but it is believed to continue especially in Northern France (but not possible to know for how many transactions).

5.10 Croatia

The farm structure is highly polarized with few very large farms on the one hand and many small ones on the other. On average, according to FSS in 2016, one farmer uses 11.6 ha of agricultural land. The largest number of Croatian farmers - 93,430 of them, who account for 69.5% of the total number of farmers - use on average less than 5 ha of agricultural land. These “small” farmers use 178,670 ha of agricultural land in their production. Large farmers use more than 100 ha of agricultural land in their production. There are 1,620 of them, they account for 1.2% of the total number of farmers and use a total of 676,416 ha of agricultural land (which accounts for 43.2% of the total area of agricultural land used). Ownership of land is highly fragmented. This fragmentation in ownership and use strongly hampers land transactions due to transaction costs.

It is unclear how much state-owned agricultural land is available in the country because there is no unambiguous data on the size. However, according to an analysis conducted by the Agricultural Land Agency in the period from 2013 to 2018, the total area of agricultural land was 2,695,037 hectares, of which 890,214 hectares or 33 percent was state-owned, while 1,804,823 hectares or 67 percent were privately owned. Inefficient, lengthy, non-transparent and inappropriate allocation of state-owned land is also a key obstacle to a well-functioning land market.

According the current Law (OG 20/118), state-owned agricultural land can be leased, offered for temporary use, exchanged with other land or sold. Lease contracts are concluded for areas of
maximum 100 hectares for a duration of 25 years and can be extended for another 25 years. As an exception, land foreseen for return to persons whose property was taken during communist times and land planned for other purposes can be leased for a period of up to five years. State-owned agricultural land may be sold on the basis of a public tender. One buyer can buy state-owned agricultural land in the Republic of Croatia, up to a maximum of 50 ha for the continental area and up to 5 ha for the coastal area. One cadastral plot cannot be larger than 10 ha. Whoever buys that land has to cultivate it for ten years, and if they ever decide to sell it, they have to offer it back to the state. The rule of domicile is also emphasized: the land is distributed to farmers from the local areas, thus encouraging them to stay in those areas.

The right of priority in state land allocation is given to legal or private persons in the following order: 1) small family farms in the livestock sector not owning enough agricultural land (in the case of lease), 2) farmers which already use the land in accordance with previously concluded contracts (in the case of sale), 3) young farmers, 4) other family farms, 5) private or legal persons which have their residence or headquarters in the relevant local area 6) cooperatives and other private companies registered to perform agricultural activities, 7) other private or legal persons already engaged in agriculture or planning to engage in agriculture.

There are still considerable issues regarding agricultural land owned by persons who cannot be reached, or their place of residence is unknown. The Ministry of Agriculture can lease such land for a duration of up to ten years to natural or legal persons who want to use it for agricultural production. The rent collected according to the lease contract belongs to the original owner of the land and is kept on an account opened for this purpose. If the owner does not request the amount of the rent within 10 years from the conclusion of the lease contract, the collected amount will be divided between the state budget (25%), regional government budget (10%) and the budget of the local government (65%) where the land is located.

Land policy in Croatia mostly refers to regulations of state-owned agricultural land disposal. Other private-owned land transactions are subject to general regulations governing real estate disposal. It means that private owners can still freely sell and lease their agricultural land to other Croatian natural and legal persons, without the implementation of pre-emptive rights.

The Law on agricultural land has been changed frequently in the last thirty years since Croatia has an independent land legislation. This complicates enforcement and leads to application issues. In the past three years, only 20% of total local municipalities announced tenders for lease which makes 50% (460,000 hectares) of state-owned land still on hold. There are numerous obstacles that slow down the process of disposing of state-owned agricultural land. Some argue that there is a lack of political will to cooperate with the field and related policies (taxes, inheritance). Other put the blame on the lengthy process to return nationalized property, obsolete data in the land cadastre or lack of control by the state inspection. Thus, even today there is no knowledge on how local self-government units manage state-owned agricultural land, how the funds obtained through
lease and concession are used, nor do any meaningful consequences affect those users who do not fulfil their obligations under the contract.

5.11 Italy

Farm structure in Italy is very fragmented with average farm size equal to 9.5 ha in 2016. Land regulations that were introduced typically aim to increase the average farm size, both by consolidating the land property by farmers and by liberalising land rental contracts.

In the 1990s, strong increases in land prices have been observed as a result of competition between alternative land uses (i.e., rural vs urban), increased productivity and subsidy schemes, especially those related to the first pillar of the Common Agricultural Policy (CAP). Currently, prices are more or less stabilizing. This can probably be linked to the financial crisis of 2008-2009 which has led many landowners to keep land ownership (probably predicting a further increase in land values in the medium term), with a strong preference for renting-out land.

An important tool for land consolidation are pre-emptive rights. In case of land sales, pre-emptive rights go to the following subjects (in priority order): a) the co-owner; b) the tenant (whose contract is active from at least 2 years); c) the neighbouring farmers, as long as they can be classified as “family-based farmers” or “professional farmers” under the Italian Law.

Family-based farmers are defined by the national law as those farmers that, together with their family, spend at least one third of their working hours on farm, with a minimum of 104 days per year. In addition, farming must be their prevalent working activity and their prevalent source of income.

Professional farmers are defined by the national law as those farmers that spend at least 50% of their working hours on farm and get at least 50% of their income from farming. In addition, professional farmers must have at least one of these professional qualifications:

a) holding a degree in Agricultural Sciences or related subjects;
b) holding a high school diploma in Agricultural Sciences or related subjects;
c) having attended a professional qualification course in Agriculture accredited by the regional authorities;
d) having at least three years of experience as entrepreneur in the farming sector.

Pre-emptive rights have been recently extended to agricultural legal entities, as long as at least 50% of the members can be classified as “family-based farmers” or “professional farmers”. Family relatives do not have any priority, except for the case of inheritance. If several family relatives inherit a specific amount of land that has to be divided among them, in case one of these inheritors wishes to sell its part of land, the other family inheritors have pre-emptive rights. These co-heirs also have pre-emptive rights.
Landowners may try to avoid the formation of these rights, in order to be free when they decide to sell their land. For this reason, it is quite frequent that, in the rental contract, the landowner asks the tenant to commit to the release of agricultural land after the end of the contract, which is interpreted by judges as a waive of pre-emptive rights. Concerning the pre-emptive rights by the neighbouring farmers, since the priority goes to the tenant, but he/she obtains such pre-emptive rights only after a minimum of two years of contract, landowners selling their land before the end of the two years can freely sell their land, because neither the tenant nor the neighbours can claim their pre-emptive rights. Moreover, landowners often engage in lawsuit in order to show that there is a physical barrier between their farm and the neighbouring farm (i.e. a road, a channel or similar), such that the neighbours cannot claim their right.

In the past 5 years, fiscal incentives are also used to stimulate land consolidation. The following provisions have been introduced after 2009, and some of them only very recently (2016):

a) landowners that are “family-based farmers” under the Italian Law are temporary exempted by any income tax or real estate tax on the use of land;
b) tenants that are “family-based farmers” under the Italian Law are temporary exempted by any income tax on the use of land;
c) in case of land purchase, buyers that are “family-based farmers” or “professional farmers under the Italian Law pay a registration tax which is equal to 1% of the sales price (while the standard tax rate for non-farmers is 15%).

Since 1960, subsidized loans are available for tenants and sharecroppers wishing to buy their land. Over time, this opportunity has been extended to family-based farmers and professional farmers wishing to enlarge their farm. In the last few years, access to these subsidized loans has been limited to young new entrant farmers (under 40 years of age). Loans are typically long-term loans (30 years) and beneficiaries obtain a subsidy for reducing the cost of interests.

Rental has become a crucial element for the consolidation of farm structures in Italy. The share of rented land increased from 23% in 2000 to 46% in 2016. The average farm size of farms in which the farmer owns all the land is only 6.5 ha, farms in which land is entirely rented are 15.4 ha on average, while “mixed” own land/rented land farms reach 20 ha on average. Thus, land rental seems to be one of the key consolidation tools, especially for the largest farms.

Historically, the length of land rental contracts was established by law (15 years as reference length) and the rental price was computed using some automatic calculations established by law. Now, both the length and the rental price are totally free. The only requirement is that, in signing this type of “liberalised” rental contracts, tenants and landowners must be supported by their organisations (i.e. farmers’ unions and landowners’ organisations).

All sales of public land take through a public auction.
In general, the approach of the Italian legislation to land market regulation is rather liberal. This is the results of a process that took place along several decades, with the objective of reducing land fragmentation, both consolidating the land property by farmers and liberalising land rental contracts. In general, there are no major constraints concerning land transactions (both land sales and land rentals), except for pre-emptive rights, which are the cornerstone of the most important laws regulating land markets. In general, all major provisions are effectively enforced and the attempts of circumventing the laws are rather limited, although some practices of avoiding the formation of pre-emptive rights are present (see above). Nonetheless, the enforcement of the legislation encountered several difficulties in reaching their long-term objective of favouring a consolidation of the farm structure, which is still extremely fragmented. For this reason, in recent years several fiscal incentives have been introduced (see above), and one should observe their impact in the medium term.

5.12 Latvia

Over the period 2005-2016, the UAA belonging to small and medium farms has been decreasing. By 2016, almost 60% of agricultural land is cultivated by farms that manage 100 hectares of agricultural land or more which illustrates a trend towards larger farms.

Land ownership is more fragmented. There are around 241 thousand owners who own on average 2 plots and on average 9 hectares in total.

Only citizens and legal entities of EU, European Economic Zone, Swiss Confederation or from countries with whom Latvia has concluded international agreements on investment protection can acquire land. Agricultural land can be acquired only by such citizens of the European Union, member states of the European Economic Area, as well as Swiss Confederation who have received a document proving the knowledge of Latvian language at least according to level B2.

In addition, if a natural person owns (or will own after the purchase) more than 10 hectares or a legal person owns (or will own after the purchase) more than 5 hectares, then the buyer has to be registered as performer of economic activity in the Republic of Latvia and has to confirm in writing that use of such land in agricultural activity will be start within a year after its purchase and will be ensured henceforth if land in the previous or current year has been applied for direct payments, or within three years and ensure henceforth if land in the previous or current year has not been applied for direct payments.

Identical language requirements apply also to the shareholder or shareholders of legal persons who jointly represent more than a half of the company’s voting capital and who have the right to represent the company.
Citizens and legal entities can alone own no more than 2,000 hectares. To avoid that related persons own vast areas of agricultural land, related owners can jointly not own more than 4,000 hectares.

Non-EU legal entities may only acquire land if they are registered in the Register of Enterprises of the Republic of Latvia and provided that more than 50 percent of the company is owned by: (a) Latvian citizens and/or Latvian governmental entities; and/or (b) physical or legal persons from countries with which Latvia signed and ratified an international agreement on the promotion and protection of investments on or before December 31, 1996; or for agreements concluded after this date, so long as such agreements provide for reciprocal rights to land acquisition. Legal entities that own any land in rural areas must inform the municipal council of any shareholder changes.

Municipal commission monitors legitimacy of agricultural land transactions. Approval of the local government is needed to acquire land in ownership. The current market regulations related to municipal control mechanisms make it more time-consuming and increase the administrative burden to transfer land ownership.

Co-owners have pre-emptive rights but also tenants who registered the rent agreement at the land register or at the municipality. Pre-emptive rights do not apply if the buyer of land owns (or will own after the transaction) less than 10 hectares if the buyer is a natural person or 5 hectares if the buyers is a legal person. Also the Latvian Land Fund has pre-emptive rights. The latter facilitates acquisition of land by local farmers as through the pre-emptive rights, the state can indirectly control who will be the buyer and which land is being sold on the market. The fact that the Latvian Land Fund has pre-emptive rights on almost all agricultural or forestry land that is sold may cause uncertainties concerning planned land transactions.

Municipal agricultural land without buildings can be rented out with redemption (purchase) rights for a period of up to 12 years with an annual land rent at the rate of 4.5% of the land’s cadastral value. Only individuals (and thus not legal entities) are entitled to redemption rights. In addition, they must not have owned agricultural land previously and must confirm that within a year after entering into their lease contract they will start using the land for agricultural operations.

Land is rented for minimum five years (as of November 2014). Land tenancy duration is only restricted for the lease of agricultural land with redemption rights (see above). For land resulting from the land reform, a maximum rent is set. So a maximum rent applies only in specific exceptional circumstances. Rental contracts are not automatically renewed, but the sitting tenant may have the pre-emption right to renew the lease agreement after the expiry of the initial contract term if s/he has duly performed all of the obligations of the agreement.

Regarding the enforcement of the regulations, an important uncertainty arises from the legal conditions a foreign investor has to fulfil in order to purchase agricultural land. Since a legislative reform in 2017, foreign investors who intend to acquire agricultural land in Latvia must demonstrate an advanced knowledge of the Latvian language at level B2. This applies both for a single investor who wants to acquire land, as well as for the sole or majority shareholder of a
company. Without proof of the required language skills, the land cannot be acquired. However, according to the Latvian Land Privatization Law, this regulation only applies to EU foreigners but not to Latvian citizens. In view of this “direct discrimination on grounds of nationality”, the European Court of Justice in a decision dated 11 June 2020 established that the current Latvian regulation violates European law, in particular freedom of establishment for services providers. Consequently, the land privatization law might have to be adjusted, but at presents it creates uncertainties for any actors in the land market.

Some studies\textsuperscript{16} indicate that Latvian farmers are facing difficulties to access land. Availability of fertile and accessible land is limited, sales prices are rising and access to finance the acquisition of land or construction of building is difficult. To accommodate this problem, a new financial product has recently been offered by a state-owned finance institution (ALTUM) the so-called reverse leasing of agricultural land (i.e. land purchase with the entitlement to rent and buy-back by the previous owner). Under this arrangement a farmer sells the agricultural land he owns to ALTUM, continues to rent and uses the land for agricultural purposes, with the rights to re-purchase it back within five years. This product serves as a financing of last resort if other financing is not available to a farmer.

5.13 Lithuania

Agricultural development in Lithuania has been characterized by a decrease in small farms (and particularly in the group managing less than 10 ha) and an increase in the number of large farms (particularly in the group managing more than 100 ha). Average farm size was around 19 ha in 2020.

Currently, only up to 10 hectares of the land for agricultural purposes can be acquired in Lithuania without restrictions by natural and legal persons from countries that meet the criteria of the European and Transatlantic integration. If persons or companies acquire a larger area of the land, they must ensure that it is used for agricultural activities for a minimum period of 5 years from the acquisition of this land. A natural/legal person or related persons can acquire additional agricultural land in the territory of Lithuania as long as the total area of agricultural land acquired from the State would not exceed 300 hectares and the total area of agricultural land belonging to them (acquired from the State and other persons) does not exceed 500 hectares (except of livestock farming purposes). Related parties are considered the spouses, parents (adoptive parents) and their minor children (adoptees), as well as legal persons who control 25% of the shares of another legal entity that acquired the state land, or a natural person who controls 25% of shares of the legal

person who acquired the state land. Despite the current restriction, according to various surveys, the biggest farmland owners own currently up to 24000 ha of agricultural land 17

Natural and legal persons and legal entities, who want to buy agricultural land in Lithuania must obtain consent from the National Land Service.

Pre-emptive rights are enjoyed by co-owners, tenants, adjacent land owners, farmers (natural or legal persons) who cultivate land in the municipality or in a neighbouring municipality and the State. The latter may use its pre-emptive rights to acquire, at the price at which it is offered for sale and under other same conditions, the private agricultural land which, according to valid detailed plans or special plans, is intended for public needs or the agricultural land intended for the implementation of the measures that are financed from the state budget and with European Union funds for improving the structure of agricultural holdings and reducing abandoned land areas. The State Land Fund may lease the agricultural land required for the implementation of the measures that are financed from the state budget and with European Union funds for improving the structure of land holdings and reducing abandoned land areas without an auction to the person/persons who has/have used it on legal grounds prior to the passing of the agricultural land into state ownership.

Restoration of ownership rights to land has largely been completed: 99.94% of the claimed land has been restored. Around 7% of agricultural land is currently rented out by the State to private users. State land shall be leased by auction to the highest bidder. However, there are exemptions when state-owned land is leased without auction. For example, state owned land that does not exceed a prescribed size and is located between other state-owned land that is rented can be rented without auction to the lessee of the other state-land parcels. The duration of a contract of lease of agricultural land in state ownership shall be established upon the agreement between the lessor and the lessee, nevertheless, the term may not exceed 25 years.

There is no maximum rental duration for private land. For the latter there is no maximum rental price, nor a minimum. Contracts are not automatically renewed, but the tenant has pre-emptive lease rights at the expire of the contract. Registration of land rental agreements is compulsory in case of leasing the state land. The tenant is obligated to register the State land lease agreement 17

Ramūnas Karbauskis, a member of the Lithuanian parliament and the leader of the ruling Farmers and Greens Union, is the biggest land owner in the country The defi.lt news website has reported. Karbauskis owns 22,000-24,000 hectares of lands via his Agrokoncernas business group and as a farmer, the authors of the survey say. Other big land owners include the businessman Darius Zubas and Fixed Yield Invest Fund. Zubas owns 7,400 hectares of land via Linas Agro Group, and the Lithuanian investment fund Fixed Yield Invest Fund owns 6,400 hectares of land. Austria’s Agroforst GmbH is the owner of 5,000 hectares and comes in fourth, followed by businessman Kęstutis Juščius with 4,300 hectares. (BNS 2019.10.14) https://www.lrt.lt/en/news-in-english/19/1106443/ruling-party-leader-the-biggest-land-owner-in-lithuania

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with the Register of Real Estate of Lithuania within three months after conclusion of the agreement.

Irregularities linked to the implementation of the land regulations have been identified. Therefore, the Lithuanian Parliament (Seismas) recently announced to strengthen the control of transfer of agricultural land. It particularly wants to prevent the acquisition of more land than what is permitted by law. Furthermore, by increasing the development of relevant e-services the Parliament wants to reduce the considerable administrative burden that falls on those who wish to register their farms.

5.14 Hungary

The Hungarian agricultural sector is characterised by a dual farm structure. On the one hand individual farms who cultivate circa 58% of agricultural land, while agricultural companies cultivate around 42%. The latter cultivate on average circa 250 hectares in 2016. Of all land cultivated by agricultural companies in 2016, around 80% is cultivated by companies that cultivate more than 300 ha. The average amount of land cultivated by individual farms is much smaller. Around 59% of IFs cultivate less than one hectare. These 59% of small IFs cultivate less than 2% of all land cultivated by individual farms. Of all land cultivated by individual farms, only 10% is cultivated by individual farms larger than 300 hectares.

Today around 140 thousand hectares of land are owned by agricultural companies. This land was obtained in ownership before 1994. Since that year, agricultural companies cannot buy land. Nevertheless, they do cultivate two fifth of all agricultural land which indicates that many farms cultivate rented land. 42% of all used agricultural land and forestry areas are rented.

All EU and Hungarian citizens can buy one hectare of land without restrictions. Only registered farmers can acquire more than one hectare. In that context, a farmer is a Hungarian or EU citizen who has an agricultural or forestry qualification as defined in the implementing regulation of the law, or has been engaged in agricultural and forestry activities in Hungary for at least three years in five consecutive years, or owning at least 25% of a registered agricultural producer organization. Farmers can acquire 300 hectares of land and their maximum holding can be up to 1,200 hectares. Livestock farm operators and seed growers, on the other hand, can use 1,800 hectares of land.

