

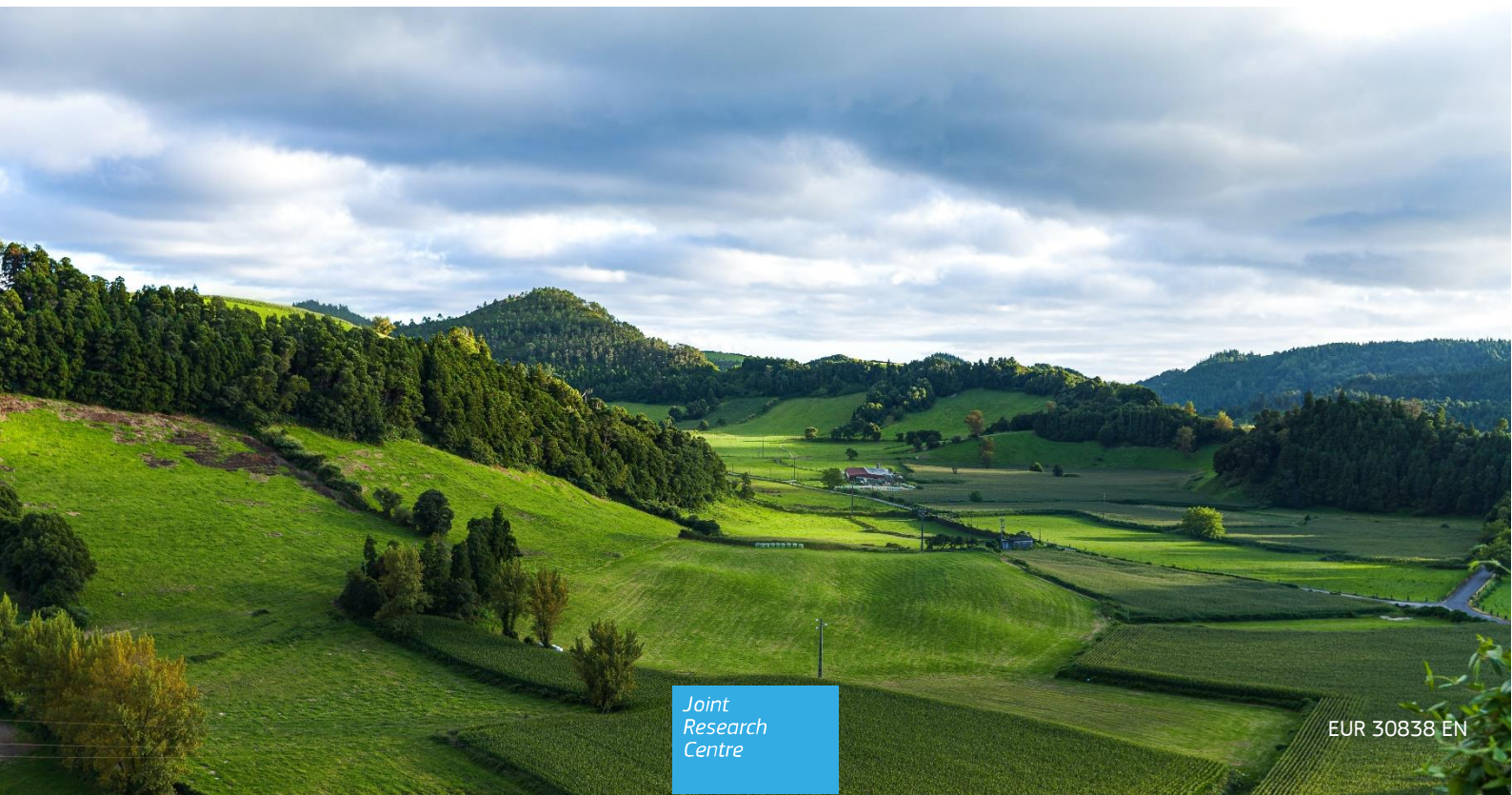


JRC TECHNICAL REPORT

Agricultural land market regulations in the EU Member States

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

2021



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EU Science Hub

<https://ec.europa.eu/jrc>

JRC126310

EUR 30838 EN

PDF

ISBN 978-92-76-41990-7

ISSN 1831-9424

doi:10.2760/86127

Luxembourg: Publications Office of the European Union, 2021

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How to cite this report: Vranken, L., E. Tabeau, P. Roebeling, P. Ciaian with contributions from country experts, *Agricultural land market regulations in the EU Member States*, EUR 30838 EN, Publications Office of the European Union, Luxembourg, 2021, ISBN 978-92-76-41990-7, doi:10.2760/86127, JRC126310.

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Executive summary

Agricultural land is an essential asset for societal development in general, and for food production and the development of rural regions in particular. Recognising the need to protect and sustain some of the economic, social and environmental benefits, agricultural land markets are subject to various regulations across the countries of the world, as well as across the EU. EU Member States (MS) have put in place various national laws establishing different conditions and restrictions for agricultural land market transactions covering rental markets, sales markets or both. The adoption and implementation of agricultural land market regulations are under the jurisdiction, and are the decision, of Member States. There is no specific (secondary) EU legislation regulating land market transactions. However, the acquisition of farmland falls within the area of EU law related to the free-movement principles governing the functioning of the EU internal market. The EU treaties prohibit imposing restrictions on the movement of capital, which is one of the four fundamental freedoms of the EU internal market. The EU treaties also recognise the distinctive nature of agricultural land and allow the imposition of restrictions on foreign investments in farmland, if they are proportionate to the protection of legitimate public interests, including, for example, preserving agricultural communities, developing and maintaining sustainable agriculture, or preventing land speculation.

In recent years, the European Commission and the European Parliament have initiated a number of research activities related to agricultural land market regulations and the impact of different policies (such as the common agricultural policy) on land market functioning. There also exists abundant academic literature analysing these policy questions. Most of the previous studies on agricultural land market regulations either date back to 2017 and cover only selected new MS ⁽¹⁾ (Ciaian et al., 2018), or date back to 2014 and cover a wider set of MS (i.e. 24) (Swinnen, Van Herck and Vranken, 2014a). Since then, many MS have updated their regulatory frameworks, particularly new MS after the expiration of the transitional restrictions on agricultural land acquisitions by foreigners, which were introduced after their EU accession.

The objective of this report is to provide an overview of agricultural land market regulations in the EU MS. This report builds upon the framework developed by Swinnen, Van Herck and Vranken (2014a) to provide comprehensive and structured analyses of the different agricultural land market regulations across MS. The report describes the situation of land market regulations as it was in 2020 in 22 MS. The analyses of agricultural land market regulations provided in this report are based on information obtained from the MS country experts using the following three tools: (i) structured questionnaires, (ii) semi-structured group interviews and (iii) country reports. The input compiled by land market experts through these tools is based on MS legislation and other relevant documents (e.g. official documents and academic literature) that contain information on agricultural land market regulations and/or their implementation.

The measures in place in the 22 MS are grouped in five categories; each category includes several specific measures detailing specific land market rules:

- 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 farmland owner: restrictions on legal form of buyer, restrictions on nationality of buyer for legal entities and natural persons, restrictions on residence of buyer, restrictions on experience of buyer, maximum sale price, pre-emptive right of (neighbouring) farmers and maximum transacted/owned area;

⁽¹⁾ New MS includes countries that joined the EU in or after 2004.

- M3, measures to protect the non-farmland owner: minimum rental price and maximum duration of a rental contract;
- M4, measures to prevent land fragmentation: lower plot size limit and regulations on pre-emptive buying rights of the co-owner;
- M5, other measures targeting the agricultural land market: requirement to publish sale offers, procedures for sale of public land, share deal approvals, pre-emptive right for state/public bodies, pre-emptive rights for family relatives, moratorium on transferring ownership after acquisition and moratorium on selling public land.

To facilitate the comparison of regulatory environments between MS, the report quantifies the land market regulations by constructing a set of regulation indices (numerical scales or count of measures) for all five groups of measures, following the approach of Swinnen, Van Herck and Vranken (2014a).

Overall, 24 different measures regulating the land markets were identified in the 22 EU MS (5 on tenant protection, 8 on farmland owner protection, 2 on non-farmland owner protection, 2 on preventing fragmentation and 7 other measures). The median number of all measures regulating land markets in all 22 MS is 7.88, and the average is about 7 measures.

While some countries have heavily regulated markets (e.g. Croatia, Hungary, Poland and Romania), other countries have a very liberal approach to land markets (e.g. Czechia, Denmark, Ireland and Finland). Countries with heavily regulated land markets can mainly be found among the new MS. The country with the highest number of measures is Hungary (14.25 measures) followed by Poland, Croatia and Romania with 12.75, 11.5 and 11.25 measures, respectively. France and Lithuania each have about 9 measures in place. The MS with the lowest numbers of regulations are Ireland, Denmark and Finland (0.375, 1.25 and 2.25 measures, respectively).

Among the 11 countries with a relatively high number of regulations in place, only two countries (France and Spain) are old MS, whereas nine are new MS. This pattern is reversed among the 11 countries with a relatively low number of regulations: only two are new MS (Czechia and Estonia) and the remaining nine are old MS.

The analyses of the report show considerable heterogeneity between MS in the type of agricultural land market regulations in place. Some MS, such as Belgium, France and the Netherlands, have very strict tenancy regulations, since many farmers are accessing land through rental markets in these countries. Slovakian agriculture is characterised by large corporate organisations that are renting land from numerous small landowners. Regulations protecting the tenant might, in such circumstances, rather favour 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. Tax exemptions are sometimes introduced in some MS to steer transactions, for example to stimulate long-term lease or to ensure that land remains under active farming.

In Croatia, Hungary, Poland and Romania, many regulations exist to protect the farmland owner, particularly small- and medium-scale farmers. In Hungary and Poland, legal entities cannot own land. In Croatia, some (temporary) restrictions regarding land acquisition by foreign owners are in place. In several MS (e.g. Croatia, Hungary, Poland, Romania and Slovenia), the acquisition of land is subject to the condition of agricultural experience by the acquirer. Pre-emptive rights are given to neighbouring farmers in several new MS (e.g. Bulgaria, Lithuania, Hungary, Romania and Slovenia) and in some old MS (e.g. Italy and Austria), or are given to adjacent landowners (e.g. Estonia and Spain). In some countries, residence requirements are introduced (e.g. in Bulgaria, Croatia, Poland and Romania).

Regarding measures to protect the non-farmland owner, regulations on minimum rental prices and maximum rental contract duration can protect non-farm owners and can be found in old and new MS. However, in new MS these regulations pertain mostly to the rental of state land.

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, sale of a plot might be refused if it leads to unfavourable plot sizes (e.g. in Austria). In many countries, co-owners have pre-emptive rights.

In many new MS, one can find other measures, typically including regulations that were introduced to limit excessive concentration or limit speculation by investors not actively involved in agriculture and/or foreign investors. For example, such measures include requirements regarding the publication of sales offers (e.g. Latvia, Lithuania, Hungary, Austria, Romania and Slovenia), specific procedures regulating the sale of state-owned land (e.g. Bulgaria, Czechia, Estonia, Spain, Croatia, Latvia, Lithuania, Hungary, Romania, Slovenia and Slovakia), pre-emptive rights for state/public bodies (e.g. Germany, France, Croatia, Latvia, Lithuania, Hungary, Poland, Romania, Slovenia and Finland), pre-emptive rights for family relatives (e.g. Czechia, Poland, Romania and Slovenia) and pre-emptive rights for adjacent landowners or neighbouring landowners (e.g. Bulgaria, Estonia, Hungary and Poland).

1. Introduction

Agricultural land is an essential asset for societal development in general, and for food production and the development of rural regions in particular. Agricultural land is instrumental in providing livelihoods for farmers and in ensuring food security for the general population. Land is also one of the main factors generating various economic, environmental and social benefits in rural areas. Recognising the need to protect and sustain some of the economic, social and environmental benefits, agricultural land markets are subject to various regulations across the countries of the world, as well as within the EU (Food and Agriculture Organization of the United Nations, 2012; Forbord, Bjørkhaug and Burton, 2014; Organisation for Economic Co-operation and Development (OECD), 2009; Sharma and Jha 2016; Swinnen, 2002;).

EU Member States (MS) have put in place various national laws establishing different conditions and restrictions for agricultural land market transactions covering rental markets, sales markets or both. National land laws regulating land transactions serve various objectives, for example keeping land in agricultural use, maintaining a rural population, addressing land fragmentation, or monitoring and possibly reducing land concentration ⁽²⁾. Sometimes they aim to strengthen the position of local farmers, as opposed to foreign investors ⁽³⁾.

The adoption and implementation of agricultural land market regulations are under the jurisdiction, and are the decision, of MS. There is no specific (secondary) EU legislation regulating land market transactions. However, the acquisition of farmland falls within the area of EU law related to the free-movement principles governing the functioning of the EU internal market. More specifically, the EU treaties prohibit imposing restrictions on the movement of capital, which is one of the four fundamental freedoms of the EU internal market ⁽⁴⁾. These treaty provisions also apply to agricultural land. The EU treaties also recognise the distinctive nature of agricultural land and allow the imposition of restrictions on foreign investments in farmland, if they are proportionate to the protection of legitimate public interests, including, for example, preserving agricultural communities, developing and maintaining sustainable agriculture, or preventing land speculation. Moreover, the jurisprudence of the Court of Justice of the European Union (CJEU) legitimises this course of action ⁽⁵⁾. However, drawing a line between proportionate and a disproportionate protection of public interests might not always be clear-cut and remains challenging to several MS.