A wide range of potential buyers have pre-emption rights. When land is sold, the right of pre-emption belongs to the state in the first place. This is followed by co-owners, the farmer who has been using the land for at least three years, or a resident neighbor. A resident neighbor is (1) a person who lives within the municipality where the land is being sold and the land s/he owns or uses is adjacent to the land that is the subject of the sale, exchange or lease agreement, or (2) who

18 https://www.lrs.lt/sip/portal.show?p_r=35403&p_k=2&p_t=271881
has lived at least 3 years in a municipality that is adjacent to the municipality in which the land which is the subject of the sale, exchange or lease is situated, and the land which it owns or uses in the municipality in which it resides is adjacent to the land which is the subject of the sale, exchange or lease. During the acquisition of land, the law gives preference to the exercise of the pre-emption right for family farmers, young farmers and beginner farmers. This position has importance if farmers have the same ranking in the pre-emption right.

For the sales of land, a maximum sales price is determined. For agricultural land, except forests, it is the index-related profitability for a 20 years production period. For forests, it is the index-related profitability for a 50 years production period. In addition, prevailing prices in the specific region or locality are also considered and taken into account.

State land larger than 3 hectares are sold by auction, smaller plots of state land are sold through a simplified procedure. During the auction, a plot of land may be sold at a price at least 10% higher than the value determined by the NFA in HUF / AK, taking into account both county and local average prices. Maximum sales prices are set for the sale of State Land.

To limit land fragmentation, state land plots will not be subdivided in plots smaller than 1 hectare (or 3 ha for orchards).

The main objectives of the Land Act are to fairly distribute agricultural land, to curb speculative pressures, to retain rural population, to favour agricultural practices that support landscape conservation and to create viable farms ensuring a stable supply of affordable food. While some state it fares well to reach these objectives, others criticize that it gets in conflict with fundamental economic freedoms. For example a ban on land acquisition by legal persons runs counter to the principle of free movement of capital. However, some argue that the absence of a ban would lead (and did lead in the past) to a convoluted and uncontrollable land use system. As another example the former possibility of unrestricted usufruct have also resulted in similar mass abuses by circumventing land acquisition bans, and is therefore ruled out by the new land act (with the exception of close relatives - which is subject to criticism as well) even if it may be contrary to the right of free settlement and to the principal of free movement of capital. As a result of such conflicting values the Land Act is under scrutiny by the European Commission and in connection with it there are currently a number of infringement cases pending before the EU Court of Justice. While the Land Act alone is maybe not suitable for achieving long-term goals such as e.g. retaining the rural population, some believe that it provides a better regulatory environment than the pre-2010 one that left the country prey for free robbery and colonization.

5.15 Netherlands

The agricultural sector in the Netherlands has been characterized by a declining number of holdings. The Netherlands does not have specific legislation on the selling and buying of
agricultural land. There are no establishment or residence requirements and no requirements for professional qualifications. Nor are there any specific requirements for purchase contracts: there is no prior review or approval of purchase transactions, there are no requirements regarding the price or maximum size of an enterprise.

The majority of the total cultivated area in The Netherlands - 1.8 million ha in 2019 - is owned by the user of the land (57.5%). The ratio between ownership and lease has changed little in the period 2008-2019. However, the area under regulated lease has decreased significantly. New regulated lease contracts are rarely concluded. This has to do with the strong protection of the tenant, in particular the automatic extension of the lease, and the regulation of the lease prices, the highest permissible lease prices per lease price area. The short-term deregulated (liberalized) lease does not have these characteristics and has therefore become more popular.

Agricultural tenancy law has been given a strong mandatory character: contains provisions that the parties involved may not deviate from. Regulated rental contracts prescribe a maximum rental payment, have a minimum duration, are automatically renewed, and termination can only occur under strict conduction (e.g. if the owner wants to cultivate the land him/herself).

Since 2007 deregulated (liberalized) tenancy agreements are allowed for loose land which involve hardly any protection for the tenant. Also new is that the tenant cannot claim a right of first refusal if the land owner intends to sell the land to a ‘safe landlord’. That is a landlord who confirms that he will not invoke a provision to personally exploit the land. Lastly, the age limit of 65 of the tenant as a ground for cancellation is repealed.

Both for regular (regulated) tenancy contracts and for deregulated lease contracts longer than 6 years there are maximum allowable prices. This does not apply to liberalized lease contracts shorter than 6 years.

Regular contracts have a duration of 12 years for a farm (including buildings) and six years for loose land. These contracts are automatically renewed. Leasehold contracts of agricultural land have a minimum duration of 26 years. Short term liberalized contracts are 6 years at the maximum and the minimum duration for such contracts is one year.

The regular tenant is protected by the statutory pre-emptive right. Executing the pre-emptive right requires the buyer to continue the agricultural business. If resold within ten years, a fee is payable to the lessor. The pre-emptive right of the tenant can be circumvented by the sale to a ‘safe party’ (veilige verpachter) who does not intend to farm the land itself.

The Municipalities Preferential Rights Act (Wet voorkeursrecht gemeenten, Wvg) is an instrument that municipalities can use to acquire land (see country report, section spatial planning 3.3) under certain conditions. If a municipality wants to place a new residential area or business park on a piece of agricultural land, it can establish a pre-emptive right on the plot. If the owner of the plot wants to sell the land, he must first offer the plot for sale to the municipality.
If land is sold, a transfer tax and insurance tax are due according to the Act on Legal Transactions Taxes (Wet op de belastingen van rechtsverkeer, Wbr). Property transfer tax of 6% of the price is payable by the buyer on the sale and transfer of real estate other than residential property (2%). Since 1 January 2007, a general exemption applies to the acquisition of cultivated land exploited for agriculture (see art.15, paragraph 1q). The land must be used for agricultural purposes for a period of ten years following the transfer.

To facilitate farm succession some fiscal measures are introduced. Also, tenancy is inheritable.

The legal restrictions on the use of agricultural land that arise from agricultural and environmental policies give rise to a variety of enforcement and application issues. However, the selling and buying of agricultural land is completely liberalized in The Netherlands. In the absence of special requirements, the transfer of land ownership does not involve issues of enforcement and application. The lease market is a different story. The rules of the regular lease agreements and the liberalized lease agreements should be clear for the parties and in case of disagreement there are institutions and procedures in place. The informal lease agreements based on trust provide a special issue. For the landowner there is a risk involved in informal land lease, because the informal tenant may inform the Agricultural Tenancies Authority of the lease practice. The Agricultural Tenancies Authority may then decide in favour of the tenant that a regular lease contract applies (with all the advantages for the tenant).

5.16 Austria

According to the last agricultural census in 2016 (Eurostat 2020, BMLRT 2020), the average farm in Austria manages 19.8 hectares (ha) of utilized agricultural area (UAA). About 48% of farms in Austria have less than 10 ha UAA and only about 2% have more than 100 ha UAA. There is a high share (>55%) of part-time farms. Moreover, 96% of all farms are family farms (with > 50% of regular labour from family members) and about 82% of the sector’s workforce are farm-family members. Hence, Austrian agriculture can be described as being dominated by small to medium-sized, family-farms with a large share operating part-time.

Sales and renting land in Austria are subject to the general freedom of contract, as any other contract. The Austrian civil code provides some general rules on, e.g. legal periods of notice of dismissal or provisions for the case that the landlord/tenant sells/transfers/inherits the land. However, fundamental contract terms like prices and durations (in the case of rental contracts) can be established freely by both parties. The regulations that are in place, aim to sustain agricultural land for small and medium-scaled, family farms.

In general, a transfer (including sales, exchanges and beneficences) of agricultural land requires approval by a specific authority, the land transfer commission (“Grundverkehrskommission”).

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However, there are some exceptions from this general rule. Not all exceptions exist in all Federal States, but in most of them transactions don’t have to be approved if (Holzer 2018):

   i. the whole farm is handed over to a successor;
   ii. transactions between spouses or close relatives;
   iii. transactions between co-owners;
   iv. acquisition of rights in the public interest (e.g. for purposes of public transport or disposal facilities);
   v. legal transactions in the course of an agricultural proceeding (e.g. land consolidations, flood prevention);
   vi. transaction of land below a certain size (trivial limit) (between 0.03 ha and 0.3 ha, depending on the State);
   vii. location of the property in a predominantly built-up area with a non-agricultural character (e.g. within cities).

The transfer of land can be refused for specific reasons explicitly given in the laws (and loosely translated here) (Holzer et al. 2018):

   − to a non-farmer, if a local farmer is interested in buying the land (C, LA, S, ST, T, UA, V);¹⁹
     Once a non-farmer wants to buy a piece of land, this has to be announced publicly. Within a specified period of time (usually four weeks or one month) local farmers can make an offer. This can be interpreted as a pre-emptive right of farmers against non-farmers. A farmer is defined as someone already managing a farm (on its own or together with family members or employees) or someone who wants to manage a farm (newcomer) and can prove an appropriate training. In some states, the former requires that at least 25% of total income is from farming. Also legal entities can be farmers.
   − if mainly considered as a speculative capital investment (B, C, S, ST, UA);
   − if the price is ‘unreasonable high compared to the value of the property’ or if ‘the price considerably exceeds the customary price’ (B, LA, S, ST, T, UA, V); only T defines this as 30% above the customary price.
   − if it is against the goal to strengthen or create a productive farming community (LA);
   − if proper agricultural and forestry management cannot be guaranteed (C, LA, S, ST, T, UA, V);
   − if the sale implies a devaluation of the remaining property (S);
   − if the sale promotes the formation or expansion of large estates or private hunting areas, while there are small and medium-sized farmers interested to buy the land (B, C, S, V, UA);
   − if the sale leads to a disruption of a favourable land ownership structure (e.g. too small and scattered plots or if it reverses conducted land consolidations) (B, C, S, ST, T, V, UA);

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¹⁹ B = Burgenland, C = Carinthia, LA = Lower Austria, S = Salzburg, ST = Styria, T = Tyrol, UA = Upper Austria, V = Vorarlberg
– if the sale leads to the development of a disadvantageous agricultural and forestry structure (K, S);
– if the sale leads to the emergence of uneconomically small properties (T);
– if it is an evasive transaction;

For non-EU foreigners (both natural and legal persons) no exceptions exist. Approval can be denied for the reasons listed above. In addition, transfer of land to non-EU foreigners is in most federal states of Austria only authorized if:

- There is a cultural, social or economic interest;
- State political interests are not affected.

Rental contracts are subject to the general freedom of contract (based on the Austrian civil code), so if both parties agree, they can agree on any rental price or duration. However, if one party feels treated unfairly, they may appeal to court based on the “Landpachtgesetz”, a law for conflict resolution. It sets certain minimum standards, primarily to protect tenants. Most notably, this legislation sets reference durations for renting (Holzer et al. 2013):

- 15 years for horticulture, viniculture and fruit culture farms;
- 10 years for all other farms and horticulture, viniculture and fruit culture plots;
- 5 years for all other plots

Moreover, it specifies that rental rates should be adequate. The rental price should be “reasonable” with respect to the earnings of both parties. The court decides on a by-case basis, based on local circumstances. The rental price should not deviate >50% from the – locally determined – “reasonable” price.

Automatic renewal by implication (i.e., tacit; if there is no notification by the landlord) leads to an extension of the contract by 1 year. Otherwise not. Tenancy is inheritable on both sides (landlord and tenant). In this case, special opportunities to end a contract early may apply.

Land rental transactions are – just like sales transactions – in general subject to approval by the land transfer commission (“Grundverkehrsbehörde”).

However, all states have some provisions that only certain rental transactions actually require approval (Holzer, 2018), e.g.:

- for areas above a certain size (e.g., > 2 ha in C and LA, > 5 ha in B);
- for long-term renting (e.g., >20 years or unlimited duration and area >2 ha in ST);
- for renting entire farms or land with farm buildings (e.g. C, V);
- if the prospective tenant is a non-farmer (e.g. S, T if area > 3ha).

Only one state (Upper Austria) does not require any approval of land rental transactions.
Stricter limits for the need for approval of rental transactions apply for non-EU foreigners: approval is already required for smaller plots and shorter rental periods and approval can only be given if an economic, social or cultural interest exists.

In general, the law and the procedure (approval by the land transfer commission) is the same for asset deal and share deals. If the legal entity is “mainly” agricultural or owns more than a certain amount of land, approval by the land transfer commission is necessary. Once a non-farmer wants to buy a piece of land, this has to be announced publicly and local farmers are able to make an offer for 4 weeks (one month).

Regarding the implementation and enforcement of the regulations, according to the real estate transaction law, land transfers have to be approved by a regional land transfer commission. Since the decisions of these land transfer commissions are not consolidated and made public, it remains unclear to what extent these commissions impede a liberal transfer of land. The only state publishing some information is Tyrol in a yearly report (Land Tirol 2019, 2020). In 2018 (2019) the six land transfer commissions of Tyrol approved 642 (678) agricultural land transactions. However, in the same period there were 818 (890) exceptions based on the reasons described above (e.g. farm succession, transfers in the public interest, …). In addition, there were another 339 (366) exceptions not covered by the reasons given above, but e.g. land transferred to expand commercial and industrial sites or land sold to building cooperatives. In the same year only 16 (14) transactions were disapproved. In 19 (25) cases the pre-emptive right of farmers toward non-farmers was applied. In 59 (65) cases EU citizens were involved in agricultural land transactions. Given the scarcity of land, documented by the high sales and rental prices (see above), it can be assumed that Tyrol is a state where the land transaction law is probably executed more stringent than in most other states. According to Fankhauser et al. (2016), based on a survey sent to the land transfer commissions, the most common reasons for refusal are a deterioration in agricultural structure or that the buyer is not willing or able to guarantee a proper agricultural and forestry management. To a lesser extent applications are rejected due to an excessive purchase price.

Two related provisions of most property transaction laws that have an impact on land sales and rental markets have been the issue of debate in recent years, and have led to adjustments in some states. First, before the mid-2000s, most property transaction laws stipulated that a transaction of agricultural land could only be approved if the new owner would farm the land him/herself, rather than to renting it out to a farmer. However, in a case brought to the European Court of Justice (CJEU), where a family foundation from Lichtenstein wanted to buy land in Vorarlberg and was refused, the court considered this to be incompatible with the freedom of movement of capital, and pointed out that it reduces the amount of land that is available for renting, which, in turn, discriminates against farmers who cannot afford to buy land.20 As a result, most states adjusted

their property transaction laws accordingly, and only require that the new owner guarantees ‘proper management’ of the agricultural land by farming it him/herself or by renting the land to a tenant. Second, this decision has implications for the legitimacy of the described ‘pre-emption’ right of farmers against non-farmers, if the latter can ensure proper farming of the land by a tenant. Following an infringement procedure by the European Commission in 2010, some states have introduced (rather restrictive) exceptions to this pre-emptive right procedure, while others have not. Therefore, the original version of the pre-emptive right, which still exist in some states, can be considered unlawful (Holzer et al. 2013, Holzer 2018). Notwithstanding these problems, the general approach and goals of the Austrian real estate transaction laws (i.e., requiring approval by a commission for every transaction) have been found to be in line with EU legislation and are thus not seriously debated.

It should also be noted that a substantial share of land that is rented is rented within families and otherwise well-known people, for various reasons. Leonhardt et al. (2019) found in a survey of 300 crop farmers that respondents rented over 20% of land from family and another 75% of land from people they knew personally. There may be several reasons for renting from/to family: landowners sometimes own land due to, e.g., inheritance, but do not farm themselves and prefer to rent this land to farming family members. There are, however, also reasons of taxation and social security that may lead to pro forma renting between spouses or other family members. This land is then, while officially and per legal definition part of the rental market, not actually available on the open rental market. The finding that over 18% of rented land was under oral contracts in the study by Leonhardt et al. (2019) supports this.

To summarize, the small percentage of rejected land transactions in Tyrol suggests that land transfer commissions do not massively restrict a relatively liberal land market. Though challenged by a decision of the ECJ, the pre-emptive right of farmers against non-farmers is practised in some regions, but the actual scale remains unclear. There are differences between states (regions) how strict this rule is applied. To attain a basic agricultural education is not very difficult and time-consuming (a course with 200 hours). Moreover, the pre-emptive right only applies, if the farmer is willing to offer the same price as the nonfarmer. Since a high share of agricultural land is rented from relatives and friends, the rental market might not be as liquid as suggested by the high rental share.

5.17 Poland

In 2019 there were over 1.4 million farms that used 14.7 million ha of agricultural land. The majority of agricultural land in Poland is owned by private owners (over 90%). However, around

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21 In regard to the infringement procedure see CJEU, European Commission v Republic of Austria, Case C-516/10.
1.3 million ha still belongs to the state – managed by the state agency the National Support Centre for Agriculture\(^{23}\) and usually leased to private farms (GUS, 2020b).

Land use is very fragmented and small family farms are widespread. Regulations are in place regarding the transaction of both private and state land and are mainly beneficial for family farms.

Non-farmers can only buy a plot of less than 1 ha. Individual farmers running a family farm can buy plots larger than 1 ha. An individual farmer is a natural person being the owner, user, spontaneous owner, or tenant of the agricultural property, with a total area not exceeding 300 ha. (S)he must have agricultural qualifications, be a resident of a given municipality (where at least one of his agricultural plots is located), and manage the farm personally for at least 5 years. The buyer of plots larger than 1 ha is obliged to run the farm, which includes purchased land plots, for five years. During this time, the plots of purchased land cannot be sold or transferred to other persons.

Sales of state land can only take place if as a result the transaction, the total area of agricultural land owned by the buyer does not exceed 300 ha. However, only land plots smaller than 2 ha can be sold, while larger than 2 ha can only be rented. In general, sale of state-owned land is carried out by a state agency (the National Support Centre for Agriculture). In accordance with the Act of 14 April 2016 on Suspension of Sale of Property from the Agricultural Property Stock of the State Treasury and Amendments to Certain Acts, sale of state property from the Agricultural Property Stock is suspended for 5 years.

There are several limitations for legal entities to buy agricultural land. In fact, legal entities can only acquire land with the consent of the Director-General of the National Support Centre for Agriculture.

Pre-emptive rights are granted to tenants who are individual farmers running farms where the total area of agricultural land does not exceed 300 ha as well as to the state agency. The pre-emption right does not hold if land is sold to a family relative (i.e. descendant, ascendant, siblings, parents' siblings, spouse, adopted child or stepchild). It is worth noting that land turnover between family members accounts for a significant percentage of transactions in Poland. The pre-emption right also does not apply if the sale of agricultural property takes place between legal entities of the same Church or religious association. Additionally, the acquisition of agricultural real estate by agricultural production cooperatives or contracts for the sale of land contributions in such cooperatives concluded between their members is exempted.

\(^{23}\) Land overtaken by the state agency responsible for agricultural land trade amounted to ca. 4.7 million ha (GUS 2020b). From 1992 until the end of 2017, about 2.71 million hectares of land from the State’s Stock of Agricultural property was sold, which accounted for 57.2% of the total are taken over. Over half of the total area of sold land was located in the following four voivodeships: Zachodnio-Pomorskie, Dolnośląskie, Wielkopolskie, and Warmińsko-Mazurskie (IERGiŻ 2018). 
Regulations have changed over the past years. After a period of liberalization at the beginning of the transition period, the first restrictions on the freedom of agricultural land trade were introduced in 2003 just before Poland’s accession to the European Union. Further changes came into force in response to the expiration of the transitional restrictions on agricultural land acquisitions by foreigners in 2016. Recent amendments to the law in 2019 introduced provisions to alleviate existing restrictions, but the overall approach has not been changed. The regulations are often considered as restrictive (NIK, 2019) and complicated. The purpose of the regulations introduced in 2003 and 2016 was to prevent speculative trade, excessive concentration of agricultural land, and land grabbing on both private and state agricultural land market. In principle, the regulations favour family farms that operate on land they own and include several limitations to the purchase of agricultural land by legal persons. It is actually almost impossible for legal persons to buy land and particularly larger plots of land. Also some farms run by natural persons that want to enlarge their farms perceive the regulations as unfavourable. Large farms run by natural persons are sometimes divided between family members into smaller farms to circumvent the 300 ha threshold. While the regulations might limit the acquisition of agricultural land by entities whose basic life and professional activity takes place outside agriculture, and which bought land for speculative purposes or treated this purchase as a form of capital investment (Sejm, 2019), they might also limit the inflow of capital to the agricultural sector (Jędruchniewicz, Maśniak, 2018). The regulations are strictly adhered to. The National Centre for Agricultural Support, being the control agency, has become an important player in agricultural land trade. It manages not only agricultural land owned by the state treasury but also exercises control over the private turnover of agricultural land.

The most important measures include the right of pre-emption of the tenant and the state agency (since 2017 National Support Centre for Agriculture), the suspension of the sale of agricultural land owned by the State Treasury, and preferences regarding the purchase of agricultural land by certain groups of citizens (i.e. family farmers). Some studies state that regulations regarding the pre-emption right of tenants and of the National Support Centre for Agriculture was primarily introduced to create barriers for the acquisition of agricultural real estate by foreigners, and not to shape the agricultural system, as presented in the preamble to the Act of April 11, 2003 on Shaping the Agricultural System and its Art. 1. (Truszyński, 2019).

5.18 Romania

Total used agricultural area amounts to 13.5 million hectares. In 2016, circa 90% of all farms cultivated areas smaller than 5 hectares.

24 See for example an article on the concept of agricultural real estate under the Act of April 11, 2003 on shaping the agricultural system http://www.codozasady.pl/en/the-concept-of-agricultural-real-estate-under-the-agricultural-system-act/
Both legal entities and natural persons can own land.

Conducting a sales transaction is rather complicated procedure. In order to sell an agricultural land located outside the built-up area, the seller must submit to the town hall the application for displaying the offer for sale and the offer for sale, together with a series of documents. The sales offer need to be displayed for 45 days so that those who have pre-emptive rights can execute their right. Those who have priority in the purchase can be: co-owners, lessees, owners of neighbouring lands that have a common border with the land put up for sale, young farmers with domicile or residence in Romania for at least 1 year, the Academy of Agricultural and Forestry Sciences «Gheorghe Ionescu-Şișești ” and the research-development units in the fields of agriculture, forestry and food industry, natural persons with domicile / residence located in the administrative-territorial units where the land is located or in neighbouring administrative-territorial units, and the Romanian State, through the State Domains Agency. If no pre-emptor will show his intention to buy, the sale will not be free, but may be made within 30 days to certain potential specialized buyers: 1) individuals domiciled or residing in Romania in last 5 years, during which it has carried out agricultural activities in Romania and is registered by the Romanian tax authorities (in other words, to individual farmers); 2) legal entities with registered office and / or secondary headquarters in Romania in the last 5 years, during which he carried out agricultural activities in Romania in proportion of at least 75% of the total income, with the partner / shareholder who has control, with domicile or residence in Romania in the last 5 years with other words, to companies in the field of agriculture. If the potential buyer does not meet the mentioned conditions, the Ministry of Agriculture and Rural Development will issue a negative approval. If in this period of 30 days, after the 45 working days of pre-emption, none of the potential buyers will meet the mentioned conditions, the sale will be free. Approval of the sales is always needed from governmental bodies (e.g. mayor’s office, Ministry of Agriculture and Rural Development) and the transactions needs to be registered in the land books.

The objective of this regulations is to stimulate young farmers and expand and consolidate existing agricultural producers. It is however argued by some experts that the new regulation on the sale of agricultural land makes it more difficult for investors to buy land, particularly for those with no agricultural activities or these that want to expand certain investments.

5.19 Slovenia

The agricultural land has an area of 676,000 ha, of which 605,000 ha is, according to the most recent Farm Structure Survey (SOS, 2016) operated by 69,902 agricultural holding. The average size of UAA per of Slovenian agricultural holding is 6.9 ha. The agricultural holding are totally cultivating 481,415 ha of utilized agricultural area (UAA), and the rest to the 605,000 ha is nonproductive agricultural land. Out of 481,415 ha the major part are permanent graslands
(276,244 ha), followed by arable land with 176,807 ha. The vineyards are covering 15,241 ha and orchards and olive groves 11,297 ha.

91% of all agricultural land is in private ownership and 9% are owned by the Republic of Slovenia and managed by the Farmland and Forest Fund. The basic purpose and objective of buying, selling and renting land by the Fund is to merge the production properties and thereby assure rational and prospective size of plots and to improve the size structure of the farms. The Fund is also the landlord (lessor) of agricultural land as it rents out state owned land.

Pre-emptive rights exist in the following order: 1. co-owner; 2. a farmer whose land he owns borders on land for sale; 3. the lessee of the land for sale; 4. another farmer; 5. an agricultural organization or sole proprietor who needs land or a farm to perform agricultural or forestry activities; 6. Farmland and Forest Fund of the Republic of Slovenia.

Under the same conditions, the right to purchase shall be determined among farmers classified in the same place in the following order: 1. a farmer for whom the agricultural activity constitutes the sole or principal activity; 2. a farmer who cultivates the land himself; 3. a farmer appointed by the seller, except in the case of the sale of real estate, which is the real property of the state and the seller must appoint a farmer on the basis of the method of public auction.

If nobody exercises the pre-emption right, the seller may sell the agricultural land to anyone who has accepted the offer in a timely manner and in the manner prescribed by the Agricultural Land Act ALA and if the concluded contract is approved by the administrative unit. The precondition for such buyer is to have a farmer status as defined by the ALA.

The process of approving the sale of agricultural land is a complex and demanding administrative procedure, especially in cases where several potential buyers accept the offer and the administrative unit has to decide which buyer can conclude the legal transaction with the seller.

The Agricultural Holdings Inheritance Act regulates the division of agricultural holding in the inheritance process. It stipulates that the agricultural holding must be inherited by only one hair, while all the other legal hairs are compensated financially by the one taking over the farm. By some – mainly farmers, this Act is considered as the most restrictive regarding the land market functionality. The regulation basically prohibits division of the agricultural holding in the size between 5 ha and 600 ha. Such farms are called Protected farms. They are defined in an official procedure which starts automatically when - according to the official records- a certain farm falls within the defined margins.

This Act influences the market because the designation of the so called “protected farm” effectively impedes the sale of any part of such farm. It is only possible to sell such farm as a whole (all agricultural land, forest and agricultural buildings) to another farmer. However, this is
not common in the operating of the Slovenian agricultural market. Especially the sale of the buildings is an obstacle, as they are usually tied together with the housing part of the farmyard. As the identification of the protected farm is an administrative procedure done autonomously by the responsible local authority resulting in an administrative decision, the regulation is strictly enforced.

Also for the lease of agricultural land, an order of pre-emption beneficiaries is determined. Lease contracts are regulated by ALA and should be registered. This part of the ALA legislation is not strictly enforced. In practice the leasing procedure under the ALA is largely used only by the Fund, which is as a manager of state-owned agricultural land obligated to follow the law. Other stakeholders use the lease, as regulated by the ALA, only exceptionally. Since unofficial rental agreements are widespread, little information is available on the height of the rent payments or the length of the rent term.

The process of selling and leasing, as regulated by the ALA, proved to be very time-consuming and procedurally complex

5.20 Slovakia

Total agricultural area in Slovakia is 2,39 mil. ha. In 2017 4,4 mil. people in Slovakia owned agricultural land. On average a land owner owned 0.9 ha of agricultural land. An average size of agricultural parcel reached 0.5 ha and the number of parcels amounted to 8.4 million. A land parcel was owned on average by 12 persons. There were 100.7 mil. agricultural land ownership relationships in Slovakia in 2017. The extreme land fragmentation causes significant transaction costs to both buy or rent land. Not surprisingly, there is a strong need to consolidate land and it is currently (year 2020) highly on the political agenda. In 1995 act no. 180/1995 Coll. on some measures for consolidation of landownership was adopted. It includes the legal rules on minimum size of agricultural land plots that are situated outside the built-up areas of municipalities. The act contains measures to prevent further land fragmentation. The owner has to pay a fee equal to 10 percent of the value of agricultural land when the new land plot created by subdividing the existing one is smaller than 2 ha but greater than 0.5 ha. A fee equal to 20 percent of the agricultural land value has to be paid when the newly created has a size smaller than 0.5 ha but greater than 0.2 ha. The creation of land plots smaller than 0.2 ha is not allowed by the law. However, there are some exemptions in the act.

Land ownership is fragmented, but that does not hold for land use. The average size of the farm is 80.7 ha, which is five times higher than the EU average farm size of 16.6 ha (EU Statistical Factsheet Slovakia, 2018). In Slovakia there is a higher proportion of large farms above 100 ha than in the rest of the EU.
About 90% of land is rented. Rental market therefore dominates agricultural land market in
Slovakia. Farms rent land mainly from natural persons (more than 50 percent), from the Slovak
Land Fund, own members of agricultural cooperatives or from other institutions (e.g. Roman
Catholic Church). About 60 percent of land was rented for the period of 5-10 years, 22 percent of
land on 10 to 15 years and remaining 18% for the period longer than 15 years. Land renting is
currently governed by the Act 504/2003 Coll. on renting of agricultural land, agricultural
enterprise and forest land. It stipulates minimum duration of rental contract of agricultural land to
conduct business by enterprises to be 5 years and maximum of 15 years. In case of renting of
agricultural land for conducting business by agricultural enterprise where the rental contract is
concluded for infinite time period, it can be terminated with the effect from November
1st 2020 with five-year advance notice period. The law states that the minimum rent is 1% of the
land value. In practice, the market rent is considerably higher than the minimum set by the law. In
case the landlord is the Slovak Land Fund, the internal rules of the Slovak Land Fund set the
minimum rent to be 2.20 % of the land value in 2014. The market rent is still about double the
2.2% of land value. In 2020 the Ministry of Agriculture and Rural Development declared that the
Slovak Land Fund will be charging the usual rent – the average rent in the cadastre area where the
plot is located.

The Slovak law protects the user of agricultural land (tenant) more than the owner (landlord). The
tenant has a pre-emptive right to enter into a new rental contract, except in specific conditions.
Further, the minimum duration of rental contract is 5 years in case land is rented by enterprise to
conduct business and the contract cannot be terminated earlier, only by mutual agreement. Next,
the tenant has a right to ask for the rent reduction if the revenues were not achieved due to a
substantial change in economic conditions or if the prices of commodities declined by half. Finally,
tenancy contracts are inheritable.

In Slovakia, about 77.5 percent of agricultural land is privately owned, 16.7 percent is owned by
unknown owners and 5.8 percent is state land. Land of unknown owners and state land is managed
by the state-owned Slovak Land Fund. It means that more than 20% of agricultural land is under
the state control. The State is renting-out these lands. For a long time, it was rented out at
administrative rents considerable below market rents. This was changed in 2020 when the Slovak
Land Fund started to use the usual rent, which is the average rent in the cadastre area. In renting-

25 The Slovak Land Fund is a legal entity established by the law for administration of state land and land of the
unknown owners. The land of unknown owners is the land without documentation of the land ownership due to
missing data on the landlords, which was lost or destroyed during the history. The lands of unknown owners together
with the state land occupy about one fourth of the total agricultural land in Slovakia.

26 In compliance with the Slovak Land Fund General Director order, until 2014 the lease required by the Slovak Land
Fund from the lessee was 1.5% of the land price determined according to Bonited Soil-Ecological Units. In 2014 the
lease payment increased on 2.20% of this price and since 2015 it is yearly modified by the year-on-year average
inflation rate published by the Statistical Office of the Slovak Republic for previous year. These modifications are
aimed to approximate the lease payment of the Slovak Land Fund land towards the market lease payments.
out the land the Slovak Land Fund is obliged by the law to give preference to young farmers\textsuperscript{27} and small farms\textsuperscript{28} or microenterprises\textsuperscript{29} which focus on special plant production or special animal production\textsuperscript{30} or farmers who at least on a half of the cultivated area conduct special plant production (grow fruits and vegetables) or farmers who produce final product and prove that he/she owns or rents agricultural land from other owners. However, in reality the Slovak Land Fund rented only very small area to small farms or young farmers. The reasons are that the rental contracts were signed for a long period of time initially, that large farms have dominant positions and more access to information in the specific cadastres where state land or land of unknown owners managed by the Slovak Land Fund is located, and due to the political influence of large farms. Also, some rental contracts are problematic. This is the outcome of the situation at the land market which suffers from extremely high transaction costs stemming from: missing, erroneous or incomplete legal documents; old and imprecise maps; difficulty or impossibility to contact owners (owners are deceased, absentee owners, their addresses are unknown, co-owners have legal conflicts among themselves, inheritance process is incomplete...); imperfect correspondence between land parcel information system used to distribute direct payments and cadastre registers to register land ownership. As a result, rental contracts to use land are incomplete in Slovakia. Some land plots are used by farms without a rental contract and some co-owners of land plot did not sign the rental contract with the farm. In some case majority of co-owners did not sign the contract.

The Act 504/2003 Coll deals with some problems at rental market but it does not solve them satisfactorily. According to the law if the land user who uses the land without the rental contract, proves that he/she proposed to conclude the rental contract and the land owner did not refuse to conclude the contract within two months from the day of receiving the proposal, it is assumed that the rental contract is established between the land user and the landlord for an indefinite period of time. This strongly favours current land users in accessing land. In such a case, the proper notice to terminate the contract is 1 year.

\textsuperscript{27}In accordance with art. 2 par. 1 letter n) of the Regulation (EU) No 1305/2013 of the European Parliament and of the Council, "young farmer" means a person who is no more than 40 years of age at the moment of submitting the application, possesses adequate occupational skills and competence and is setting up for the first time in an agricultural holding as head of that holding.

\textsuperscript{28}In accordance with art. 2 par. 2 Annex I of the Commission Regulation (EU) No 651/2014, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.

\textsuperscript{29}In accordance with art. 2 par. 3 Annex I of the Commission Regulation (EU) No 651/2014, a micro-enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

\textsuperscript{30}Special plant production is represented through cultivation of vineyards, hop-fields or orchards or cultivation of special crops such as vegetables, root crops, legumes, medical herbs, aromatic herbs, spice, poppy, hemp, amaranth, buckwheat, millet. Special animal production represents the stocking density of agricultural land from 0.4 livestock unit per hectare(details in the regulation of the government No. 416/2014).
Imperfections at land rental market are tolerated and status quo prevails if there are no conflicts created between owners themselves, or owners and users of land or between the users of land themselves. The conflicts often arise when new farmers, for example new young farmers, enter the business and they attempt to rent land or some farms attempt to expand.

The number of conflicts for land use increased when Slovakia adopted direct payments per area of agricultural land after accession to the Common Agricultural Policy of the European Union. Land conflicts are either solved by agreement or the legal system is used. The use of legal system to solve land conflicts takes significant amount of time which is a major problem for the growth of Slovak agricultural production.

The problem often arises with so called double declaration of land plots for direct payments. This is the case when two different farmers claim their right to use the particular land parcel. In such a case Paying agency refuses to pay direct payments to both farms, which could create significant problems for either both of them or at least one of them. Double claiming often arise within strategic behaviour of some farms to create costs for their competitor.

5.21 Finland

In 2019, total farm number was 46 800. The number of farms dropped by approximately 800 on the year 2018. The average utilized agricultural area of the farms was 49 hectares. A finish farm cultivates on average 17 different plots of land. Most farm holdings are family farms (86%). The average size of field plots in Finland was 2.37 hectares (Hiironen 2012).

The amount of leased land in Finland was approximately 777,000 ha, or about one third of the utilized agricultural area. The share of leased land increased between years 1990-2000 from 15% to 30% but has been steady since. 60% of farms cultivate some leased land. On livestock farms, field rental is more common: more than 80% of livestock farms cultivated some rented area.

Agricultural land transactions are regulated by the same legislation as all other property transactions. The spirit of regulations is relatively liberal, there are no restrictions related to who can buy or be owner of agricultural land. Foreigners and legal persons have equal rights to purchase land, except that an entity domiciled outside the territory of a Member State of the European Union or of a State belonging to the European Economic Area or a national of a Member State other than a Member State of the European Union or of a State of the European Economic Area, need to apply permission of transaction 2 months before the transaction. This law came in force in beginning of year 2020.

In any transaction the municipality has pre-emptive right. Though it is rarely used. Pre-emption rights can be used to acquire land for community construction, recreation and protection purposes. The state has preemptive right to purchase areas right next to state borders, military areas or other
special areas. These pre-emptive rights are only used exceptionally and are not per se related to agricultural land markets.

Land rentals, including plots for buildings etc., are regulated with “Land rental act” (Maanvuokralaki 29.4.1966/258). Agricultural land which does not have the buildings necessary for farming may be leased for a maximum period of 20 years for the main purpose of farming (§71). The rental contract must be done in writing and signed by the parties, except if the lease is for no more than two years, it may be agreed orally. The written contract must state when the contract period begins and when it ends. If not, the duration is the same as in the oral agreement, i.e. 2 years. The written contract must include all the terms of the lease. A term that is not written in the contract is void. The rent price must be agreed and written; however, it may be € 0. The termination terms in the contract are fully binding. A typical termination condition is a change of ownership that does not bind the new owner to the lease. If the termination condition has not been recorded, the change of land ownership will not affect the lease, but the rent must be paid into the account of the new owner. Tenancy agreements are inheritable.

Overall, natural persons and legal entities are free to buy or rent whatever they wish in terms of farm and forest land. Since legislation is relatively liberal, it is well followed in. Generational shifts are supported with tax relieves, which are binding for the successor and lost if land is further sold within 5 years. The biggest friction points are related to the rigidity of the arable land markets and the aging of farmers and landowners, which limits the availability of arable land to developing and expanding farms.

5.21 Sweden

According to the Swedish Farm Register, in the year 2016 there were around 63 000 agricultural holdings in Sweden.

Natural person, both domestic and foreign, face almost no restrictions when acquiring agricultural land in Sweden. However, in certain sparsely populated areas and redevelopment areas (omarronderingsområde) all natural and legal person (both domestic and legal) must, according to the Land Acquisition Act (Jordförvärvslag 1979:230), have permission to acquire agricultural land.

The Land Acquisition Act has two main purposes. First, it aims to promote employment and housing in sparsely populated areas. If a person acquires a property located in a sparsely populated area and this person does not intend to live on the purchased property or work in the locality, permission for the acquisition is not given. Second, to maintain the balance between natural and legal persons owning agricultural properties. In order to avoid legal persons overrunning natural persons on the agricultural land as well as forestry market, strict rules are in place that limit legal persons’ opportunities to buy land from natural persons.
In sparsely populated areas, a natural person (both domestic and foreign) does not have to apply for an acquisition permit in specific situations, e.g. if the person already owns part of the property or if the person has for at least one year been registered in a sparsely populated area in the municipality where the property is located. For a natural person to receive an acquisition permit in sparsely populated areas, the following conditions apply:

- the person plans to settle permanently on the acquired property within 12 months of acquisition (the person must proof this);
- if the person has not planned permanent residence on the property, it must instead show that the acquisition will permanently benefit local employment;
- when acquiring a property dominated by agricultural land, the land should be used by someone who lived nearby;
- when acquiring a property dominated by forest, the person must show that employment is imminent.

If these conditions are not met, the authorities can refuse a permit.