Contributing to the debate on foreign investment in agricultural land was the objective of an Interpretative Communication of the Commission on the Acquisition of Farmland and EU Law, OJ 2017/C 350/05, dated 18.10.2017 ⁽⁶⁾, 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 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.' (OJ 2017/C 350/05, p. 5). Therefore, the communication provides a valuable framework for this report and offers guidance for the interpretation of our results and final conclusions.

In recent years, the European Commission and the European Parliament have initiated a number of research activities related to agricultural land market regulations and the impact of different policies (such as the common agricultural policy (CAP)) on land market functioning. There also exists abundant academic literature analysing these

⁽²⁾ Commission Interpretative Communication on the Acquisition of Farmland and EU Law (OJ 2017/C 350/05, 18.10.2017).

⁽³⁾ The term 'foreign investors' is used in this report to mean intra-EU investors, as most acquisitions of agricultural land in the EU take place in intra-EU settings.

⁽⁴⁾ Alongside free movement of goods, services and people.

⁽⁵⁾ Commission Interpretative Communication on the Acquisition of Farmland and EU Law (OJ 2017/C 350/05, 18.10.2017).

⁽⁶⁾ Commission Interpretative Communication on the Acquisition of Farmland and EU Law (OJ 2017/C 350/05, 18.10.2017).

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 (Swinnen, Ciaian and Kancs, 2008). The possible land capitalisation effects of the subsequent CAP reform proposal in 2013 were discussed in a study funded by the European Parliament in 2013 (Swinnen et al., 2013), while the impacts of the implementation of the 2013 CAP reform were examined in a Joint Research Centre (JRC) study of 2016 (Ciaian, Kancs and Espinosa, 2018). 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 (European Commission, 2017; Swinnen and Vranken, 2009), and to document land regulations that were adopted in some new MS as a response to the expiration of these transitory restrictions (Ciaian et al., 2018). Academic literature discusses a variety of aspects related to agricultural land markets. The most prominent literature relates to the analyses of the diversity of land market regulations in the EU (Swinnen, Van Herck and Vranken, 2014a, 2014b) and the capitalisation effects of the CAP subsidies on land values (e.g. Baldoni and Ciaian, 2021; Ciaian and Kancs, 2012; Guastella et al., 2018; Karlsson and Nilsson 2014; Kilian and Salhofer, 2008; Kilian et al., 2012; Klaiber, Salhofer and Thompson, 2017; Michalek, Ciaian and Kancs 2014; O'Neill and Hanrahan, 2016; Patton et al., 2008).

The objective of this report is to provide an overview of agricultural land market regulations in the EU MS. Most of the previous studies providing detailed information on agricultural land market regulations date back to 2017, covering only selected new MS (Ciaian et al., 2018), or back to 2014, covering a wider set of MS (i.e. 24) (Swinnen, Van Herck and Vranken, 2014a). Since then, many MS have updated their regulatory frameworks, particularly new MS after the expiration of the transitional restrictions on agricultural land acquisitions by foreigners that were introduced after their EU accessions. Such information is relevant for understanding the overall development of the land regulatory framework in the EU and can provide insight into the potential implications for the implementation of the CAP and of the European Green Deal, in particular with respect to the framework's effects on young farmers' access to land, farm structural change and competitiveness of the EU land market.

This report builds upon the framework developed by Swinnen, Van Herck and Vranken (2014a) to provide a comprehensive and structured analyses of agricultural land market regulations in multiple MS. The report also attempts to update and improve the land regulation indicator developed by Swinnen, Van Herck and Vranken (2014a). The information on and analyses of agricultural land market regulations provided in this report are based on the adopted legislation across the MS covered, as well as on inputs obtained from the agricultural land market experts (MS country experts), who studied the relevant documents (including, for example, the MS legislation, other official documents and academic literature). This information collection was carried out in 2020 as part of the JRC project *Agricultural Land Market Regulations in the EU Member States*. As a result, this report describes the situation of land market regulations as they were in 2020 in 22 MS ⁽⁷⁾.

The report is structured as follows. Section 2 outlines the conceptual background on land markets and land regulations. Section 3 describes the data and the methodological framework applied to analyse the collected information on land market regulations. Section 4 provides an overview and statistical analyses of land market regulations implemented in the MS studied, structured in harmonised cross-country tables. Section 5 provides individual qualitative descriptions of land market regulations for each MS covered in the report. Section 6 discusses the implications and cross-country comparisons of the land market regulations. Finally, Section 7 concludes the report.

⁽⁷⁾ The MS covered in the report are Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Ireland, Spain, France, Croatia, Italy, Latvia, Lithuania, Hungary, the Netherlands, Austria, Poland, Romania, Slovenia, Slovakia, Finland and Sweden. These MS were selected to cover different EU regions in terms of socioeconomic situation and regulatory framework in place.

2. Conceptual background

2.1. The importance of land markets and land regulations

Well-functioning land markets are of utmost importance for economic development, particularly in rural areas (Deininger and Feder, 2001). Land is an important factor for the production of agricultural goods. Well-functioning land markets (both sales and rental) allow the transfer of land to more efficient producers. In addition, land can be a source of political power. It is a store of wealth and a financial asset, and is used to hedge against inflation, which makes it attractive for investors who lack the skills and/or interest to farm. As land is often used as collateral, well-functioning land markets are often instrumental in the development of credit markets (Brandão and Feder, 1995). Credit markets, in turn, can stimulate productive investments in land, at least if tenure and/or property rights are secure (Faruqee and Carey, 1999; Feder and Nishio, 1998).

Land regulations will affect the functioning of the land market, and therefore have important equity and efficiency consequences. Insights into the functioning of the land market are also important from an EU policy point of view. The CAP is a community-wide policy providing various types of support to the agricultural sector and rural development. It has evolved quite extensively since its establishment in 1962, but some of the main goals remain to support farmers and improve agricultural productivity, ensuring a stable supply of affordable food and safeguarding EU farmers so they can make a reasonable living (European Commission, 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 capitalised in land prices (Baldoni and Ciaian, 2021; Ciaian, Kancs and Swinnen, 2010; Ciaian et al., 2021; Patton et al., 2008; Van Herck, Swinnen and Vranken, 2013). If regulations differ across countries, the redistributive impact of subsidies will also vary across countries. Land regulations may also affect farm structural change. The adopted land laws potentially affect reallocation of land among farms and individuals' decisions to exit and enter the farm business. This is because land regulations often impose various restrictions and/or priority rights in accessing land to certain market participants (e.g. pre-emptive rights to farmers, restrictions on farmland ownership to certain entities, maximum owned area). Again, land regulations may interact and affect the performance of CAP measures that, among other goals, aim to promote generational renewal in the agricultural sector to address the ageing of the EU's farmers by supporting the entry of young farmers into the sector (Dwyer et al., 2019; European Commission 2016, 2020a).