Legal persons (both domestic and foreign) are not required to apply for an acquisition permit when they acquire the property from a legal person other than the property of a deceased, and the property is not located in a sparsely populated or redevelopment area. However, legal persons (both domestic and foreign) are required to apply for an acquisition permit:

- when acquiring agricultural property, located in sparsely populated or redevelopment areas, from other legal persons;
- when acquiring agricultural property, regardless of area, from natural persons or deceased.

Legal persons may be granted an acquisition permit in sparsely populated areas, if for example:

- the buyer relinquishes, can be assumed to relinquish or during the five immediately preceding years has relinquished agricultural property either to a natural person, or to the state for nature conservation purposes. In such a case, the relinquished agricultural property must, in terms of production, roughly correspond to the property referred to in the acquisition;
- the property is intended for purposes other than agriculture and forestry. When doing this, it must be clear from the municipality’s (were the property is located) adopted land use plan or an equivalent planning document that the property may be used for the purpose stated in the application for an acquisition permit;
- the acquisition mainly concerns forest land and the buyer conducts industrial activities in the locality for which timber from the acquired property is needed;
- there are other special reasons. By this is simply meant a special reason that does not counteract the purpose of the Land Acquisition Act: to preserve the balance between different categories of owners and which is specific to this particular case.
The regulations imply that natural persons can relatively easily get permission to acquire land in sparsely populated areas, but this does not hold for legal persons. A government inquiry from 2014 emphasised that the current legislation means that it is difficult to acquire agricultural property for those who run an agricultural activity as legal entity. This legislation is also thought to effect the establishment of new businesses in rural areas (SOU, 2014). A government inquiry from 2015 stressed that current legislation has an inhibiting effect on the competitiveness of the agricultural sector. The law complicates the acquisition, exchange, transfer and sale of agricultural property and, in addition, gives rise to administrative work (SOU, 2015).

In the rental market, a distinction is made between ‘farm leases’ (gårdsarrende) and ‘side leases’ (sidoarrende). If an agricultural lease (jordbruksarrende) includes housing for the tenant, the lease is considered a ‘farm lease’. It is not compulsory for the tenant to live in the house. A such, a tenant can enter several farm leases simultaneously. Only natural persons (both domestic and foreign) can enter a farm lease. Thus, a legal person (both domestic and foreign) cannot enter a farm lease. The reason for this is that a legal person is not considered to be able to have a residence. In farm leases, provisions to protect the tenant (besittningsskydd) are included. Farm lease contracts are signed for a five year period.

Agricultural leases which are not farm leases are considered side leases. As stated above, a legal person can only enter side leases. In most side leases, no residential building is included. For side lease, there is no requirement for a minimum rental period.

Regulations regarding agricultural land rental are mainly intended to protect the tenant. One of the main legal provisions to protect the tenant is the so called ‘besittningsskydd’. According to this provision, a tenant is entitled to an automatic extension of the lease unless the landowner has good reasons not to extend the lease, e.g. if the landowner’s partner or children want to use the leased land. In side leases, provisions to protect the tenant (besittningsskydd) are not applicable when the contract covers a period of maximum one year. In the event a contract period exceeds one year, provisions to protect the tenant are included (Sveriges Domstolar, 2020c). Land tenancy is inheritable.

Rental agreements for agricultural land must under all circumstances be written (chapter 8, 3§, Jordabalk 1970:994). This means that no one can base any rights on an oral agreement. It is also important that the parties in a rental agreement have agreed upon a rental fee. If there is no rental fee, there is no official rental agreement. In such a case, neither party can invoke any rule of law in the Land Code (Jordabalk 1970:994). Even though rental agreements must be written, figures from the Swedish Board of Agriculture (Jordbruksverket) show that in 2018, 69% of the agricultural rental agreements in Sweden were in writing. If there is only an oral agreement, the rules and regulations (like besittningsskydd) are circumvented.

There are some procedures to be followed when a government agency wants to sell property. The agency must first consult with other government agencies to check whether it is deemed probable
that another agency may need the property. When a property can be sold, the government agency selling the property should first inform the municipality (prior notice) in which the property is located, to find out whether the municipality is interested in buying the property. In case the municipality is interested, it must prove why it is in need of the property. In all circumstances, the sale must take place on market terms.

6 Discussion

Agricultural land market regulations can have important implications on land markets by altering the costs and benefits of land market participants in accessing, using and transacting agricultural land. On the one side, extensive agricultural land market regulations might increase transactions costs to land market participants which can limit the reallocation of resources towards more efficient uses. On the other side, unregulated agricultural land markets might have adverse implications for the farming sector and broader rural areas. We take a closer look at such implications through the lens of this study’s results.

6.1 Measures to protect tenant

There are large differences in regulations that are implemented to protect tenants. This is linked to historical differences in how countries aimed to secure access to land for small farmers (Swinnen, 2002). Some countries stimulated owner-cultivation, while others enhanced rental rights of tenants. In the latter countries, more regulations to protect tenants are in place. Table 7 and Figure 13 illustrate that several measures to protect tenants are in place in for example Belgium, France, Spain and the Netherlands. However, extensive tenancy protection resulted in perverse effects (Swinnen et al., 2016). Land rental controls and regulations regarding contract duration enhanced tenure security. However, the regulations become so extensive that landlords were no longer willing to rent-out their land. Sales prices of free land were considerably higher than sales prices of land with a rental contract and land sales prices increased much more than land rental prices, so that renting-out land became less attractive. Also, young farmers were having difficulties to access land through rental markets, as automatic renewal regulations caused that land remained under control of the sitting tenant, even if s/he aged and was only farming the land extensively (sometimes while simultaneously receiving a retirement pension). These developments have led to changes (i.e. a relaxation) of tenancy regulations in some countries. For example, in the Netherlands the principle of liberalized tenancy contracts was introduced and is gaining popularity at the expense of the regulated contracts.

In countries that used to focus on self-ownership and have no to little measures to protect the tenant, land rental is becoming more important. For example in Denmark, there is no longer the
requirement for the owner to run the property him/herself. Also the requirement that the owner must live on the property is abolished. All this resulted in a considerable increase in rented land from 10% in the mid-1960s to 40% by 2020. In Ireland, long(er) term rental is stimulated through tax exemptions.

6.2 Measures to protect farm land owner

In some countries, owner-cultivation is strongly encouraged by the current regulations (e.g. in Hungary, Poland, Croatia and Romania; see Table 7 and Figure 13). Other countries might not have strict regulations regarding maximum sales price or maximum transacted area, but transactions need to be approved by local government bodies (e.g. in Germany and Austria). Sales refusal can e.g. occur for sales to non-farmers, if the price is unreasonably high, if sale promotes the formation or expansion of large estates, if land is not used for the intended purposes or to avoid fragmentation. Such approvals are mainly introduced to guarantee access to land by (small and medium size) farmers. Caution is needed to ensure that sales refusals, just as prior authorisations, do not lead to arbitrary use and decisions by authorities and one should assure it does not lead to discriminatory conduct. Also, sales refusal or prior authorisation of sales is preferred above annulment of the transfer afterwards as the latter would undermine legal certainty and result in insecure property rights. Pre-emptive rights that are given to (neighbouring) farmers are widespread. Such pre-emptive rights enhance access to land ownership by farmers and discourage land sales to investors who have no interest to farm the land or who have no connection to the region. At the same time, caution is needed as pre-emptive rights to (neighbouring) farmers might reduce fragmentation, but increase both ownership and use concentration among existing farmers. Nevertheless, pre-emption rights in favour of farmers could be considered a proportionate restriction on free movement of capital and is considered less restrictive than a prohibition of sales to non-farmers. The latter (prohibition of sales to non-farmers) might hold back inflow of capital in the agricultural sector (and potential associated productivity gains) and stimulate farmers to access land through sales (rather than through renting). This might put certain less wealthy farmers in a disadvantageous position because their own financial resources would be needed for acquiring land which leaves less resources for productive investments.

6.3 Measures to protect non-farm land owner

Measures listed in this category include regulations on minimum rental prices and maximum rental contract duration. These regulations could indeed favour the non-farm land owner who is ensured of a minimum revenue (from renting the land) and can more easily allocate the land to a more

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beneficial tenant. At the same time maximum tenancy duration could result in that land becomes more mobile (and remains less time under the control of a sitting, sometimes aging tenant), which could then favour access to land by new or expanding farmers.

In some countries where a lot of land is in state-ownership or where a lot of land is still owned by ‘not identified’ owners (e.g. in Croatia, Slovakia and Hungary), the measure regarding maximum tenancy duration rather ensures that land for rental purposes becomes more easily available for “other” farmers than the sitting tenant.

6.4 Measures to prevent fragmentation

Land fragmentation is an issue of concern in many countries. Not surprisingly, many countries take measures to prevent fragmentation. In some countries, there are absolute size limits below which a plot cannot be divided (e.g. in Bulgaria, Spain and Slovakia). In others, there are no absolute measures, but sale of a plot might be refused if it leads to unfavourable plot sizes (e.g. in Austria). While regulations to prevent fragmentation are often introduced from an efficiency point perspective, it can lead to imperfections in property rights which can result in suboptimal land allocations (both from an efficiency and equity point of view; see Vranken et al., 2011).

In many countries, co-owners have pre-emptive rights. This does not only limit fragmentation, but can also ease access to land for heirs that take over the farm. In some countries, co-heirs have pre-emptive rights as well.

6.5 Other measures

In almost half of the countries (e.g. in Bulgaria, Czech Republic, Estonia, Spain, Croatia, Latvia, Lithuania, Hungary, Romania, Slovenia and Slovakia), there are specific procedures regarding the sale of state-owned land. Such measures will mainly have an impact on land exchanges if a large amount of land is still in state ownership or in ownership of a government body. The strict procedures regarding the sale of state-owned land are often introduced with the purpose to ensure a level playing field for all interested buyers (and to avoid that some take advantage of privileged positions due to asymmetric information). At the same time, complex procedures might put certain buyers in an advantageous position (potential foreign buyers or those not farming or residing in the region might be at a disadvantage) which could result in less efficient outcomes (e.g. less inflow of capital, less transfer of risk to those who have a comparative advantage in risk management or less transfer of land to more efficient users).

Pre-emptive rights vary widely between countries and seem to be an important tool to steer land transactions. In many countries, the state (or a governmental organization) has pre-emptive rights (e.g. in Germany, France, Croatia, Latvia, Lithuania, Hungary, Poland, Romania, Slovenia and
Finland). As such they can steer who gets access to land. However, it seems that the execution of these pre-emptive rights differs considerably between countries.

Pre-emptive rights are also held by family relatives (e.g. in Czech Republic, Poland, Romania and Slovenia). This could have different purposes: land ownership remains in local ownership and cultural ties with the land are preserved, but also access to land for local farmers can be facilitated.

Pre-emptive rights are also given to adjacent land owners or neighbouring land owners (e.g. in Bulgaria, Estonia, Hungary and Poland). This could also serve different purposes: stimulate consolidation, but also ensure that land remains in local ownership.

Tax reliefs are regularly given if land is sold to family or when it is sold to keep it under active farming (e.g. in Ireland).

### 6.6 Comparison between EU Member States

Table 7 and Figure 11 provide for each country a simple summation of the measures that are in place (based on the information provided in tables A4.1 to A4.4 in Annex 4). They illustrate that land regulations differ widely across EU Member States. Some countries have heavily regulated land markets, such as Hungary, Poland, Croatia and Romania. In these countries measures that aim to protect the farm land owners are particularly widespread. Also in France, land exchange is strongly regulated, but the regulations mainly focus on protecting the tenant. Countries such as Belgium, the Netherlands, Spain and Austria have moderately regulated land markets and while regulations that protect the tenant are omnipresent. Other countries have quite a liberal land market approach, such as in Ireland, Denmark, Finland, Czech Republic and Italy. In several New Member States, like Croatia, Latvia, Lithuania, Hungary, Poland and Romania, there are several land market regulations that were not considered in the classification by Swinnen et al. (2014). These countries had for several years transitional restrictions on the acquisition of agricultural real estate (Swinnen and Vranken, 2009). These temporary measures have now been lifted (except for Croatia). Compared to land prices in the Old Member States, the prices in these countries are still relatively low (Eurostat, 2018), which feeds the fear that land will be bought by investors that are not interested to farm the land and/or foreign farmers. Regulations like pre-emptive rights for the State or public bodies as well as for family relatives may hold back land purchases by these non-local, non-farming investors.

Table 7: Summation of the number of measures per category (based on tables A4.1 to A4.4, Annex)
<table>
<thead>
<tr>
<th>Country</th>
<th>Protect tenant</th>
<th>Protect farm land owner</th>
<th>Protect non farm-land owner</th>
<th>prevent fragmentation</th>
<th>other measures</th>
<th>overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.25</td>
<td>5.25</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1.5</td>
<td>1.5</td>
<td>0.5</td>
<td>2</td>
<td>2.5</td>
<td>8</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>0.5</td>
<td>0</td>
<td>0</td>
<td>0.125</td>
<td>2.875</td>
<td>3.5</td>
</tr>
<tr>
<td>Denmark</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0.25</td>
<td>1.25</td>
</tr>
<tr>
<td>Germany</td>
<td>0.875</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1.25</td>
<td>4.125</td>
</tr>
<tr>
<td>Estonia</td>
<td>2</td>
<td>1.5</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>5.5</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.125</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.25</td>
<td>0.375</td>
</tr>
<tr>
<td>Spain</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>1.25</td>
<td>8.25</td>
</tr>
<tr>
<td>France</td>
<td>5</td>
<td>1.5</td>
<td>1.25</td>
<td>0</td>
<td>1.5</td>
<td>9.125</td>
</tr>
<tr>
<td>Croatia</td>
<td>1</td>
<td>5.5</td>
<td>1.5</td>
<td>0.5</td>
<td>3</td>
<td>11.5</td>
</tr>
<tr>
<td>Italy</td>
<td>1.125</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1.375</td>
<td>4.5</td>
</tr>
<tr>
<td>Latvia</td>
<td>2</td>
<td>1</td>
<td>0.5</td>
<td>0.5</td>
<td>4.75</td>
<td>8.75</td>
</tr>
<tr>
<td>Lithuania</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4.125</td>
<td>9.125</td>
</tr>
<tr>
<td>Hungary</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>1.25</td>
<td>4</td>
<td>14.25</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3.75</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1.5</td>
<td>5.25</td>
</tr>
<tr>
<td>Austria</td>
<td>3.125</td>
<td>2.5</td>
<td>0.125</td>
<td>0.5</td>
<td>1.5</td>
<td>7.75</td>
</tr>
<tr>
<td>Poland</td>
<td>1</td>
<td>5.5</td>
<td>0</td>
<td>0</td>
<td>6.25</td>
<td>12.75</td>
</tr>
<tr>
<td>Romania</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>3.25</td>
<td>11.25</td>
</tr>
<tr>
<td>Slovenia</td>
<td>2.5</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>8.5</td>
</tr>
<tr>
<td>Slovakia</td>
<td>3.5</td>
<td>0</td>
<td>1.125</td>
<td>2</td>
<td>2</td>
<td>8.625</td>
</tr>
<tr>
<td>Finland</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1.25</td>
<td>2.25</td>
</tr>
<tr>
<td>Sweden</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1.125</td>
<td>5.125</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46.00</strong></td>
<td><strong>35.00</strong></td>
<td><strong>10.88</strong></td>
<td><strong>13.88</strong></td>
<td><strong>49.25</strong></td>
<td><strong>155.00</strong></td>
</tr>
</tbody>
</table>

Figure 11. Total number of all land market measures in place, 22 MS, around 2020

<table>
<thead>
<tr>
<th></th>
<th>Max</th>
<th>Min</th>
<th>Avg</th>
<th>Median</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>14.25</td>
<td>0.38</td>
<td>7.05</td>
<td>7.88</td>
<td>0.05</td>
<td>-0.51</td>
</tr>
</tbody>
</table>
We collected information about 24 different measures regulating the land markets in 22 EU Member States (5 - tenant protection, 8 - farm land-owner protection, 2- non-farm land-owner protection, 2 - preventing fragmentation, and 7 - other measures). Hence, up to 24 measures could be in place in a single country. In reality (Fig. 11), the maximum implemented is 14.25 regulations. The median total number of all measures regulating land markets in all 22 MS is 7.88, and the average is about 7 measures, out of the range of min 0 to max 24 regulations. Bulgaria has the total score of 8 regulatory measures in place and is the closest to the median (yellow in Fig. 11).

Amongst the 11 countries with the relatively higher number of regulations in place (to the left of median in Fig. 11), only 2 countries (France and Spain) are old Member States and 9 are new Member States. The pattern is opposite amongst the 11 countries with the relatively lower number of measurers exercised (to the right of median): only 2 are new MS (Estonia and Czech Republic) and the remaining 9 are old MS.

The country with the highest score is Hungary (max score of 14.25). Poland, Croatia and Romania are also characterized by a high number of measures regulating their land markets as they score 12.75, 11.5 and 11.25 points. France and Lithuania have about 9 measures in place. In all these countries a multitude of measures are implemented, steering the land markets but also potentially creating challenges for the agents (farmers, firms, others) operating on the markets.

Three countries, Ireland, Denmark, and Finland, have just a few regulations (scores 0.375, 1.25, 2.25). So, the land markets in these countries are very liberal. Seven other countries exercise less than six regulations, including Estonia, Belgium, Netherlands, Sweden, Italy, Germany, and the Czech Republic. Their level of regulations is reasonably low as well.

Figure 12. Distribution of countries on the total number of measures regulating land markets

The distribution of the 22 EU countries on the total number of land market regulations in place is characterized by a concentration of countries (13 out of 22) around the total number of regulations.
between 3.1 to 9 (see Fig. 12). As the far right end of the scale is 24 regulations, the distribution must be seen as a left asymmetry and the interval of 3.1 to 6 as its peak. This finding is consistent with similar distributions for the main groups of regulations (tenant protection, farm and non-farm land-owner protection, preventing land fragmentation and other measures) presented in section 4 (Figs. 2, 4, 6, 8, and 10).

Figure 13: Total number of measures per category (based on tables A4.1 to A4.4 in Annex)

In the following charts included in this section we illustrate that countries vary in the way they exercise their land market regulations. The picture of regularities identified for the 22 countries jointly in Figure 11 is not closely resembled by each country. The differences are especially striking if all regulations implemented are looked at for all countries at once (Fig. 13).

Some more charts included below (Figures 14, 15 and 16) confirm that a variety of situations are in place in the 22 Member States studied here. In all the charts below, countries are sorted in the exactly same way (as in Fig. 11) to make it easier to evaluate the variety of situations, i.e. in the descending order on the total number of regulations for all measures in all 22 Member States. The sorting makes it possible to more easily compare the results shown in the different charts.
Figure 11 shows the country scores on all measures for all 22 MS, sorted descending. Figure 14 complements Figure 11 by showing country scores for each main group of regulations (tenant protection, farm and non-farm land-owner protection, preventing land fragmentation and other measures). Countries are sorted in the same order as in Fig. 11. The pattern seen in Figure 11 does not correspond one-to-one to the patterns for the groups of measures. This means that the same countries have different amounts of regulations in place in each main group of measures.
Figure 15. Distribution of the total score for all measures by groups of measures: All 22 MS

Figure 16. Distribution of the total score for all measures by groups of measures: Some countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Protect Tenant</th>
<th>Protect Farm Land-Owner</th>
<th>Protect Non Farm Land Owner</th>
<th>Prevent Fragmentation</th>
<th>Other Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUNGARY</td>
<td>14%</td>
<td>43%</td>
<td>0%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>POLAND</td>
<td>8%</td>
<td>43%</td>
<td>0%</td>
<td>0%</td>
<td>49%</td>
</tr>
<tr>
<td>CROATIA</td>
<td>3%</td>
<td>27%</td>
<td>9%</td>
<td>9%</td>
<td>48%</td>
</tr>
<tr>
<td>ROMANIA</td>
<td>23%</td>
<td>27%</td>
<td>9%</td>
<td>9%</td>
<td>48%</td>
</tr>
</tbody>
</table>
Figure 15 illustrates the percentage distribution of the total number of all measures in place in all 22 countries jointly by main groups of measures (tenant protection, farm and non-farm land-owner protection, preventing land fragmentation and other measures). It shows that the two groups with the largest contributions are protection of the tenant (30%) and other measures (32%). The second biggest group relates to protection of the farm land-owner (23%).

Figure 16 illustrates the same percentage distribution in some selected countries. The eight country-specific charts included in Figure 16 are examples of how the same distribution looks like in the eight biggest contributors to the 22 EU total: Hungary, Poland, Croatia, Romania, (each between 7 to 9% share in the overall total score for all 22 MS) and France, Lithuania, Latvia and Slovakia (each with 6% share in the total score for all measures in all MS). Notably, seven out of the eight biggest contributors are the new Member States; France is the only old Member State.

The highest shares of tenant protection measures are seen for France (55%) and Slovakia (41%), both considerably higher than the 30% share of tenant protection measures for all 22 Member States jointly (Fig. 15). The highest shares of farm land-owner regulations are in Hungary (42%), Poland (43%), and Croatia (48%), while the same share for all 22 MS is 23% only. The measures protecting the non-farm land-owner are most frequent in Croatia (13%), France (12%), and Slovakia (13%), and are more prominent than the same share in all 22 Member States jointly (7% only). Preventing land fragmentation is very strongly addressed in Slovakia (23% versus 9% for all 22 MS). Finally, the highest shares of other measures are seen for Poland (49%), Lithuania...
(45%), and Latvia (54%), and are far higher than the share of other measures for all 22 MS jointly (32%). The latter observation calls for inspecting this group of measures more in depth in order to learn more about the effects and importance of these “other” regulations onto the land markets.

Figure 17. Distribution of the total score for all measures by groups of measures: Some old MS

The country specific charts are thus all different distributions compared with the overall 22 EU total, except perhaps for Romania which is rather similar to the 22 EU. Also, the regulations exercised in old Member States more strongly address different groups of measures than the new MS. The example of Belgium and the Netherlands in Fig. 17, (each has a small 3% share in the overall score for all 22 MS), confirms that in these two old Member States mainly the regulations protecting the tenant are in place, together with some other regulations. Not all old MS follow, however, this exact pattern; some old MS additionally prevent land fragmentation, and some protect the land-owner cultivator. The overall finding substantiates the conclusion that the group contributions of land market regulations exercised in the 22 countries vary by country and in some extent also by new and old Member States; the contributions of individual measures might show even more variation. This calls for investigating the efficiency of the regulations in achieving the transition towards and goals of the Green Deal strategy of the European Union in the Member States. It would be useful to know which sets of regulations are more and which are less supportive to achieving these goals.

7 Conclusions

This report is the final outcome of the project entitled: “Agricultural land market regulations in the EU Member States in 2020”, funded by the European Commission. It was completed by a team of WEcR, KU Leuven and 22 country experts and associates. The overall objective of this project was to collect data and information on agricultural land market regulations in different Member States that aims to update and improve the land regulation indicator developed by Swinnen et al. (2014), based on input from agricultural land market experts, the latest available
documentation (e.g. MS legislation, official documents, academic literature), and taking into consideration relevant theoretical and empirical developments in the area of agricultural land markets analysis, with a special focus on the EU.

The study resulted in providing reliable and up-to-date data and information on agricultural land market regulations in 22 Member States. The latest legislation adopted across the countries studied was the main foundation for this study and reporting. The final product comprises a cross-country comparative report and an addendum with 22 individual country reports. The coverage of the study includes the “old” agricultural land market regulations studied previously in Swinnen et al. (2014), and also a group of “new” agricultural land market regulations, added under the initial heading “other measures”.

The “old” agricultural land market regulations relate to several groups: protection of the tenant, protection of the land owner (cultivator and non-cultivator), and measures preventing land fragmentation. They include the following regulations:

- **M1: Measures to protect the tenant**: minimum rental contract duration, maximum rental price, automatic rental contract renewal, conditions for rental contract termination, and tenants’ pre-emptive rights.

- **M2: Measures to protect the farm landowner**: restrictions legal form buyer, restrictions nationality buyer for legal entities and natural persons, restrictions residence buyer, restrictions experience buyer, minimum sales price, pre-emptive right (neighbouring) farmer and maximum transacted/owned area.

- **M3: Measures to protect the non-farm landowner**: minimum rental price and maximum duration of a rental contract.

- **M4: Measures to prevent land fragmentation**: lower plot size limit and regulations on pre-emption buying rights of the co-owner.

The “new” agricultural land market regulations group (**M5: “Other measures”**) comprises:

- requirement for publication of sale offers, formal procedures for sale of public land, “share deals” approvals, pre-emptive right for State/Public bodies, pre-emptive rights for family relatives, (temporary) moratorium to transfer ownership after acquisition, and (temporary) moratorium to sell public land. Several measures from this group can and should be interpreted together with other groups, e.g. protecting the land owner-cultivator or preventing land fragmentation.

Some of the “old” and “new” agricultural land market regulation measures might be of particular interest as they overlap largely with the measures discussed in the Commission’s Communication C350.5, including: prior administrative approval of land market transactions, requirements that the acquirer of agricultural land farms the land himself, holds qualifications in farming and has been residing or doing business in the given country, pre-emptive rights.

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favouring tenants, neighbouring farmers or locals and, finally, prohibiting selling to legal persons.\(^{34}\)

The above mentioned measures were included in the recent amendments to the legislation in Hungary, Slovakia, Latvia, Lithuania, Bulgaria and Romania, and coincided with the end of the transitional periods during which the Accession Treaties allowed to restrict EU investors from buying agricultural land in these countries. The new legislation filled a gap, which was no more justified by the EU law. In this context, the Commission expressed concerns that some of the new laws’ provisions infringe fundamental EU principles, such as the free movement of capital and non-discrimination on the ground of nationality. In the Commission's view the new laws discriminate, through their practical effects, against nationals from other EU countries or impose other disproportionate restrictions that could negatively affect investments.\(^{35}\)

The matter is complex, however, as under the EU law, the definition and implementation of land market regulations by EU Member States can take into account multiple agricultural policy objectives that justify restrictions on fundamental freedoms. The objectives need to be clearly set-out and the instruments proposed need to be proportionate to the objectives and not discriminatory.\(^{36}\) The assessment of proportionality and non-discriminatory character of land market regulations requires, thus, a good knowledge of practical effects of the regulations in place and, due to differences in interpretations of these effects, often involves interventions of a court of law, such as those provided in the recent past by the Court of Justice of the European Union.\(^{37}\)

Whereas we are not in the position to make any statements about whether or not any freedoms or rights of the European Union were violated through the regulations concerned, our study shows that a number of regulations highlighted in C350.5 as possibly violating the free movement of capital and discriminating on the ground of nationality are currently still in place in several countries. The overview of these measures and countries which implement the measures can be found from the summary Tables 2 to 5 in our report and become a starting point for a further exploration of the issue.

Our study was focused on providing data and information on land market regulations currently exercised in the EU Member States and thus provided multiple outcomes in this area including:

- An overview of the number and type of agricultural land market regulations implemented in each of the 22 MS studied. (Section 4 “Results”, esp. Summary Tables 2 to 5 and the related discussion).

- A comparison of the number and type of the regulations in place across the 22 MS. Hence it allows to assess the character and, to some extent, the strength of the regulatory approach applied in the 22 countries. (Section 6 “Discussion”, esp. Sub-section 6.6 “Comparison between EU Member States”).

- Further, allows to compare the regulatory profiles country by country, with a particular focus on old and new Member States. (Section 6 “Discussion”, esp. statistical part of Sub-section 6.6 “Comparison between EU Member States”; see as well Annex 5. “Regulatory Profiles by Country”).

- The above enables an initial assessment of the agricultural land market situation in the 22 countries studied and comparing the countries with each other.

- Next, the report includes detailed (highly standardized) country reports on the agricultural land market regulations implemented by the 22 MS studied as of mid-2020 (see Section 5 “Country-level qualitative description of land market regulations” and the Addendum – for full country reports). These reports are a rich source of the latest information about the agricultural land market in EU in general, the latest trends and shifts in utilizing the agricultural land, and about some broader context for the measures taken by the countries to regulate the functioning of their agricultural land markets.

The main conclusions of our study are summarized below. In addition to this, the summary report and the individual country reports also offer a solid foundation for a further investigation of agricultural land market regulations in the European Union.

Large differences in agricultural land market regulations exist among countries. Institutional, economic and political factors have had an impact on how farmers are accessing land (rental versus ownership-cultivation) and the regulations that are in place (Swinnen, 2002; Swinnen et al., 2016). These historical factors resulted in different land market developments so that there is no ‘one size fits all’ set of regulations that is optimal for all countries. While some countries have heavily regulated markets (e.g. Hungary, Poland, Croatia and Romania), other countries have a very liberal approach to land markets (e.g. Ireland, Denmark, Finland and Czech Republic).

Some countries, such as Belgium, France and the Netherlands, have very strict tenancy regulations. In these countries, many farmers are accessing land through rental markets. However, too extensive regulations had some perverse effects (Swinnen et al., 2016) and, hence, countries with strict tenancy laws are or have been loosening these tenancy regulations. Also in Slovakia, quite some tenancy regulations can be found, but the power relations are quite different from those in Belgium, Netherland and France. Slovakian agriculture is characterised by large corporate organisations that are renting in from numerous small, often absent land owners. Regulations protecting the tenant might in such circumstances rather favour (or consolidate) large scale farms. In some countries that used to focus on ownership-cultivation (e.g. Denmark), tenancy is getting more important and longer term leases are being encouraged, while obligations for owners to run
the property themselves or to live on the property are abolished. It is recognized that land rental can have important benefits: accessing land through rental markets does not require that resources are locked-in land and leaves more liquidity for productive investments that are getting more and more important in modern agriculture. Tax exemptions are sometimes introduced to steer transactions, e.g. to stimulate long term lease or to ensure that land remains under active farming. Hence, not only land regulations but also surrounding (fiscal) policies have an impact on land exchange.

Countries with heavily regulated land markets can mainly be found among the New Member States (with the exception of the Czech Republic). In Hungary, Poland, Croatia and Romania, many regulations exist to protect the farm land owner. In Croatia, some (temporary) restrictions regarding land acquisition by foreign owners are in place. These temporary restrictions have been lifted in other New Member States, but there are other regulations in place that favour ownership by farmers, particularly small and medium scale farmers. For example, in Poland and Hungary legal entities cannot own land. In Hungary, there is a restriction on the size of the transacted area. Not only in Croatia, Hungary, Poland and Romania, but also in Slovenia acquisition of land is subject to the condition of agricultural experience by the acquirer. However, such requirement is not per se needed to ensure that land remains in agriculture or is properly farmed. Alternatively, non-farmers could be allowed to buy land on the condition to keep land in agricultural use or on the condition that it is farmed properly (either by him/herself or by a tenant). Pre-emptive rights are given to neighbouring farmers in several New Member States (e.g. Bulgaria, Lithuania, Hungary, Romania and Slovenia) as well as old Member States (e.g. Italy and Austria) or to adjacent land owners (e.g. Estonia and Spain). In some countries, residence requirements are introduced (e.g. in Bulgaria Croatia, Poland and Romania). Such regulations protect the farm land owner, but also discourage sales to investors not active in agriculture or non-locals. At the same time, pre-emptive rights for neighbouring farmers might stimulate concentration of land among existing farmers and particularly large farms as they might have more resources at their disposal to access land through sales.

In many New Member States one can find regulations categorized under “Other measures” as they were not included in the study by Swinnen et al (2014). The “Other measures” category typically includes regulations that were introduced to limit excessive concentration or limit speculation by investors not actively involved in agriculture and/or foreign investors. It includes requirements regarding the publication of sales offers and sale of state land. Both could increase transparency, but can also make the sales process more complex and (dis)advantage certain groups. Pre-emptive rights are an important tool to steer the land market. In some countries, they are given to tenants and neighbouring farmers which can protect tenants and stimulate ownership-cultivation. In other countries, they are given to adjacent land owners which can reduce land ownership fragmentation and stimulate land consolidation. However, depending on the local land ownership structure, pre-emptive rights for adjacent land owners might also favour land consolidation among more wealthy, less capital constrained farmers. Consolidation in land use through rental might in such
circumstances be a preferential way to realize efficiency gains without favouring more capital endowed farms. Pre-emptive rights for adjacent land owners can also ensure that land remains in local ownership and that there is a local connection with the commune. If pre-emptive rights are given to family members, land remains in local ownership and cultural ties with the land are preserved, while sales to non-local acquirers are discouraged. Also regulations, such as pre-emptive rights for the State or public bodies, may hold back land purchases by non-local, non-farming investors and can be an important way to intervene in the land market.

Regulations on minimum rental prices and maximum rental contract duration can protect non-farm owners and can be found in Old and New Member States. However, in New Members States, these regulations pertain mostly to the rental of state land. If large amounts of land are still publicly owned, procedures for sales and rental of public land can be an important tool to intervene in the market. This can occur, for example, by setting a maximum duration or a minimum rental price for rental of state land so that land does not remain locked among sitting tenants (which are sometimes large corporations with a dominant, advantageous position at the time the rental contracts were agreed) In such circumstances, the regulations rather favour new entrants or expanding farmers. Land fragmentation is an issue in many countries. Not surprisingly, many countries take measures to prevent fragmentation. If co-owners have pre-emptive rights, than this does not only limit fragmentation, but can also ease access to land for heirs that take over the farm. However, caution is needed. If measures, such as restrictions on minimum plot size, lead to imperfect property rights, than the overall effect might be less positive (Vranken et al., 2014).

Future research should focus on collecting information about countries that have not been included in this study. Also filling gaps in the existing knowledge is needed. A research into the satisfaction around land markets transactions and efficiency of the land market regulations in achieving the goals of the new CAP, as part of the Green Deal strategy of the European Union, would be valuable. In this context, knowing which sets of regulations are more and which are less supportive to achieving these goals could be one of the priorities.

Second, our assessment of the practice of implementation of the land market regulations in the European Union is limited. In this study we based it on interviews with country experts, but a broader, systematic approach would be more reliable and much more informative. This could entail a topical survey amongst participants of land market transactions represented by farmers themselves, especially young farmers, farmers organizations, agriculture sections of the chambers of commerce, and other organizations and individuals involved in the transactions and in the process of implementation.

Further, improvements in the methodology could be addressed. One should take into consideration that the authors used their own judgment to construct the numerical scales presented in the tables A4.1 to A4.4 based on the interviews and survey. Hence, when using
these scales to construct a land regulation index, a triangulation with other experts might be useful. Next, to build a comprehensive land regulation index, one should go further than a mere augmentation of the measures considered in this study. Additional measures and different aggregation procedures could be considered (e.g. using different weighting factors). Finally, when constructing such an index, one could incorporate the level of how strictly the regulations are enforced. The latter could be captured by the weighting factors based on additional information not available at present, or through a kind of enforcement or implementation assessment that feeds into the index.

8 References

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Annex 1: Country expert questionnaire

Country Questionnaire for the study on “Agricultural land market regulations in the EU Member States”

Dear expert,

Thank you very much for taking the time to fill in the questionnaire below.

It is a lengthy questionnaire in which we prompt to specify agricultural land market restrictions, and in which we explicitly ask for restrictions according to the type of owner, buyer or seller. It is unlikely that all restrictions apply in every country and often the restrictions do not differ according to the type of owner, seller or buyer. Therefore, rest assured, you probably will not have to answer all sections or questions. Appropriate “skip” and “go to” instructions are included to ensure a smooth response flow.

If any relevant information is not asked in the questionnaire, please do not hesitate to insert this information at any point. Such insertions are also welcomed if you feel that the pre-defined responses are not appropriate or too restrictive for the country or a part of it, or if the pre-defined answers do not allow for sufficient nuance. We often provide the response option “Other”, which is to be used for any additional and/or more detailed information. The option “Other” can also be chosen if restrictions only sometimes hold. You can then further specify under which circumstances they do.

In the Land Ownership modules, we explicitly provide the option to indicate whether there is a difference between farmers (farming legal entities) and non-farmers (non-farming legal entities). This option was not provided in the other modules. However, if there is also a difference between farmers and non-farmers when it comes to land sales or rental transactions or restrictions, then please always specify this accordingly in the concerned question/answer.

The questionnaire enquires for general restrictions. If there are exceptions for certain regions that have more autonomy (e.g. South Tirol in Italy or Baden-Württemberg in Germany), please indicate this in the concerned question and add examples of regions for which the restrictions deviate.

Kind regards,

Liesbet, Ewa and Peter
ossary
The terms “land” and “agricultural land” are used interchangeably. They both relate to agricultural land.
The term “Foreign legal person” refers to a legal entity that does not have its headquarters in the country or a legal entity of which the majority of the shares are owned by non-citizens of the country.
The term “Domestic legal person” refers to a legal entity that has its headquarters in the country or a legal entity of which the majority of the shares are owned by citizens of the country.
The term “land register” refers to the office where information relating to real estate is registered and becomes public.
The term “land cadaster” refers to an institution with a main role to conduct land surveys (land mapping), provide cadastral data as well as legal information relating to real estate.
If the land register and cadaster are integrated in your country, please mention this under Q145 and Q147

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Land rental transactions ........................................................................................... 115
Country: ... 
Country Expert(s): ... 
Date: ... 

Please give the precise reference to the legislation(s) that stipulate(s) land market regulations: 
...............................................................................................................................................................
...

Land Ownership by domestic natural person

1. Is there a restriction on the amount of land that can be owned by a domestic natural person?
   - Yes, for both farmers and non-farmers
   - Yes, but only for non-farmers
   - Yes, but only for farmers
   - No (go to q12)
   - Other (go to q12)

2. If ‘Yes’ or ‘Other’, please describe the restriction (and if applicable how it differs between farmers and non-farmers):
   ...

3. Does the amount of agricultural land that a domestic natural person is allowed to own, depend on the quality of the land?
   - Yes for both farmers and non-farmers
   - Yes, but only for non-farmers
   - Yes, but only for farmers
   - No (go to q5)
   - Other (go to q5)

4. If ‘Yes’ or ‘Other’, please describe for each quality class the amount of land that can be owned by a domestic natural person (and if applicable how it differs between farmers and non-farmers).
   - Quality 1: ...
   - Quality 2: ...
   - Quality n: ...

- Quality 1: ...
- Quality 2: ...
- Quality n: ...
5. Does the amount of agricultural land that a domestic natural person is allowed to own, depend on the destination (arable/pasture/…) of the land?
☐ Yes for both farmers and non-farmers
☐ Yes, but only for non-farmers
☐ Yes, but only for farmers
☐ No (go to q9)
☐ Other (go to q9)
☐ Don’t know

6. What is the maximum amount of arable land that can be owned by a domestic natural person? If the maximum amount differs for farmers and non-farmers, please describe.

7. What is the maximum amount of grassland/pasture that can be owned by a domestic natural person? If the maximum amount differs for farmers and non-farmers, please describe.