2.2. Benefits of sales and rental markets

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, Deininger and Feder, 1993, 1995). However, the performance of the sales market may be far from the theoretical ideal if imperfections exist in other markets (e.g. labour, credit, insurance) or if transaction costs for land sales are high (Deininger, 2003). In such circumstances, it can be difficult for efficient producers to access land via sales; hence, rental markets have their advantages⁽⁸⁾. 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; rental markets also require limited initial capital outlay for accessing land, thus leaving more capital for productive investments. As a result, land renting has the potential to facilitate structural change by encouraging new entrants into the sector (including young farmers), who are usually more credit constrained – renting offers them a cheaper means of accessing land (Swinnen, Vranken and Stanley, 2006; Vranken and Swinnen, 2006; Wastfelt and Zhang, 2018).

⁽⁸⁾ For the importance of land renting across MS, see Baldoni and Ciaian (2021).

2.3. Policies affecting land use and transfer

The functioning of land markets, and to what extent the aforementioned benefits are realised, depends on formal and informal mechanisms for defining and enforcing use and ownership rights. An 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 that can constrain both the supply of and the demand for land, and can affect both sales and rental transactions. Regulations might restrict individual property rights. Such restrictions can pertain to the time horizon over which property rights are held. Other regulations might pertain to 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. The presence of landowners without legal titles, multiple titles for the same plots, inappropriate legislation governing the issuing of titles or a legal restriction on issuing titles (e.g. for small farms below a certain threshold) could result in tenure insecurity (Brandão and Feder, 1995; Vranken et al., 2011). Tenure insecurity is a result of inadequate land administration, legal frameworks incapable of delineating boundaries of a land plot and an 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 credit market development.

Some regulations (e.g. prohibition of foreign ownership, self-farming obligations, pre-emptive rights to farmers) are often introduced to avoid land being bought by speculators and/or foreign investors⁽⁹⁾. Nevertheless, under specific conditions, investment in land by actors not interested in farming can be beneficial. Speculation provides liquidity to the market and transfers risk to those who have a comparative advantage in risk management (Brandão and Feder, 1995). The acquisition of agricultural land by foreigners is an issue of particular concern because of the fear of land concentration and excessive land speculation. Nevertheless, foreign investments can have beneficial effects as they can contribute capital, technology and know-how, thereby improving the productivity of the agricultural sector⁽¹⁰⁾. 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 often have 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 the 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, know-how and technology; productivity gains; access to land use; and tenure security) can be realised.

Rent controls and other tenure regulations are often introduced to protect tenants from eviction and high rents and/or to establish rules that enhance tenants' security of long-term investments in land development. However,

⁽⁹⁾ Commission Interpretative Communication on the Acquisition of Farmland and EU Law (OJ 2017/C 350/05, 18.10.2017).

⁽¹⁰⁾ Report from the Commission to the Council, Review of the transitional measures regarding the acquisition of agricultural real estate foreseen in the Accession Treaty 2005, 14.12.2010, p. 2; Report from the Commission to the Council, Review of the transitional measures regarding the acquisition of agricultural real estate set out in the 2003 Accession Treaty, 16.7.2008, p. 7; European Commission press release (http://europa.eu/rapid/press-release_IP-10-1750_en.htm?locale=en); European Commission press memo (https://ec.europa.eu/commission/presscorner/detail/en/MEMO_11_244).

See, for example, Dries et al. (2009), p. 1755; Dries and Swinnen (2004), pp. 1525–1541; Swinnen, van Herck and Vranken (2016), p. 202; Swinnen and Vranken (2007), executive summary, p. ii; and Swinnen and Vranken (2010), executive summary and Chapters 2 and 7 (concluding remarks).

very strict tenancy regulations might backfire if they reduce the amount of land that is offered for rent or if they diminish a landowner's incentive to make land-related investments (Swinnen, Van Herck and Vranken, 2016). Excessively strict tenancy regulations may also constrain farm structural change and discourage younger generations from entering the sector. Therefore, the efficiency and equity effects of strict rental controls and tenure regulations are not straightforward.

Land fragmentation is often considered detrimental, as it entails costs (Faruqee and Carey, 1999) ⁽¹¹⁾. However, some degree of fragmentation could have advantages and reduce risks (e.g. the heterogeneity of soil and growing conditions can reduce the risk of total crop failure, allows producing a wider mix of crops, facilitates crop rotation). 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 persists for the demand side, in other words 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) (Blarel et al., 1992). However, fragmentation may persist even without a demand-side desire for it. Legal disputes, inheritance rules and transaction costs may be causes of persistent fragmentation; in such circumstances, fragmentation is more likely to have negative effects (Faruqee and Carey, 1999; Vranken, Noev and Swinnen, 2004). Given these potential negative effects of land fragmentation, countries often introduce various land regulations to prevent or reduce landownership fragmentation, land use fragmentation or both.

2.4. Measures serving different purposes

Governments have introduced a vast array of measures that can serve different purposes. Swinnen, Van Herck and Vranken (2014a) make a distinction between four 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 aims to protect a tenant's access to land and includes 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) includes regulations regarding maximum sales prices, pre-emptive buying rights for neighbouring farmers and maximum transacted area. These measures typically favour landownership by the cultivator and, hence, discourage land being bought by investors not interested in farming or not 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-landowners can relatively easily rent out the land to another, more beneficial, tenant (from the landowner's point of view that could be a tenant who pays a higher rent or who 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.

⁽¹¹⁾ For example, land fragmentation may induce costs because travel time between fields increases, land is lost for boundaries and access routes, the scope for irrigation and soil conservation is reduced and the realisation of economies of scale is reduced (Faruqee and Carey, 1999).

3. Data and methodology

The analyses of agricultural land market regulations provided in this report are based on information obtained from the agricultural land market experts (MS country experts) using the following three tools: (i) structured questionnaires, (ii) semi-structured group interviews and (iii) country reports. The input compiled by land market experts through these tools is based on the MS legislation and other relevant documents (e.g. official documents, and academic literature) that contain information on agricultural land market regulations and/or their implementation. The information collection was carried out in 2020; thus, the report represents the state of the agricultural land market regulations as it was in 2020 in the included MS.

3.1. Country expert survey: structured questionnaires

A survey among agricultural land experts from the included MS was conducted to collect up-to-date information on land regulations. A structured questionnaire was used for this purpose. The questionnaire contains modules on landownership, sales and rental regulations. For more details on the content of the questionnaire, see 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 online focus group discussion format was used. This allowed the collection of additional qualitative insights, such as information on the practicalities of implementation, which complemented the structured tables summarising the available information (see Section 4). Four focus group discussions were organised with different subgroups of country experts in the second half of September 2020 (see Table 1).