8. Are there maximum restrictions on ownership by domestic natural persons for other agricultural land categories? If the maximum amount differs for farmers and non-farmers, please describe.
☐ Yes Please specify the maximum amount for each other land category:
- Category 1: ...
- Category 2: ...
...  
- Category n: ...
☐ No  
☐ Don’t know

9. Does the amount of land that a domestic natural person is allowed to own depend on the region where the land is located? (E.g. proximity to national borders, cities, etc.)
☐ Yes for both farmers and non-farmers
☐ Yes, but only for non-farmers
☐ Yes, but only for farmers
☐ No (go to q11)
☐ Other (go to q11)
☐ Don’t know
10. If ‘Yes’ or ‘Other’, please describe for each region the amount of land that can be owned by a domestic natural person (and if applicable how it differs between farmers and non-farmers).
   - Region X: ...
   - Region Y: ...
   ...
   - Region Z: ...

11. If ‘No’, what amount of land can be owned by a domestic natural person? (irrespective of the quality, destination, location)

12. Does a central, regional or local government (body) need to approve agricultural land ownership by a domestic natural person?
   - Yes for both farmers and non-farmers
   - Yes, but only for non-farmers
   - Yes, but only for farmers
   - No (go to q14)
   - Other
   - Don’t know (go to q14)

13. If ‘Yes’ or ‘Other’, specify the approval procedure and rules to get approval (and if applicable how it differs between farmers and non-farmers).
   ...

...
Land ownership by foreign natural person

14. Is there a restriction on the amount of land that can be owned by a foreign natural?
☐ Yes, restrictions apply to all EU and non-EU citizens
☐ Yes, restrictions apply but only to non-farming EU and non-EU citizens
☐ Yes, restrictions apply but only to farming EU and non-EU citizens
☐ No
☐ Other
☐ Don’t know

goto q26

15. Do foreign natural EU citizens face other restrictions than domestic natural persons?
☐ Yes
☐ No
☐ Other
☐ Don’t know

goto q26

16. Do foreign natural NON-EU citizens face other restrictions than domestic natural persons?
☐ Yes
☐ No
☐ Other
☐ Don’t know

If you answered “No” to both q15 and q16, then go to q26.

17. Does the amount of agricultural land that a foreign natural person is allowed to own, depend on the quality of the land?
☐ Yes, for all foreign EU and non-EU citizens
☐ Yes, but only for foreign non-farming EU and non-EU citizens
☐ Yes, but only for foreign farming EU and non-EU citizens
☐ Yes, only for foreign EU citizens
☐ Yes, only for foreign non-farming EU citizens
☐ Yes, only for foreign farming EU citizens
☐ No
☐ Don’t know

go to q19
18. If ‘Yes’ or ‘Other’, please describe for each quality class the amount of land that can be owned by a foreign natural person and if applicable how this differs with (non-) EU citizenship, and how it differs between farmers and non-farmers.
   - Quality 1: ...
   - Quality 2: ...
   - Quality n: ...

19. Does the amount of agricultural land that a foreign natural person is allowed to own, depend on the destination (arable/pasture/forest/…) of the land?
   □ Yes, for foreign EU and non-EU citizens
   □ Yes, but only for foreign non-farming EU and non-EU citizens
   □ Yes, but only for foreign farming EU and non-EU citizens
   □ Yes, only for foreign EU citizens
   □ Yes, but only for foreign non-farming EU citizens
   □ Yes, but only for foreign farming EU citizens
   □ Yes, only non-EU citizens
   □ Yes, but only for foreign non-farming non-EU citizens
   □ Yes, but only for foreign farming non-EU citizens
   □ Yes, only non-EU citizens
   □ No (go to q23)
   □ Don’t know (go to q23)

20. What is the maximum amount of arable land that can be owned by a foreign natural person? If there is a difference between EU and non-EU citizens and/or between farmers and non-farmers please specify.
   ...

21. What is the maximum amount of grassland/pasture that can be owned by a foreign natural person? If there is a difference between EU and non-EU citizens and/or between farmers and non-farmers, please specify.
   ...

22. Are there maximum restrictions on the amount of land that can be owned by a foreign natural person for other land categories? If there is a difference between EU and non-EU citizens and/or between farmers and non-farmers, please specify.
   □ Yes Please specify the maximum amount for each other land category:
   
   EU citizens non-EU citizens
   - Category 1: ...
   - Category 2: ...
   ...
   - Category n: ...
   □ No
   □ Don’t know

23. Does the amount of land that a foreign natural person is allowed to own, depend on the region where the land is located? (E.g. proximity to national borders, cities, etc.)
☐ Yes, for foreign EU and non-EU citizens
☐ Yes, but only for foreign non-farming EU and non-EU citizens
☐ No (go to q25)
☐ Don’t know

☐ Yes, only for foreign EU citizens
☐ Yes, but only for foreign non-farming EU citizens
☐ Yes, but only for foreign farming EU and non-EU citizens
☐ Yes, only for foreign non-farming non-EU citizens
☐ Yes, only for foreign farming EU citizens
☐ Yes, but only for foreign non-farming EU citizens
☐ Yes, but only for foreign farming EU and non-EU citizens
☐ Yes, but only for foreign farming non-EU citizens

24. If ‘Yes’ or ‘Other’, please describe for each region the amount of land that can be owned by a foreign natural person and if applicable how this differs with (non-) EU citizenship, and how it differs between farmers and non-farmers.
- Region X: ...
- Region Y: ...
- Region Z: ...

25. If ‘No’, what amount of land can be owned by a foreign natural person (irrespective of the quality, destination, location)? ...

26. Does a central, regional or local government (body) need to approve agricultural land ownership by a foreign natural person?
☐ Yes, for foreign EU and non-EU citizens
☐ Yes, but only for foreign non-farming EU and non-EU citizens
☐ No (go to q28)
☐ Don’t know

☐ Yes, only for foreign EU citizens
☐ Yes, but only for foreign non-farming EU citizens
☐ Yes, but only for foreign farming EU and non-EU citizens
☐ Yes, only for foreign non-farming non-EU citizens
☐ Yes, only for foreign farming EU citizens
☐ Yes, but only for foreign non-farming EU citizens
☐ Yes, but only for foreign farming EU and non-EU citizens
☐ Yes, but only for foreign farming non-EU citizens

27. If ‘Yes’, specify the approval procedure and rules to get approval. If there is a difference between EU and non-EU citizens and/or between farmers and non-farmers, please specify.
...
Land ownership by domestic legal person

28. Is there a restriction on the amount of land that can be owned by a domestic legal person?
☐ Yes, for both farming and non-farming legal entities
☐ Yes, but only for non-farming legal entities
☐ Yes, but only for farming legal entities
☐ No (go to q39)
☐ Other
☐ Don’t know

29. If ‘Yes’, do domestic legal persons face other restrictions than domestic natural persons?
☐ Yes
☐ No (go to q39)
☐ Other
☐ Don’t know

30. Does the amount of agricultural land that a domestic legal person allows to own depend on the quality of the land?
☐ Yes, for both farming and non-farming legal entities
☐ Yes, but only for non-farming legal entities
☐ Yes, but only for farming legal entities
☐ No (go to q32)
☐ Other
☐ Don’t know

31. If ‘Yes’ or ‘Other’, please describe for each quality class the amount of land that can be owned by a domestic legal person (and if applicable how it differs between farmers and non-farmers).
...

32. Does the amount of agricultural land that a domestic legal person allows to own depend on the destination (arable/pasture/forest/…) of the land?
☐ Yes, for both farming and non-farming legal entities
☐ Yes, but only for non-farming legal entities
☐ Yes, but only for farming legal entities
☐ No (go to q36)
☐ Other
☐ Don’t know

33. What is the maximum amount of arable land that can be owned by a domestic legal person? If there is a difference between farming and non-farming legal entities, please specify.
...


34. What is the maximum amount of grassland/pasture that can be owned by a domestic legal person? If there is a difference between farming and non-farming legal entities, please specify.

... 

35. Are there maximum restrictions on the amount that can be owned by a domestic legal person for other land categories?
☐ Yes
Please specify the maximum amount for each other category: ...
- Category 1: ...
- Category 2: ...
...
- Category n: 
☐ No ☐ Don’t know

36. Does the amount of land that a domestic legal person allows to own depend on the region where the land is located? (E.g. proximity to national borders, cities, etc.)
☐ Yes, for both farming and non-farming legal entities
☐ Yes, but only for non-farming legal entities
☐ Yes, but only for farming legal entities
☐ No (go to q38) ☐ Other ☐ Don’t know

37. If ‘Yes’ or ‘Other’, please describe for each region the amount of land that can be owned by a domestic legal person (and if applicable how it differs between farming and non-farming legal entities).

...

38. If ‘No’, what amount can be owned by a domestic legal person (irrespective of the quality, destination, location)?

...

39. Does a central, regional or local government (body) need to approve agricultural land ownership by a domestic legal person?
☐ Yes, for both farming and non-farming legal entities
☐ Yes, but only for non-farming legal entities
☐ Yes, but only for farming legal entities
☐ No (go to q41) ☐ Other ☐ Don’t know

40. If ‘Yes’, specify the approval procedure and rules to get approval (and if applicable how it differs between farming and non-farming legal entities).

...
Land ownership by foreign legal person

41. Is there a restriction on the amount of land that can be owned by a foreign legal person?
☐ Yes, for all EU and non-EU legal entities
☐ Yes, but only for non-farming EU and non-EU legal entities
☐ Yes, but only for farming EU and non-EU legal entities
☐ Yes, only for EU legal entities
☐ Yes, but only for non-farming EU legal entities
☐ Yes, but only for farming EU legal entities
☐ No (go to q53)
☐ Don’t know (go to q53)

42. Do foreign, but EU legal persons face other restrictions than domestic legal persons?
☐ Yes
☐ No
☐ Other
☐ Don’t know

43. If ‘Yes’, do foreign NON EU legal persons face other restrictions than domestic legal persons?
☐ Yes
☐ No
☐ Other
☐ Don’t know

If you answered no on both q42 and q43, go to q53

44. Does the amount of agricultural land that a foreign legal person allows to own depend on the quality of the land?
☐ Yes, for all foreign EU and non-EU legal entities
☐ Yes, but only for non-farming EU and non-EU legal entities
☐ Yes, but only for farming EU and non-EU legal entities
☐ Yes, only for foreign EU legal entities
☐ Yes, but only for non-farming EU legal entities
☐ Yes, but only for farming EU legal entities
☐ No (go to q46)
☐ Don’t know

45. If ‘Yes’, please describe for each quality class the amount of land that can be owned by a foreign legal person. If there is a difference between EU and non-EU legal persons and/or farming and non-farming legal entities, please specify.

...
☐ Yes, for foreign EU and non EU legal entities
☐ Yes, but only for non-farming EU and non-EU legal entities
☐ Yes, but only for farming EU and non-EU legal entities
☐ No (go to q50)  ☐ Don’t know

☐ Yes, only for foreign non EU legal entities
☐ Yes, but only for non-farming EU and non-EU legal entities
☐ Yes, but only for farming EU and non-EU legal entities

47. What is the maximum amount of arable land that can be owned by a foreign legal person? If there is a difference between EU and non-EU legal persons and/or farming and non-farming legal entities, please specify.

...  

48. What is the maximum amount of grassland/pasture that can be owned by a foreign legal person? If there is a difference between EU and non-EU legal persons and/or farming and non-farming legal entities, please specify.

...

49. Are there maximum restrictions on the amount that can be owned by a foreign legal person for other land categories?
☐ Yes
Please specify the maximum amount for each other category and whether there are differences for EU and non EU legal persons (entities) and/or farming and non-farming legal entities
☐ No  ☐ Don’t know

50. Does the amount of land that a foreign legal person allows to own depend on the region where the land is located? (E.g. proximity to national borders, cities, etc.)
☐ Yes, for all foreign EU and non EU legal entities
☐ Yes, but only for non-farming EU and non-EU legal entities
☐ Yes, but only for farming EU and non-EU legal entities
☐ No (go to q52)  ☐ Don’t know

☐ Yes, only for foreign EU legal entities
☐ Yes, but only for non-farming EU legal entities
☐ Yes, but only for farming EU legal entities

51. If ‘Yes’, please describe for each region the amount of land that can be owned by a foreign legal person. If there is a difference between EU and non- EU legal persons and/or farming and non-farming legal entities, please specify.

- Region X: ...
52. If ‘No’, what amount can be owned by a foreign legal person (irrespective of the quality, destination, location)?

53. Does a central, regional or local government (body) need to approve agricultural land ownership by a foreign legal person?

☐ Yes, for all EU and non EU legal entities
☐ Yes, but only for non-farming EU and non-EU legal entities
☐ Yes, but only for farming EU and non-EU legal entities
☐ Yes, only for EU legal entities
☐ Yes, only for non-farming EU legal entities
☐ Yes, only for farming EU legal entities
☒ No (go to q55)
☐ Don’t know

☐ Yes, only for non EU legal entities
☐ Yes, but only for non-farming non-EU legal entities
☐ Yes, but only for farming non-EU legal entities
☐ Yes, only for EU legal entities
☐ Yes, only for non-farming EU legal entities
☐ Yes, only for farming non-EU legal entities

54. If ‘Yes’, specify the approval procedure and rules to get approval. If there is a difference between EU and non-EU legal persons and/or farming and non-farming legal entities, please specify.
Land Usage Tax

55. Do land usage taxes (real estate tax) have to be paid?
☐ Yes  ☐ No (go to q58)  ☐ Don’t know

56. Do land usage taxes have to be paid?
☐ Yes. The magnitude on a yearly basis is:
   __________ euro per hectare/year
   OR __________ Local Currency per hectare/year (Local Currency =
   ………….)
   OR __________ % of the land value. Please specify how the land value is
determined:
   …
   ☐ Don’t know

57. If the agricultural land is rented, who is responsible for paying the land usage tax?
☐ Owner  ☐ Tenant  ☐ Don’t know
Land sales transactions – prices, taxes

58. Is there a minimum land sales price?
☐ Yes  ☐ No  ☐ Other  ☐ Don’t know
(goto q60)

59. If ‘Yes’ or ‘Other’, please specify the minimum land sales price, the currency and indicate for which year the minimum sales price is given as well as by which authority and by what method the minimum sales price is determined:

<table>
<thead>
<tr>
<th>Price</th>
<th>Currency</th>
<th>Year</th>
<th>Authority</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

If the minimum price is determined relative to a prevailing price (e.g. a reasonable price, average market price), then please describe how the minimum price is set. E.g. XX% of the average market price which is determined by ….

60. Is there a maximum sales price?
☐ Yes  ☐ No  ☐ Other  ☐ Don’t know
(goto q62)

61. If ‘Yes’ or ‘Other’, please specify the maximum land sales price, the currency and indicate for which year the maximum sales price is given as well as by which authority and by what method the maximum sales is determined:

<table>
<thead>
<tr>
<th>Price</th>
<th>Currency</th>
<th>Year</th>
<th>Authority</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

If the maximum price is determined relative to a prevailing price (e.g. a reasonable price, average market price), then please describe how the maximum price is set. E.g. XX% of the average market price which is determined by ….

62. Does part of the land sales payment occur ‘under the table’?
☐ Yes  ☐ No  ☐ Other  ☐ Don’t know
(goto q65)

63. If ‘Yes’ or ‘Don’t know’, could you specify the reason?
...

64. If ‘Yes’ or ‘Don’t know’, could you specify what percentage is paid ‘under the table’?
...

65. Does the buyer need to pay a purchase (registration) tax?
☐ Yes  ☐ No (goto q67)  ☐ Other  ☐ Don’t know (goto q65)

66. If ‘Yes’, what is the magnitude of the purchase (registration) tax?

$\text{__________} \text{euro per hectare/year}$

OR $\text{__________} \text{Local Currency per hectare/year (Local Currency = \text{………..})}$

OR $\text{__________} \% \text{ of the sales price}$
67. Does the seller need to pay a land sales (capital profit) tax?
☐ Yes  ☐ No  ☐ Don’t know  (go to q69)

68. If ‘Yes’, what is the magnitude of the land sales (capital profit) tax?
   _________ euro per hectare/year
   OR  _________ Local Currency per hectare/year (Local Currency = …………)
   OR  _________ % of the sales price
   ☐ Don’t know

69. Are there other costs related to the transfer of land? (e.g. notary costs, …)
☐ Yes  ☐ No (go to q70)  ☐ Don’t know

70. If ‘Yes’, please specify these other costs.
...

Land sales transactions – pre-emptive rights, sales prohibitions, public land sales

71. Does any of the following persons have pre-emptive rights?

<table>
<thead>
<tr>
<th>Family relatives</th>
<th>☐</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant</td>
<td>☐</td>
</tr>
<tr>
<td>Co-owners</td>
<td>☐</td>
</tr>
<tr>
<td>Neighbouring farmers</td>
<td>☐</td>
</tr>
<tr>
<td>Farmers with residence (headquarters) in the country</td>
<td>☐</td>
</tr>
<tr>
<td>Adjacent land owners</td>
<td>☐</td>
</tr>
<tr>
<td>State</td>
<td>☐</td>
</tr>
<tr>
<td>Other</td>
<td>☐</td>
</tr>
</tbody>
</table>

72. Are there restrictions regarding the subdivision and sale of a plot of agricultural land below a certain minimum size?

☐ Yes  ☐ No  ☐ Other  ☐ Don’t know

(go to q74)

73. If ‘Yes’, please specify the minimum size: _____ ha

74. Are there prohibitions to transfer agricultural land ownership rights (e.g. sell or donate) for a certain period after the purchase of agricultural land?

☐ Yes. Please specify: ...

☐ No

☐ Other. Please specify:

☐ Don’t know

75. Are there specific procedures for the sale of public land?

☐ Yes. Please specify: ...

☐ No

☐ Other. Please specify:

☐ Don’t know

76. Are there restrictions (moratorium) on the sales of public land?

☐ Yes. Please specify: ...

☐ No

☐ Other. Please specify:

☐ Don’t know
77. Is approval by a national, regional or local government (body) needed for the transfer of shares of a legal entity that owns agricultural land?

☐ Yes. Please specify: ...  
☐ No  
☐ Other. Please specify: ...  
☐ Don’t know
Land sales restrictions for domestic natural persons

78. Are there restrictions related to the acquisition of agricultural land by a domestic natural person?

<table>
<thead>
<tr>
<th>Option</th>
<th>Yes</th>
<th>No</th>
<th>Other</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>☐</td>
<td></td>
<td></td>
<td>☐</td>
</tr>
<tr>
<td>Yes, land can only be sold to buyers with residence in the country</td>
<td>☐</td>
<td></td>
<td></td>
<td>☐</td>
</tr>
<tr>
<td>Yes, land can only be sold to buyers with agricultural experience</td>
<td>☐</td>
<td></td>
<td></td>
<td>☐</td>
</tr>
<tr>
<td>Do not know</td>
<td>☐</td>
<td></td>
<td></td>
<td>☐</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>☐</td>
<td></td>
<td></td>
<td>☐</td>
</tr>
</tbody>
</table>

79. Is there a maximum amount of land that can be bought per transfer by domestic natural person?

☐ Yes   ☐ No   ☐ Other   ☐ Don’t know

(go to q89)

80. Does the restriction regarding the amount of land that can be bought per transfer by a domestic natural person depend on the on the quality of the land?

☐ Yes   ☐ No   ☐ Other   ☐ Don’t know

(go to q82)

81. If ‘Yes’ or ‘Other’, please describe for each quality class the amount of land that can be bought by a domestic natural person.

- Quality 1: ...
- Quality 2: ...
...
- Quality n: ...

82. Does the amount of agricultural land that a domestic natural person can buy per transfer depend on the destination (arable/pasture /…) of the land?

☐ Yes   ☐ No   ☐ Other   ☐ Don’t know

(go to q86)

83. If ‘Yes’ or ‘Other’, what is the maximum amount of arable land that can be bought per transfer by a domestic natural person?