Table 1: Timing and composition of the online focus group discussions

Focus Group	#	EU Country	Country Expert	Affiliation
Group I	1	Austria	Klaus Salhofer, Heid Leonhardt	Universität für Bodenkultur Wien, Austria
15 September 2020, 9:30-12:30 hours	2	Belgium	Liesbet Vranken	Division of Bioeconomics, KU Leuven, Belgium
	3	Netherlands	Huib Silvis, Martien Voskuilen	Wageningen Economic Research, Netherlands
	4	Sweden	Huib Silvis, Allard Jellema	Wageningen Economic Research, Netherlands
	5	France	Laure Latruffe	French National Institute for Research on Agriculture and Environment, and University of Bordeaux, France
	6	Spain	Ana Sanjuan, Hugo Ferrer Pérez	Agro-food Economics Department, Centre of Agro-food Research and Technology, Spain
Group II	1	Bulgaria	Marian Rizov	Lincoln International Business School, United Kingdom
16 September 2020, 13:30-16:30 hours	2	Romania	Cristian Kevorchian	Romanian Academy of Sciences, and Institute of Agricultural Economics, University of Bucharest, Romania
	3	Czechia	Tomas Ratinger	Department of Economic Development, Czech University of Life Sciences, Czechia

Focus Group	#	EU Country	Country Expert	Affiliation
	3	Czechia	Ladislav Jelinek	Institute of Agricultural Economics and Information, Czechia
	4	Slovakia	Jan Pokrivcak	Department of Economics, Slovak University of Agriculture, Slovakia
Group III				
Group III	1	Poland	Dominika Milczarek-Andrzejewska	Faculty of Economic Sciences, University of Warsaw, Poland
23 September 2020, 9:30-12:30 hours	2	Croatia	Ornella Mikus	Faculty of Agriculture, University of Zagreb, Croatia
	3	Estonia	Raul Omel	Institute of Economics and Social Sciences, Estonian University of Life Sciences, Estonia
	4	Latvia	Jerzy Michalek	Independent Senior Consultant; previously Institute of Agricultural Economics, University of Kiel, Germany, and the European Commission, Spain
	5	Lithuania	Jerzy Michalek	Independent Senior Consultant; previously Institute of Agricultural Economics, University of Kiel, Germany, and the European Commission, Spain
	6	Italy	Paolo Sckokai	Department of Agro-food Economics, Catholic University of the Sacred Heart, Italy
Group IV				
Group IV	1	Ireland	Shailesh Shrestha	Rural Economy, Environment and Society Department, Scotland's Rural College, United Kingdom
24 September 2020, 9:30-12:30 hours	2	Finland	Olli Niskanen	Natural Resources Institute (LUKE), Finland
	3	Germany	Alfons Balmann, Florian Heinrich	Leibniz Institute of Agricultural Development in Transition Economies, Germany
	4	Denmark	Henning Otte Hansen	Department of Food and Resource Economics, University of Copenhagen, Denmark
	5	Slovenia	Andrej Udovč	Biotechnical Faculty, University of Ljubljana, Slovenia
	6	Hungary	Imre Ferto	Hungarian Academy of Sciences, Hungary

3.3. Country reports by experts

Country reports with qualitative insights were produced by the experts as sources of information for further processing in the report analyses. 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 in the way in which they are implemented, the country reports aimed to substantiate this. Furthermore, the country reports provided a description of surrounding regulations (e.g. credit market related) that might affect land regulations. The template used for the country reports can be found in Annex 2. Summary country reports are provided in Section 5.

4. Overview of agricultural land market regulations

4.1. Structured cross-country tables

Using the information collected through structured questionnaires, semi-structured group interviews and country reports, the agricultural land market regulations are presented in a standardised and structured way in cross-country tables by applying the updated framework developed in Swinnen, Van Herck and Vranken (2014a). Such a format allows the integration of a wide range of underlying information and makes cross-country comparison more straightforward. Following this approach, the measures in place in the included MS are grouped into the following five categories:

- M1 – measures to protect the tenant (Table 2);
- M2 – measures to protect the farmland owner (Table 3);
- M3 – measures to protect the non-farmland owner (Table 4);
- M4 – measures to prevent land fragmentation (Table 5);
- M5 – other measures targeting agricultural land markets (Table 6).

Each category includes several measures detailing specific land market rules present in the included countries. Table A3 in Annex 3 details the measures, while Tables 2–6 provide a brief qualitative description of each measure for all five groups of measures as applied in all 22 MS included in the report. More specifically, Tables 2–6 indicate whether a particular measure is present in a given MS and any peculiarities or exceptions applied in different MS.

Following Swinnen, Van Herck and Vranken (2014a), we attempt to quantify the land market regulations by constructing a set of regulation indices (numerical scales or count of measures) for all five groups of measures. This is done to facilitate the comparison of regulatory environments between MS. Descriptions of the numerical scales used to quantify 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 ‘no’ (not exercising a given regulation) and 1 being ‘yes’ (exercising a regulation). Answers other than ‘no’ and ‘yes’ were coded with fractions from the interval 0–1, depending on the actual situation in a country. Tables that describe the measures with indices (numerical scales) are reported in Tables A4.1–A4.4 in Annex 4.

Overall, the report covers the ‘old’ agricultural land market regulations studied previously in Swinnen, Van Herck and Vranken (2014a), and also a group of ‘new’ agricultural land market regulations, added under the heading ‘other measures’. The ‘old’ agricultural land market regulations relate to several groups: protection of the tenant, M1 (Table 2) ⁽¹²⁾; protection of the non-farmland owner (cultivator and non-cultivator), M3 (Table 4); and measures preventing land fragmentation, M4 (Table 5). For the ‘old’ category ‘measures to protect the farmland owner, M2’ (Table 3), some measures from Swinnen, Van Herck and Vranken (2014a) 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 MS. Some countries have restrictions for non-EU buyers; however, these are not reported in Table 3.

The ‘new’ agricultural land market regulations group (‘other measures, M5’) comprises requirement for publication of sale offers, formal procedures for sale of public land, ‘share deals’ approvals, pre-emptive rights for state/public

⁽¹²⁾ Note that measures to protect the tenant (M1) 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 contractual obligations not being fulfilled (e.g. not paying the rent). Rather, it captures whether there are additional conditions under which a rental contract can be ended by the owner (e.g. if a rental contract can be ended only if the owner decides to cultivate the plot himself or herself).

bodies, pre-emptive rights for family relatives, (temporary) moratorium on transferring ownership after acquisition and (temporary) moratorium on selling public land (Table 6). Several measures from this group can and should be interpreted together with other groups, for example protecting the landowner-cultivator or preventing land fragmentation.