...

84. If ‘Yes’, what is the maximum amount of grassland/pasture that can be bought by a domestic natural person?

...

85. Are there maximum restrictions on the amount of land that can be bought per transfer by domestic natural persons for other land categories?

☐ Yes   Please specify the maximum amount for each other land category:

- Category 1: ...
- Category 2: ...
... - Category n: ...
☐ No
☐ Don’t know

86. Does the amount of land that a domestic natural person is allowed to buy per transfer, depend on the region where the land is located? *(E.g. proximity to national borders, cities, etc.)*
☐ Yes ☐ No ☐ Other ☐ Don’t know
(go to q88)

87. If ‘Yes’, please describe for each region the amount of land that can be bought per transfer by a domestic natural person.
- Region X: ...
- Region Y: ...
 ...
- Region Z: ...

88. If ‘No’, what amount of land can be bought per transfer by a domestic natural person (irrespective of the quality, destination, location)? ...

89. Does a central, regional or local government (body) need to approve land purchase by a domestic natural person?

<table>
<thead>
<tr>
<th>Option</th>
<th>☐</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, always</td>
<td></td>
</tr>
<tr>
<td>Yes, depending on the type of buyer <em>(e.g. it depends on whether the buyer has residence in the country or not)</em>. Please, specify:</td>
<td></td>
</tr>
<tr>
<td>Yes, depending on the type of seller <em>(e.g. it depends on whether the seller is a legal or natural person; has residence/headquarters in the country)</em>. Please, specify:</td>
<td></td>
</tr>
<tr>
<td>Yes, depending on the size of the area that is being transacted. Please, specify size above which approval is needed.</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td></td>
</tr>
<tr>
<td>Other, please specify</td>
<td></td>
</tr>
</tbody>
</table>
Land sales restrictions for domestic legal persons

90. Is there a maximum amount that can be bought per transfer by domestic legal person?
☐ Yes  ☐ No (go to q101)  ☐ Other  ☐ Don’t know

91. If ‘Yes’, do domestic legal persons face other restrictions than domestic natural persons regarding the maximum amount that can be bought per transfer?
☐ Yes  ☐ No (go to q101)  ☐ Other  ☐ Don’t know

92. Does the restriction regarding the amount that can be bought per transfer by a domestic legal person depend on the quality of the land?
☐ Yes  ☐ No (go to q94)  ☐ Other  ☐ Don’t know

93. If ‘Yes’ or ‘Other’, please describe for each quality class the amount of land that can be bought per transfer by a domestic legal person.
...

94. Does the amount of agricultural land that a domestic legal person can buy per transfer depend on the destination (arable/pasture /…) of the land?
☐ Yes  ☐ No (go to q98)  ☐ Other  ☐ Don’t know

95. What is the maximum amount of arable land that can be bought per transfer by a domestic legal person?
...

96. What is the maximum amount of grassland/pasture that can be bought by a domestic legal person?
...

97. Are there maximum restrictions on the amount that can be bought per transfer by domestic legal persons for other land categories?
☐ Yes.  ☐ No  ☐ Don’t know

Please, specify amount for each other land category

98. Does the amount of land that a domestic legal person allows to buy depend on the region where the land is located? (E.g. proximity to national borders, cities, etc.)
☐ Yes  ☐ No (go to q100)  ☐ Other  ☐ Don’t know

99. If ‘Yes’, please describe for each region the amount of land that can be bought per transfer by a domestic legal person.
...

100. If ‘No’, what amount can of land can be bought per transfer by a domestic legal person (irrespective of the quality, destination, location)?
...

101. Does a central, regional or local government (body) need to approve land purchase by a domestic legal person?
Yes, always  ☐
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>Don’t know</th>
<th>Other, please specify</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, depending on the type of buyer. <em>(e.g. it depends on whether the buyer has residence in the country or not).</em> Please, specify:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, depending on the type of seller <em>(e.g. it depends on whether the seller is a legal or natural person; has residence/headquarters in the country).</em> Please, specify:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, depending on the size of the area that is being transacted. Please, specify size above which approval is needed.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other, please specify</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Land sales restrictions for foreign natural persons

102. Is there a maximum amount that can be bought per transfer by foreign natural person?
☐ Yes, for foreign EU and non EU citizens
☐ Yes, only for foreign EU citizens
☐ Yes, only for foreign non EU legal entities
☐ No (go to q114)
☐ Don’t know

103. Do foreign, but EU citizens face other restrictions than domestic natural persons regarding the maximum amount that can be bought per transfer?
☐ Yes
☐ No
☐ Other
☐ Don’t know

104. Do foreign, non EU citizens face other restrictions than domestic natural persons regarding the maximum amount that can be bought per transfer?
☐ Yes
☐ No
☐ Other
☐ Don’t know (go to q114)

If you answered “No” to both q103 and q104, then go to q114

105. Does the restriction regarding the amount that can be bought per transfer by a foreign natural person depend on the on the quality of the land?
☐ Yes, for foreign EU and non EU citizens
☐ Yes, only for foreign EU citizens
☐ Yes, only for foreign non EU citizens
☐ No (go to q107)
☐ Don’t know

106. If ‘Yes’, please describe for each quality class the amount of land that can be bought per transfer by a foreign natural person and how this differs with (non-) EU citizenship.

...

107. Does the amount of agricultural land that a foreign natural person can buy per transfer depend on the destination (arable/pasture /…) of the land?
☐ Yes, for foreign EU and non EU citizens
☐ Yes, only for foreign EU citizens
☐ Yes, only for foreign non EU citizens
☐ No (go to q111)
☐ Don’t know

108. What is the maximum amount of arable land that can be bought per transfer by a foreign natural person? If there is a difference between EU and non- EU citizens, please specify.

...

109. What is the maximum amount of grassland/pasture that can be bought per transfer by a foreign natural person? If there is a difference between EU and non- EU citizens, please specify.

...

110. Are there maximum restrictions on the amount that can be bought per transfer by foreign natural persons for other land categories?
☐ Yes
☐ No
☐ Don’t know

Please specify amount for each other land category and how this differs with EU citizenship.
111. Does the amount of land that a foreign natural person allows to buy per transfer depend on the region where the land is located? (E.g. proximity to national borders, cities, etc.)

☐ Yes, for foreign EU and non EU citizens
☐ Yes, only for foreign EU citizens
☐ Yes, only for foreign non EU citizens
☐ No (go to q113)
☐ Don’t know

112. If ‘Yes’, please describe for each region the amount of land that can be bought per transfer by a foreign natural person. If there is a difference between EU and non-EU citizens, please specify.

... 

113. If ‘No’, what amount can of land can be bought per transfer by a foreign natural person (irrespective of the quality, destination, location). If there is a difference between EU and non-EU citizens, please specify.

...

114. Does a central, regional or local government (body) need to approve land purchase by a foreign natural person?

Yes, always ☐

Yes, depending on the type of buyer. (e.g. it depends on whether the buyer has residence in the country or not). Please, specify:

☐

Yes, depending on the type of seller (e.g. it depends on whether the seller is a legal or natural person; has residence/headquarters in the country). Please, specify:

☐

Yes, depending on the size of the area that is being transacted. Please, specify size above which approval is needed.

☐

No ☐

Don’t know ☐

Other, please specify ☐
Land sales restrictions for foreign legal persons

115. Is there a maximum amount that can be bought per transfer by foreign legal person?
☐ Yes  ☐ No (go to 126)  ☐ Other  ☐ Don’t know

116. Do foreign, but EU legal persons face other restrictions than domestic legal persons regarding the maximum amount that can be bought per transfer
☐ Yes  ☐ No  ☐ Don’t know

117. Do foreign, but non EU legal persons face other restrictions than domestic legal persons regarding the maximum amount that can be bought per transfer
☐ Yes  ☐ No  ☐ Don’t know

If you answered “No” to both q116 and q117, then go to q127

118. Does the restriction regarding the amount that can be bought per transfer depend on the on the quality of the land?
☐ Yes, for EU and non EU legal entities  ☐ Yes, only for EU legal entities  ☐ Yes, only for non EU legal entities  ☐ No (go to q120)  ☐ Don’t know

119. If ‘Yes’, please describe for each quality class the amount of land that can be bought by a foreign legal person. If there is a difference between EU and non- EU legal persons (entities), please specify.

120. Does the amount of agricultural land that a foreign legal person can buy per transfer depend on the destination (arable/pasture /…) of the land?
☐ Yes, for EU and non EU legal entities  ☐ Yes, only for EU legal entities  ☐ Yes, only for non EU legal entities  ☐ No (go to q124)  ☐ Don’t know

121. If ‘Yes’, what is the maximum amount of arable land that can be bought per transfer by a foreign legal person? If there is a difference between EU and non- EU legal persons (entities), please specify.

122. If ‘Yes’, what is the maximum amount of grassland/pasture that can be bought by a foreign legal person? If there is a difference between EU and non- EU legal persons (entities), please specify.

123. Are there maximum restrictions on the amount that can be bought per transfer by foreign legal persons for other land categories?
☐ Yes  ☐ No  ☐ Don’t know
Please, specify amount for each category and whether there is a difference between EU and non EU legal persons
124. Does the amount of land that a foreign legal person allows to buy depend on the region where the land is located? (E.g. proximity to national borders, cities, etc.)

☐ Yes, for EU ☐ Yes, only for EU legal entities ☐ Yes, only for non EU legal entities ☐ No (go to 126) ☐ Don’t know

125. If ‘Yes’, please describe for each region the amount of land that can be bought per transfer by a foreign legal person:

..."

126. If ‘No’, what amount can of land can be bought per transfer by a foreign legal person (irrespective of the quality, destination, location)? If there is a difference between EU and non- EU legal persons (entities), please specify.

127. Does a central, regional or local government (body) need to approve land purchase by a foreign legal person?

<table>
<thead>
<tr>
<th>Option</th>
<th>☐</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, always</td>
<td></td>
</tr>
<tr>
<td>Yes, depending on the type of buyer. (e.g. it depends on whether the buyer has residence in the country or not). Please, specify:</td>
<td></td>
</tr>
<tr>
<td>Yes, depending on the type of seller (e.g. it depends on whether the seller is a legal or natural person; has residence/headquarters in the country). Please, specify:</td>
<td></td>
</tr>
<tr>
<td>Yes, depending on the size of the area that is being transacted. Please, specify size above which approval is needed.</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td></td>
</tr>
<tr>
<td>Other, please specify</td>
<td></td>
</tr>
</tbody>
</table>
**Land sales - other**

128. Are there other restrictions regarding the sales of land that were not discussed? Please, specify.

... 

129. Are there any ways to bypass the abovementioned land sales restrictions?

☐ Yes. ☐ No ☐ Don’t know

(go to q123)

130. If ‘Yes’, please describe which restrictions are bypassed and how?

...
Land rental transactions

131. Is there a minimum land rental price?
   ☐ Yes  ☐ No  ☐ Don’t know
   (go to q134)

132. If ‘Yes’, please specify (and indicate for which year the minimum land rental price is given and the currency):
   Price  Currency  Year
   ...
   If the minimum rental price is determined relative to a prevailing price (e.g. a reasonable price, average market price), the please describe how the minimum rental price is set. E.g. XX% of the average market price which is determined by ….

133. Is there a maximum land rental price?
   ☐ Yes  ☐ No  ☐ Don’t know
   (go to q135)

134. If ‘Yes’, please specify (and indicate for which year the maximum rental price is given and the currency):
   Price  Currency  Year
   ...
   If the maximum rental price is determined relative to a prevailing price (e.g. a reasonable price, average market price), the please describe how the maximum rental price is set. E.g. XX% of the average market price which is determined by ….

135. Does part of the land rental payment occur ‘under the table’?
   ☐ Yes  ☐ No (go to q138)  ☐ Don’t know

136. If ‘Yes’ or ‘Don’t know’, could you specify the reason?
   ...

137. If ‘Yes’ or ‘Don’t know’, could you specify what percentage is paid under the table?
   ...

138. Is the tenancy duration restricted?
   ☐ Yes  ☐ No  ☐ Don’t know

139. Is there a minimum land tenancy duration
   ☐ Yes. Please specify: …
   ☐ No
☐ Don’t know

140. Is there a minimum land tenancy duration
☐ Yes. Please ... ○ No
☐ Don’t know

141. Is the land tenancy contract automatically renewed

<table>
<thead>
<tr>
<th>Option</th>
<th>☐</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes with duration of the initial contract</td>
<td></td>
</tr>
<tr>
<td>Yes, with a limited duration. Please, specify for which period it is</td>
<td></td>
</tr>
<tr>
<td>automatically renewed</td>
<td></td>
</tr>
<tr>
<td>No automatic renewal</td>
<td></td>
</tr>
<tr>
<td>Other. Please, specify:</td>
<td></td>
</tr>
<tr>
<td>Do not know</td>
<td></td>
</tr>
</tbody>
</table>

142. Is the land tenancy contract inheritable?
☐ Yes ○ No ○ Don’t know

143. Is it possible to enter in a land rental agreement orally?
☐ Yes ○ No (go to q145) ○ Don’t know

144. Is there any specific reason why people prefer to engage in oral land rental contracts? Please explain.
... 

145. Are land rental agreements registerable in the cadaster?
☐ Yes, compulsory ○ Yes, optionally ○ No (go to q147) ○ Do not know

146. Is there any specific reason why people register the land rental contract in the cadaster? Please explain.
... 

147. Are land rental agreements registerable in the land register?
☐ Yes, compulsory ○ Yes, optionally ○ No (go to q149) ○ Do not know

148. Is there any specific reason why people register the land rental contract in the land register? Please explain.
... 

149. Is legal contract enforcement possible if one the parties breaches the land rental contract terms? Please describe the procedure. (e.g. how costly is it? Is the procedure clear? Is it a lengthy procedure?)
150. Are there other restrictions regarding the land rental that were not discussed? Please, specify.

151. Are there any ways to bypass the above mentioned land rental restriction?
   ☐ Yes. ☐ No ☐ Don’t know

152. If ‘Yes’, please describe which restrictions are bypassed and how?
Annex 2: Country report template

Study on agricultural land regulations

Template Country report

1. Introduction

Short description of the agricultural situation in the country and particularly of the issues relevant for the land market. This could include a description of farm structure (number of farmers or farming enterprises, share of agricultural land cultivated by different types of farmers and farming enterprises), tenancy situation (share of land that is rented), frequency of transactions, evolution of sales and rental prices, etc. The key focus of the report is on the regulations. However, statistics are very welcome but should be considered more as a tool to support for example the impact of regulations on prices, to illustrate that the certain regulations or procedure have a big impact given the prevailing farm structures. So statistics: yes very welcome but one should not spend overly much time in collecting this data if it goes at the expense of collecting information on the regulations.

2. Key land regulations affecting land markets

Describe the essence or ‘spirit’ of the regulations that are in place. Which regulations are having most impact? Which are considered as stringent? Which are considered as important from the farmer, tenant and/or owner point of view? Which regulations are currently being debated or are under review?

3. Institutions (regulations, customs, practices) in surrounding environments of the land markets affecting its functioning

Description of regulations, customs, practices that are having a strong impact on the functioning of the land market, but that are not mere ‘land market regulations’.

Examples:

- If there are still large amounts of state land and if these are being exchanged, it is relevant to consider the procedures for its sale in the country report. How strict is the procedure? Is it favouring certain groups?
- Credit market might put certain groups in advantageous position to acquire land.
- Inheritance regulations might also affect land market functioning.
- Other policies might have impacts on land functioning. Subsidies can be received if environmental structures are introduced (trees, pounds, etc. for soil improvement, reduction of soil erosions, water harvesting, etc.). This can have an impact on the market, demand for land, land prices.
- Land zoning and spatial planning can have a strong impact on the land market, on prices, on exchanges
- Also other European Directives can have an impact like Nitrate Directive, or manure policies that affect demand and price for land.
• In some regions, small plots of land might be incorporated in large fields, so that the withdrawal cost is high. This leads to specific power relations. Owners of small plots in the middle of a large field have low bargaining position to sell or rent. Is this the case? Are there any political or legal interventions, e.g. to consolidate land and empower owners?

4. Implementation and enforcement issues of land regulations

Description of the implementation and enforcement of the regulations. Some regulations might exist on paper, but might hardly be enforced. Other regulations might be enforced in such a way that they end up having unwanted effects.

Examples:

• Rules regarding good management of agricultural land might exist, but might not be followed/enforced. As a result, plots remain unused, unmanaged and rewild. Owners hold on to their land for speculative reasons as this comes at hardly any cost (i.e. no land tax needs to be paid and no management required since rules are not enforced).
• Local council sometimes has to decide on transactions in for example border regions. What is or is not allowed depends strongly on composition of the councils? So that the outcome of the regulations is highly variable and dependent on who is sitting in the council.
• Every transaction might need to be approved by a land transfer agency, either at regional or at municipality level. These agencies can refuse a transfer if the transfer is not good for the family farming structure. This could for example result in a refusal to sell if land is transferred to non-farmer, or to non-EU citizen. However, the precise working of these agencies is rather opaque and its impact is therefore not well known.
• Deviation from regulations regarding contract renewal might be allowed as long as there are no complaints.
• Procedures regarding the announcement of land sales and potential use of pre-emptive rights might lead to certain frictions that favour certain groups.
• Rental agreements might be based on unofficial agreements and might not be impacted by the existing regulations.

5. Other land-related measures not discussed elsewhere

Please describe issues that do not fit under the other headings but are relevant for the land market functioning in your country.

6. Reference list of legal regulations

Please include a precise reference of the legislation and a website link if the relevant legislation is published on a website.
Also include a copy of the legislation in the local and English if it exists. Even if a website exists with the text of the legislation, please copy and paste the text here as not all websites are long-lived.