Table 2: Measures to protect the tenant, by country, around 2020

Country	Minimum rental contract duration	Maximum rental price	Automatic rental contract renewal	Conditions for rental contract termination	Pre-emptive rights for tenant
Belgium	Yes	Yes	Yes	Yes	Yes
Bulgaria	Yes, for certain contracts	No	No	No	Yes
Czechia	No	No	No	No	Yes, but only for sale of state land
Denmark	No	No	No	No	No
Germany	No	No, but contract can be denied if price is unreasonable	Only if included in contract provision	No	Yes, but only indirectly through public organisation if non-farmer wants to buy land
Estonia	No	No	Yes	No	Yes
Ireland	No	No	Only if included in contract provision	No	No
Spain	Yes	No	Yes	Yes	Yes
France	Yes	Yes	Yes	Yes	Yes
Croatia	No	Yes, but only for state-owned land	No	No	Yes, but only for sale of state land
Italy	No	No	Only if included in contract provision	No	Yes
Latvia	Yes	Yes, but only land resulting from land reform	No	No	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
Lithuania	No	No	No	No	Yes
Hungary	Yes	No	No	No	Yes
Netherlands	Yes	Yes, but only for regulated tenancy contract, not for liberalised	Yes, but only for regulated tenancy contract, not for liberalised	Yes	Yes
Austria	No, but reference contract duration exists	No, but contract can be denied if price is unreasonable	Yes, with limited duration	Yes	No
Poland	No	No	No	No	Yes

Country	Minimum rental contract duration	Maximum rental price	Automatic rental contract renewal	Conditions for rental contract termination	Pre-emptive rights for tenant
Romania	Yes	No	Yes	No	Yes
Slovenia	Yes, for rented state land	No	Yes	No	Yes
Slovakia	Yes	No	Yes, renewal according to old terms and rental price equal to cadastral price if the landlord does not respond to tenant's renewal offer within 2 months	Yes	Yes
Finland	No	No	No	No	No
Sweden	No	No	Yes	Yes	Yes

Table 3: Measures to protect the farmland owner, by country, around 2020

Country	Restrictions on legal form of buyer	Restrictions on nationality of buyer for legal entities	Restrictions on nationality of buyer for natural person	Restrictions on residence of buyer	Restrictions on experience of buyer	Maximum sales price	Pre-emptive rights for (neighbouring) farmers	Maximum transacted/owned area
Belgium	No	No	No	No	No	No	No	No
Bulgaria	No	No	No	Yes, except for self-employed farmers	No	No	Yes	No
Czechia	No	No	No	No	No	No	No	No
Denmark	No	No	No	No	No	No	No	No
Germany	No	No	No	No	No	No, but transaction can be denied if price is excessive	No, unless there is an acceptable justification (e.g. farmer can consolidate or has lost land, or the share of owned land is low)	No
Estonia	Yes	No	No	No	No	No	No, but pre-emptive rights for adjacent landowner	No
Ireland	No	No	No	No	No	No	No	No
Spain	No	No, except for specific regions	No, except for specific regions	No	No	No	No, but pre-emptive rights for adjacent landowner	Not for sales, but renting in land as tenant is forbidden if a certain area is already in ownership
France	No	No	No	No	No	No, but transaction can be denied if price is excessive	No, but existence of priority order of buyers outside pre-emptive rights with (1) tenant, (2) neighbouring young farmer or (3) other	No, but the sale can be denied/annulled if transacted area is too large

Country	Restrictions on legal form of buyer	Restrictions on nationality of buyer for legal entities	Restrictions on nationality of buyer for natural person	Restrictions on residence of buyer	Restrictions on experience of buyer	Maximum sales price	Pre-emptive rights for (neighbouring) farmers	Maximum transacted/owned area
							neighbouring farmer	
Croatia	No	Yes	Yes	Yes	Yes	No	Yes, for farmers with residence in the country for the sale of state land	Yes
Italy	No	No	No	No	No	No	Yes	No
Latvia	No	No	No	No	No	No	No	Yes
Lithuania	No	No	No	No	No	No	Yes	Yes
Hungary	Yes	Yes, neither foreign nor domestic legal entities can acquire land	No	No	Yes	Yes	Yes	Yes
Netherlands	No	No	No	No	No	No	No	No
Austria	No	No	No	No	No	No, but transaction can be denied if price is excessive	Yes	Yes
Poland	Yes	Yes, neither foreign nor domestic legal entities can acquire land	No	Yes	Yes	No	No	Yes
Romania	No	No	No	Yes	Yes	No	Yes	No
Slovenia	No	No	No	No	Yes	No	Yes	No
Slovakia	No	No	No	No	No	No	No	No
Finland	No	No	No	No	No	No	No	No
Sweden	No	No	No	No	No	No	No	No

Table 4: Measures to protect non-farmland owners, by country, around 2020

Country	Minimum rental price	Maximum rental contract duration
Belgium	No	No
Bulgaria	No	Yes, but only for certain types of tenancy contracts
Czechia	No	No
Denmark	No	Yes
Germany	No	No
Estonia	No	No
Ireland	No	No
Spain	No	No
France	Yes	Existence of reference contract durations
Croatia	Yes, for state-owned land	Yes
Italy	No	No
Latvia	Yes, but only for state-owned land leased with redemption rights	Yes, but only for state-owned land leased with redemption rights
Lithuania	Yes, for municipality-owned land	Yes, but only for state-owned land
Hungary	No	Yes
Netherlands	No	No
Austria	No	Existence of reference contract durations
Poland	No	No
Romania	No	Yes
Slovenia	No	No
Slovakia	A non-binding minimum rental price exists, which is set at a very low level	Yes
Finland	No	Yes
Sweden	No	Yes

Table 5: Measures to prevent fragmentation, by country, around 2020

Country	Lower plot size limit	Pre-emptive right of co-owner
Belgium	No	No
Bulgaria	Yes	Yes
Czechia	No	Yes, but only for 6 months after acquisition
Denmark	No	No
Germany	Yes	No
Estonia	No	No
Ireland	No	No
Spain	Yes	Yes
France	No	No
Croatia	Subdivision of already consolidated plot not allowed	No
Italy	No	Yes
Latvia	No	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
Lithuania	No	Yes
Hungary	State land cannot not be subdivided into plots of < 1 ha or < 3 ha for orchards	Yes
Netherlands	No	No
Austria	Transfer can be denied if it leads to disruption of a favourable land structure	No
Poland	No	No
Romania	No	Yes
Slovenia	No	Yes
Slovakia	Yes	Yes
Finland	No	No
Sweden	No	No

Table 6: Other measures, by country, around 2020

Country	Requirement for publication of sale offers	Procedures for sale of public land	Share deal approvals	Pre-emptive rights for state/public bodies	Pre-emptive rights for family relatives	(Temporary) moratorium on transferring ownership after acquisition	(Temporary) moratorium on selling public land
Belgium	No	No	No	Governmental body can take possession of the land under specific conditions, for example to build new residential area	No	No	No
Bulgaria	No	Yes	No	No	No	Yes, but only for land acquired from state or municipalities	Yes
Czechia	Yes, for state land	Yes	No	Yes, but only municipalities and regions have pre-emptive rights (without payment) for state land	Yes	Yes, but only for land acquired from state or municipalities	No
Denmark	No	No	Administrative approval needed for the transfer of shares of a legal entity that owns agricultural land	No	No	No	No
Germany	No	No	No	Yes	No	No	Speed of privatisation of public land is limited
Estonia	No	Yes	No	No	No	No, but granted tax reliefs might have to be returned	Yes
Ireland	No	No	No	No	No	No	No
Spain	No	Yes	No	No	No	Yes, if tax reduction or exemptions were granted	No
France	No	No	Transfer of shares can be forbidden, but only if totality of shares is transferred/sold	Yes	No	No	No
Croatia	No	Yes	No	Yes	No	No	Yes

Country	Requirement for publication of sale offers	Procedures for sale of public land	Share deal approvals	Pre-emptive rights for state/public bodies	Pre-emptive rights for family relatives	(Temporary) moratorium on transferring ownership after acquisition	(Temporary) moratorium on selling public land
Italy	No	Yes	No	No	No	Yes, if tax reduction or exemptions were granted	Yes, if public land is subject to specific constraints
Latvia	Yes	Yes	Yes	Yes	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	Yes, but only for land acquired from state or municipalities	No
Lithuania	Yes	Yes	Yes	Yes	No	No	No, but a maximum of 300 ha can be acquired from the state
Hungary	Yes	Yes	No	Yes	Yes	No	No
Netherlands	No	No	No	Governmental body can take possession of the land under specific conditions, for example to build new residential area	No	Yes, if tax reduction or exemptions were granted	Yes
Austria	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 (1 month)	No	Yes	No	No	No	No
Poland	Yes, for state land	Yes	Yes	Yes	Yes	Yes	Yes
Romania	Yes	No	No	Yes	Yes	No, but granted tax reliefs might have to be returned	No
Slovenia	Yes	No	No	Yes	Yes	No	No

Country	Requirement for publication of sale offers	Procedures for sale of public land	Share deal approvals	Pre-emptive rights for state/public bodies	Pre-emptive rights for family relatives	(Temporary) moratorium on transferring ownership after acquisition	(Temporary) moratorium on selling public land
Slovakia	Yes	Yes	No	No	No	No	No
Finland	No	No	No	Yes	No	Yes, if tax reduction or exemptions were granted	No
Sweden	No	Yes	? ⁽¹³⁾	No	No	No	Yes, if land is needed for special reasons, which could include cultural environment, defence, nature conservation and recreation

⁽¹³⁾ The question mark expresses a rather complex case. No formal share deal approvals are in place in Sweden, but an acquisition permit is required in some circumstances for some special areas (sparsely populated or redevelopment areas). The question mark was considered to be "0" in regulations score calculations and in charts.

4.2. Statistical overview of land market regulations

This section provides a brief statistical analysis of the results from the cross-country comparisons (Tables 2–6) by group of measures. It discusses some basic descriptive statistics and presents charts summarising the findings. The discussion follows the order of the cross-country tables from Section 4.1.

All statistics presented below are based on numerical equivalents of the verbal expressions of measures included in Tables 2–6, (i.e. in terms of numbers representing counts of measures), following the numerical scales detailed in Table A3 in Annex 3 and explained in Section 4.1. The scores for all measures are reported in Tables A4.1–A4.4 in Annex 4.

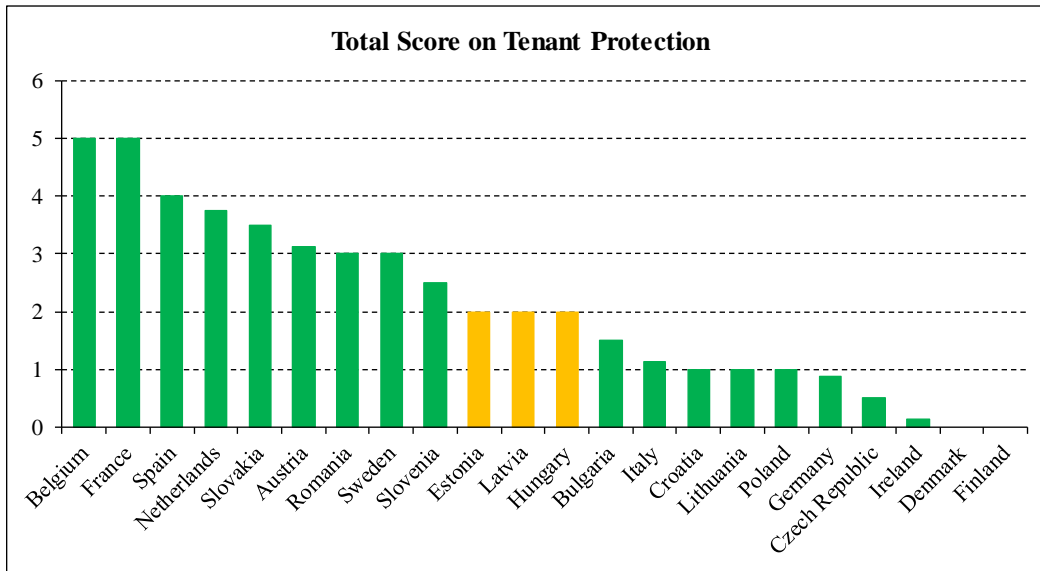
4.2.1. Measures to protect the tenant (Table 2)

Table 2 (Section 4.1) contains results for five regulations related to the tenant protection applied in the included MS. The median number of regulations (the bars in yellow in Figure 1) for tenant protection is 2, which is very close to the average total score of 2.09 regulations, out of the range of minimum 0 to maximum 5. Estonia, Latvia and Hungary observe the median level (2) of the total score. On average, approximately 2 regulations are in place in the 22 countries (out of a maximum of 5) that protect the tenants of farmland.

Two countries, Belgium and France, are characterised by maximum protection of the tenant (maximum score of 5 regulations). Spain, the Netherlands and Slovakia also have relatively high numbers of measures in place for the protection of land tenants: 4, 3.75 and 3.5, respectively.

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 Ireland (0.125) and Czechia (0.5), where scores are close to zero.

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



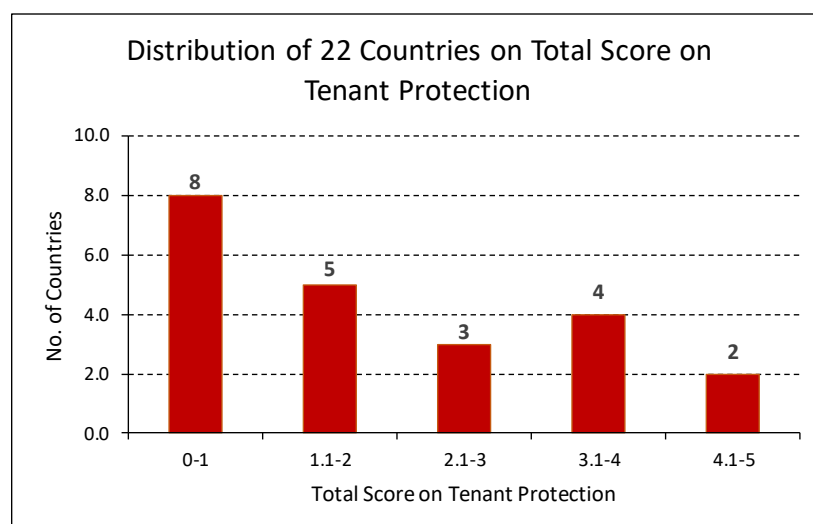
Maximum	Minimum	Average	Median	Skewness	Kurtosis
5.00	0.00	2.09	2.00	0.42	-0.79

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

Average means 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 centre point; the skewness for a normal distribution (fully symmetric) is zero. 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 3. Positive kurtosis indicates a 'heavy-tailed' distribution and negative kurtosis indicates a 'light-tailed' distribution.