7. List of supporting materials (actual materials to be uploaded on the share point)

This could include documents with detailed statistical information on land prices, frequency of sales and rentals, or documents illustrating the political and/or juridical debates regarding certain regulations.
### Annex 3: Description and Scale of Land Market Measures

#### Table A3: Description and Scale of Land Market Measures

<table>
<thead>
<tr>
<th>Measure category</th>
<th>Measure</th>
<th>Measure description</th>
<th>Measure scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>M1. Measures to protect the tenant</td>
<td>Minimum rental contract duration</td>
<td>Minimum duration of a rental contract</td>
<td>1 = Existence of a minimum rental contract duration</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.5 = Existence of minimum rental contract duration for certain types of</td>
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<td></td>
<td></td>
<td></td>
<td>tenancy contracts (Bulgaria); Existence of minimum rental contract duration</td>
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<td></td>
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<td></td>
<td>for rented state land (Slovenia)</td>
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<td></td>
<td></td>
<td>0.125 = Existence of reference contract durations (Austria)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0 = No restrictions</td>
</tr>
<tr>
<td>Maximum rental price</td>
<td>Maximum price per hectare that is rented</td>
<td></td>
<td>1 = Existence of a maximum price</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.5 = Rental agreement can be denied if the price is unreasonable in relation</td>
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<td></td>
<td>to income that can be achieved from the land (Austria; Germany); Existence</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>of maximum rental price for State owned land (Croatia); Existence of maximum</td>
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<tr>
<td></td>
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<td></td>
<td>rental price for land resulting from the land reform (Latvia); Maximum</td>
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<tr>
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<td></td>
<td>rental price for regulated tenancy contracts, not for liberalized shorter</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>than six years (Netherlands)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0 = No maximum price</td>
</tr>
<tr>
<td>Automatic rental contract</td>
<td>Regulations in terms of automatic</td>
<td>Regulations in terms of automatic renewal of the rental contract at the end of the</td>
<td>1 = Existence of automatic renewal with the duration of the initial contract</td>
</tr>
<tr>
<td>renewal</td>
<td>renewal</td>
<td>duration of the contract</td>
<td>or minimum tenancy duration</td>
</tr>
<tr>
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<td></td>
<td>0.5 = Existence of automatic renewal for period of 1 year (Austria); Existence</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>of automatic renewal if landlord does not react to the tenant’s renewal offer</td>
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<tr>
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<td></td>
<td></td>
<td>after two months (Slovakia)</td>
</tr>
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<td></td>
<td>0.25 = Automatic renewal for regular regulated contracts, but not for</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>deregulated liberalized rental contracts (Netherlands)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.125 = Existence of automatic renewal if included in provisions of the</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>contract (Germany; Ireland; Italy)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0 = No automatic renewal</td>
</tr>
</tbody>
</table>
Table A3: Description and Scale of Land Market Measures

<table>
<thead>
<tr>
<th>Measure category</th>
<th>Measure</th>
<th>Measure description</th>
<th>Measure scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conditions for rental contract termination</td>
<td>Regulations in terms of rental contract termination</td>
<td>1 = Termination is possible at the end of the contract and if some specific conditions are fulfilled &lt;br&gt; 0 = Termination is possible at the end of the contract</td>
<td>1 = Conditions for rental contract termination &lt;br&gt; 0 = Pre-emptive right by the tenant</td>
</tr>
<tr>
<td>Pre-emptive right tenant</td>
<td>Pre-emptive right by the tenant</td>
<td>1 = Existence of a pre-emptive right by the tenant &lt;br&gt; 0.5 = Pre-emptive rights for tenant, but only if state land is sold and if tenancy lasted for at least 36 months (Czech Republic); Pre-emptive rights for tenant, but only if state land is sold (Croatia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, except if sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, but only if state land is sold (Czech Republic); Pre-emptive rights for tenant, but only if state land is sold (Croatia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, but only if state land is sold (Czech Republic); Pre-emptive rights for tenant, but only if state land is sold (Croatia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, but only if state land is sold (Czech Republic); Pre-emptive rights for tenant, but only if state land is sold (Croatia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, but only if state land is sold (Czech Republic); Pre-emptive rights for tenant, but only if state land is sold (Croatia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, but only if state land is sold (Czech Republic); Pre-emptive rights for tenant, but only if state land is sold (Croatia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, but only if state land is sold (Czech Republic); Pre-emptive rights for tenant, but only if state land is sold (Croatia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, but only if state land is sold (Czech Republic); Pre-emptive rights for tenant, but only if state land is sold (Croatia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, but only if state land is sold (Czech Republic); Pre-emptive rights for tenant, but only if state land is sold (Croatia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, but only if state land is sold (Czech Republic); Pre-emptive rights for tenant, but only if state land is sold (Croatia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, unless sold to family or unless sold to an acquirer (other than the tenant) that owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia); Pre-emptive rights for tenant, but only if state land is sold (Czech Republic); Pre-emptive rights for tenant, but only if state land is</td>
<td></td>
</tr>
</tbody>
</table>
Table A3: Description and Scale of Land Market Measures (continued)

<table>
<thead>
<tr>
<th>Measure category</th>
<th>Measure</th>
<th>Measure description</th>
<th>Measure scale</th>
</tr>
</thead>
</table>
| M2. Measures to protect the farm landowner | Restrictions legal form buyer | Restrictions on sales to non-natural persons | 1 = Restriction on sales to non-natural persons  
0 = No restrictions |
| Nationality buyer in case of legal entities | Restrictions on sales transactions by foreign legal entities | 1 = Prohibition that legal entities with shares owned by foreigners buy land  
0.125 = A foreign legal entity is allowed to buy or rent any plot of agricultural land, except in specific regions (Spain)  
0 = No restrictions |
| Nationality buyer in case of natural persons | Restrictions on transactions by foreign natural persons | 1 = Prohibition of a foreign natural person to buy a particular plot of agricultural land unless they have been staying and farming in the country for at least three years and they rented the particular plot before  
0.125 = A foreign natural person is allowed to buy or rent any plot of agricultural land, except land in specific regions (Spain)  
0 = No restrictions |
| Restriction residence buyer | Restrictions on the residence of the buyer or headquarter of buyer’s legal entities | 1 = Restrictions on sales to buyers that do not have their residence in the country or legal entities that do not have their headquarters in the country  
0.5 = Restrictions on sales to buyers that do not have their residence in the country, except for self-employed farmers (Bulgaria)  
0 = No restrictions |

Source: Adapted from Swinnen et al., 2014
### Table A3: Description and Scale of Land Market Measures (continued)

<table>
<thead>
<tr>
<th>Measure category</th>
<th>Measure</th>
<th>Measure description</th>
<th>Measure scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>M2. Measures to protect the farm land owner (continued)</td>
<td>Requirements experience buyer</td>
<td>Restrictions on sales to non-experienced farmers</td>
<td>1= Existence of restrictions on sales to buyers with no agricultural experience 0= No restrictions</td>
</tr>
<tr>
<td></td>
<td>Maximum sales price</td>
<td>Maximum sales price per hectare that is sold</td>
<td>1= Existence of a maximum sales price 0.5= There is no legal maximum sales price, but transaction is denied/annulled if price is excessive (Germany; France; Austria) 0= No maximum sales price</td>
</tr>
<tr>
<td></td>
<td>Pre-emptive right (neighbouring) farmer</td>
<td>Pre-emptive right by the neighbouring farmer</td>
<td>1= Existence of a pre-emptive right by a (neighbouring) farmer 0.5= Existence of a priority order for buyers (outside the pre-emptive rights) (France; Poland); Existence of pre-emptive rights for adjacent land owners (Bulgaria; Estonia; Spain); Existence of pre-emptive rights for farmers with residence in the country for the sale of state land (Croatia); Existence of pre-emptive if acceptable justification, e.g. share of owned land is low, farmer has lost owned land, neighbouring farm can consolidate or reduce fragmentation (Germany), 0= No pre-emptive right by a neighbouring farmer</td>
</tr>
<tr>
<td></td>
<td>Maximum transacted/owned area</td>
<td>Limitations to the maximum transacted agricultural area</td>
<td>1= Existence of regulations on the maximum agricultural area that is transacted 0.5= Transaction needs to be approved and thus can be denied/annulled if the transacted area is too large (France); 0.25= Restrictions for foreigners to acquire land in specific regions (islands, border regions) &amp; Renting in land as tenant is forbidden if certain area is already in ownership (Spain) 0 = No regulations</td>
</tr>
<tr>
<td>Measure category</td>
<td>Measure</td>
<td>Measure description</td>
<td>Measure scale</td>
</tr>
<tr>
<td>------------------</td>
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</tr>
<tr>
<td>M3. Measures to protect the owner</td>
<td>Minimum rental price</td>
<td>Minimum rental price per hectare that is rented</td>
<td>1 = Existence of a minimum rental price 0.5 = Existence of a minimum rental price for state-owned land (Croatia); Existence of a minimum rental price for municipality-owned land (Lithuania); 0.25 = Existence of minimum rental price for state owned land leased with redemption rights 0.125 = Existence of non-binding rental price (which is set a very low level) (Slovakia) 0 = No minimum rental price</td>
</tr>
<tr>
<td>Maximum rental contract duration</td>
<td>Maximum duration of a rental contract</td>
<td>1= Existence of a maximum rental contract duration 0.5= Existence of maximum rental contract duration for certain type of tenancy contracts (Bulgaria); Existence of maximum rental contract duration for state owned land (Lithuania) 0.25 = Existence of a maximum rental contract duration for state owned land leased with redemption rights (Latvia) 0.125 = Existence of reference contract durations (Austria) 0= No restrictions</td>
<td></td>
</tr>
<tr>
<td>Measure category</td>
<td>Measure</td>
<td>Measure description</td>
<td>Measure scale</td>
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<tr>
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<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>M4. Measures to prevent</td>
<td>Minimum plot size</td>
<td>A minimum plot size below which a plot cannot be subdivided for a transaction</td>
<td>1 = Existence of a minimum plot size</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.5 = Approval of transfer can be denied if it leads to disruption of a</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>favourable land structure (Austria);</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Subdivision of already consolidated plot not allowed (Croatia)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.25 = State land will not be subdivided in plots &lt;1 ha or &lt;3 ha for orchards</td>
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<td></td>
<td>(Hungary)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>0 = No minimum plot size</td>
</tr>
<tr>
<td>Pre-emptive right</td>
<td>Pre-emptive right by</td>
<td>Existence of a pre-emptive right by the co-owner</td>
<td>1 = Existence of a pre-emptive right by the co-owner</td>
</tr>
<tr>
<td>co-owner</td>
<td>the co-owner</td>
<td>0.5 = Pre-emptive rights for co-owners, unless sold to family or unless sold to an</td>
<td>0.5 = Pre-emptive rights for co-owners, unless sold to family or unless sold to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>acquirer (other than the co-owner) that owns less than 10 ha for natural persons or</td>
<td>an acquirer (other than the co-owner) that owns less than 10 ha for natural</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 ha for legal persons (Latvia)</td>
<td>persons (Latvia)</td>
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<td></td>
<td></td>
<td>0.125 = Existence of a pre-emptive right by the co-owner,</td>
<td>0.125 = Existence of a pre-emptive right by the co-owner,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>but only for 6 months after the acquisition</td>
<td>but only for 6 months after the acquisition</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>0 = No pre-emptive right by the co-owner</td>
</tr>
</tbody>
</table>

Source: Adapted from Swinnen et al., 2014
<table>
<thead>
<tr>
<th>Measure category</th>
<th>Measure</th>
<th>Measure description</th>
<th>Measure scale</th>
</tr>
</thead>
</table>
| M5. Other measures | Requirement for publication of sale offer | Requirement to publicly announce the sales of agricultural land | $1 = \text{Requirement to publicly announce the sales of agricultural lands}$
| | | | $0.5 = \text{If a non-farmer wants to buy land, this has to be announced publicly and local farmers are able to make an offer for 4 weeks (one month) (Austria)}$
| | | | $0.25 = \text{Sales of state-owned land needs to be announced publicly (Czech Republic; Poland)}$
| | | | $0 = \text{No requirement to publicly announce the sale of agricultural lands}$
| Procedures for sale of public land | Procedures that are in place | $1 = \text{Regulations that steer the sales of public land}$
| Share deal approval | Approval needed for transfer of shares of legal entity that owns agricultural land | $0 = \text{No regulations that steer the sales of public land}$
| | | $1 = \text{Approval by State (or public authority) is needed for the transfer of shares of a legal entity that owns agricultural land}$
| | | $0.5 = \text{Transfer of shares can be forbidden but only if the totality of shares is transferred/sold (France)}$
| | | $0.25 = \text{Administrative approval needed for the transfer of shares of a legal entity that owns agricultural land (Denmark)}$
| | | $0 = \text{No approval by State (or public authority) is needed for the transfer of shares of a legal entity that owns agricultural land}$
| Pre-emptive right for State/Public bodies | Pre-emptive right by the State or public body | $1 = \text{Existence of a pre-emptive right by the State or public body}$
| | | $0.25 = \text{Government body can take possession of the land under specific conditions e.g. to build new residential areas (Netherlands, municipalities have preferential rights; Belgium)}$
| | | $0.125 = \text{Municipalities and regions have pre-emptive rights (without payment) for State land (Czech Republic)}$
| | | $0 = \text{No pre-emptive right by the State or public body}$
Table A3: Description and Scale of Land Market Measures (continued)

<table>
<thead>
<tr>
<th>Measure category</th>
<th>Measure</th>
<th>Measure description</th>
<th>Measure scale</th>
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</thead>
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<tr>
<td>M5. Other measures (continued)</td>
<td>Pre-emptive rights family relatives</td>
<td>Pre-emptive right by family relatives</td>
<td>1 = Existence of a pre-emptive right by family relatives</td>
</tr>
<tr>
<td></td>
<td>(Temporary) moratorium to transfer ownership</td>
<td></td>
<td>0.25 = No explicit pre-emptive rights for family relatives, but pre-</td>
</tr>
<tr>
<td></td>
<td>after acquisition</td>
<td></td>
<td>emptive rights for tenants, co-owners or State do not apply if land is</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>sold to spouse or relatives in second or third degree</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0 = No pre-emptive right by family relatives</td>
</tr>
<tr>
<td></td>
<td>Temporary moratorium to transfer ownership</td>
<td>Temporary moratorium to transfer ownership rights after</td>
<td>1 = Restriction to transfer ownership rights (e.g. sell or donate) after</td>
</tr>
<tr>
<td></td>
<td>(Temporary)</td>
<td>acquisition</td>
<td>the purchase of agricultural land</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.5 = Restriction to transfer ownership rights (e.g. sell or donate) of</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>land acquired from state or municipality (Bulgaria; Czech Republic; Latvia)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.25 = Restriction to transfer ownership rights (e.g. sell or donate) of</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>land if tax reduction or exemptions were granted (Spain; Italy; Netherlands;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Finland), or if pre-emptive rights were used (Spain; Netherlands); Land can</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>be sold, but if sold within 5 years the granted tax reliefs need to be</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>returned (Ireland); Land can be sold, but if sold within 8 years a 80% tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>needs to be paid on the difference between the purchase and sales price</td>
</tr>
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<td></td>
<td></td>
<td>(Romania)</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>0 = No restriction to transfer ownership rights (e.g. sell or donate) after</td>
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<td></td>
<td></td>
<td></td>
<td>the purchase of agricultural land</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1 = Restriction to sell public land</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.25 = Speed of privatization of public land is limited (Germany)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.125 = Restriction to sell public land if land is subject to specific</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>constraints (e.g. areas of specific environmental value or areas of specific</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>historical/cultural value) (Italy); if land is needed for special reasons</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>which could include cultural environment, defence, nature conservation and</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>recreation (Sweden); No restriction, but maximum 300 hectare can be acquired</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>from State (Lithuania).</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0 = No restriction to sell public land</td>
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</table>

Source: Adapted from Swinnen et al., 2014
## Annex 4: Tables with indices (numerical scales) to describe the measures

### Table A4.1: Measures to protect the tenant, by country

<table>
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<tr>
<th></th>
<th>Minimum rental contract duration</th>
<th>Maximum rental price</th>
<th>Automatic rental contract renewal</th>
<th>Conditions for rental contract termination</th>
<th>Pre-emptive right for tenant</th>
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</table>

**Note:** * Each measure ranges between 0 (no restrictions) and 1 (most restrictions). Scales are explained in Annex 3.

**Source:** Own data based on expert survey, interviews and country reports (adapted from Swinnen et al., 2014).
<table>
<thead>
<tr>
<th></th>
<th>Restrictions legal form buyer</th>
<th>Restrictions nationality buyer for legal entities</th>
<th>Restrictions nationality buyer natural person</th>
<th>Restrictions residence buyer</th>
<th>Restrictions experience buyer</th>
<th>Maximum sales price</th>
<th>Pre-emptive right (neighbouring) farmer</th>
<th>Maximum transacted/owned area</th>
</tr>
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</table>

Note: * Each measure ranges between 0 (no restrictions) and 1 (most restrictions). Scales are explained in Annex 3.
Source: Own data based on expert survey, interviews and country reports (adapted from Swinnen et al., 2014).
Table 4.3: Measures to protect the non-farm land owner and measures to prevent fragmentation by country

<table>
<thead>
<tr>
<th>Measures to protect the non-farm owner</th>
<th>Measures to prevent fragmentation</th>
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<td>Minimum rental price</td>
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<tr>
<td>Czech Republic</td>
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<tr>
<td>Denmark</td>
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Note: * Each measures ranges between 0 (no restrictions) and 1 (most restrictions). Scales are explained in Annex 3.
Source: Own data based on expert survey, interviews and country reports.
Table 4.4: Other measures targeting the agricultural land market, by country

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</table>

Note: * Each measures ranges between 0 (no restrictions) and 1 (most restrictions). Scales are explained in Annex 3.
Source: Own data based on expert survey, interviews and country reports (adapted from Swinnen et al., 2014).
ANNEX 5: Regulatory Profiles by Country (in descending order of country totals)

Total scores for groups of land market measures in the total score for all measures: Hungary

Total scores for groups of land market measures in the total score for all measures: Poland

Total scores for groups of land market measures in the total score for all measures: Croatia

Total scores for groups of land market measures in the total score for all measures: Romania

Total scores for groups of land market measures in the total score for all measures: France

Total scores for groups of land market measures in the total score for all measures: Lithuania
Total scores for groups of land markets measures in the total score for all measures: Latvia

- Protect Tenant: 0.5
- Protect Farm Land-Owner: 4.75
- Protect Non Farm Land Owner: 0.5
- Prevent Fragmentation: 2.0
- Other Measures: 1.25

Total scores for groups of land markets measures in the total score for all measures: Slovakia

- Protect Tenant: 0.0
- Protect Farm Land-Owner: 3.0
- Protect Non Farm Land Owner: 1.0
- Prevent Fragmentation: 0.0
- Other Measures: 1.0

Total scores for groups of land markets measures in the total score for all measures: Slovenia

- Protect Tenant: 2.0
- Protect Farm Land-Owner: 1.25
- Protect Non Farm Land Owner: 0.0
- Prevent Fragmentation: 2.0
- Other Measures: 1.0

Total scores for groups of land markets measures in the total score for all measures: Spain

- Protect Tenant: 2.5
- Protect Farm Land-Owner: 1.25
- Protect Non Farm Land Owner: 0.0
- Prevent Fragmentation: 1.0
- Other Measures: 1.0

Total scores for groups of land markets measures in the total score for all measures: Bulgaria

- Protect Tenant: 1.5
- Protect Farm Land-Owner: 2.5
- Protect Non Farm Land Owner: 1.0
- Prevent Fragmentation: 1.0
- Other Measures: 0.0

Total scores for groups of land markets measures in the total score for all measures: Austria

- Protect Tenant: 1.5
- Protect Farm Land-Owner: 3.0
- Protect Non Farm Land Owner: 0.0
- Prevent Fragmentation: 0.0
- Other Measures: 1.0
Total scores for groups of land markets measures in the total score for all measures:

**Estonia**
- Protect Tenant: 2
- Protect Farm Land-Owner: 1.5
- Protect Non Farm Land Owner: 2
- Prevent Fragmentation: 0
- Other Measures: 0.25

**Belgium**
- Protect Tenant: 3.75
- Protect Farm Land-Owner: 0
- Protect Non Farm Land Owner: 0
- Prevent Fragmentation: 1.5
- Other Measures: 0.25

**Netherlands**
- Protect Tenant: 3
- Protect Farm Land-Owner: 0
- Protect Non Farm Land Owner: 1
- Prevent Fragmentation: 0
- Other Measures: 1.125

**Sweden**
- Protect Tenant: 1.125
- Protect Farm Land-Owner: 1
- Protect Non Farm Land Owner: 0
- Prevent Fragmentation: 1
- Other Measures: 1.375

**Italy**
- Protect Tenant: 0.875
- Protect Farm Land-Owner: 1
- Protect Non Farm Land Owner: 0
- Prevent Fragmentation: 1
- Other Measures: 1.25

**Germany**
- Protect Tenant: 0.875
- Protect Farm Land-Owner: 1
- Protect Non Farm Land Owner: 0
- Prevent Fragmentation: 1
- Other Measures: 1
Total scores for groups of land markets measures in the total score for all measures: 
- Czech Republic
- Finalnd
- Denmark
- Ireland

- Protect Tenant
- Protect Farm Land-Owner
- Protect Non Farm Land Owner
- Prevent Fragmentation
- Other Measures