Generally, the distribution of the number of regulations of the 22 EU MS for the protection of farmland tenants concentrates towards lower values of the total score (Figure 2). For a majority of the countries (13 out of 22), the total score is between 0 and 2, meaning they exercise only two or fewer regulations for land tenant protection. Seven countries have a total score of between 2.1 and 4, and only two countries have between 4.1 and 5 regulations (Belgium and France). In these two countries, the protection of the tenant is clearly the greatest.

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



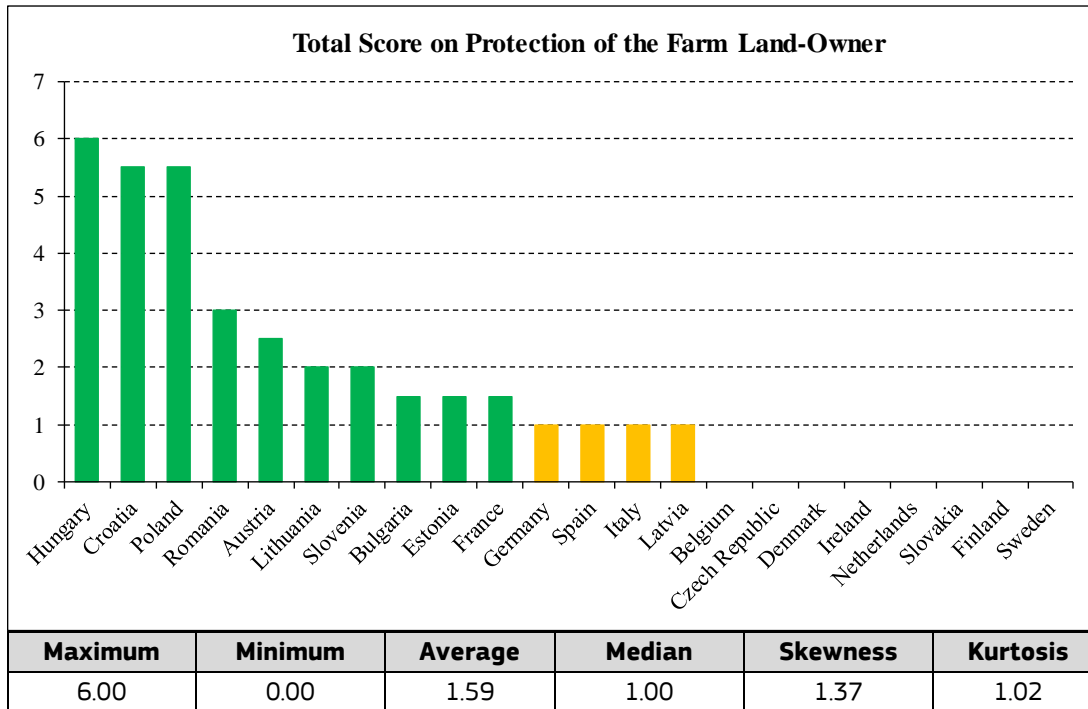
4.2.2. Measures to protect the farmland owner (Table 3)

The median score of farmland owner protection equals 1 measure, whereas the average score is 1.59 measures (Figure 3), out of the range of minimum 0 to maximum 8 regulations (no country has all eight regulations in place). Both these values are low, indicating a generally low number of protective measures for farmland 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 score close to the average number of the measures exercised (1.5). Thus, on average, 1.5 measures are in place in Bulgaria, Estonia and France (out of a maximum of 6 observed) to protect the farmland owner.

Hungary has the greatest protection of the farmland owner (6 regulations). Croatia and Poland also have a relatively high number of protective measures for farmland owners, as they score 5.5 points (out of a maximum of 8).

Eight countries (Belgium, Czechia, Denmark, Ireland, the Netherlands, Slovakia, Finland and Sweden) exercise no farmland owner protection at all (score 0). Nine other countries have a low total score (1–2): Germany, Spain, Italy and Latvia (each with 1 measure); Bulgaria, Estonia and France (each with 1.5 measures) and Lithuania and Slovenia (each with 2 measures).

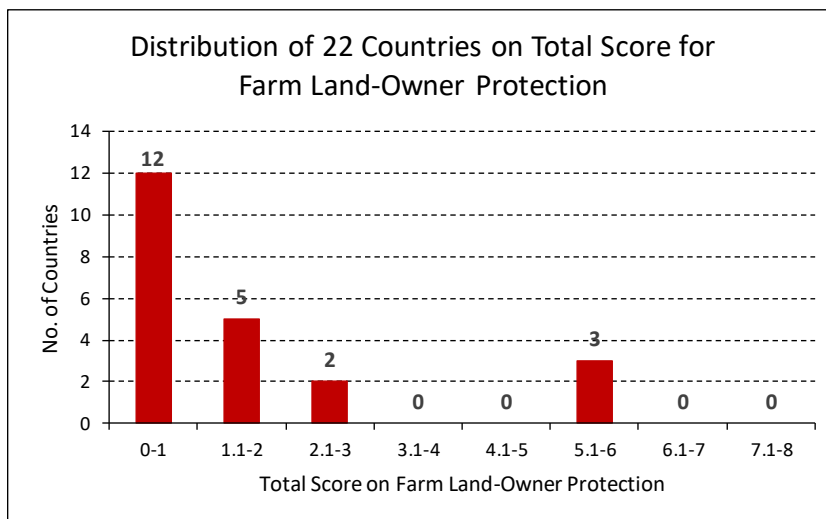
Figure 3. Total score on protection of the farmland owner, 22 MS, around 2020



NB: Empirical statistics related to data from Table 3 (Section 4.1).

Generally, the distribution of the scores of the 22 EU MS on the level of protection for the farmland owner is highly asymmetric and strongly concentrates around the lowest values of the total score (peak at 0–1; 12 countries; Figure 4). The total number of regulations is lower than 3 measures for almost all countries (19 out of 22). Only three countries score high, that is between 5.1 and 6 regulations (Croatia, Hungary and Poland). No country exercises all eight measures investigated.

Figure 4. Distribution of the total score on farmland owner protection, 22 MS, around 2020

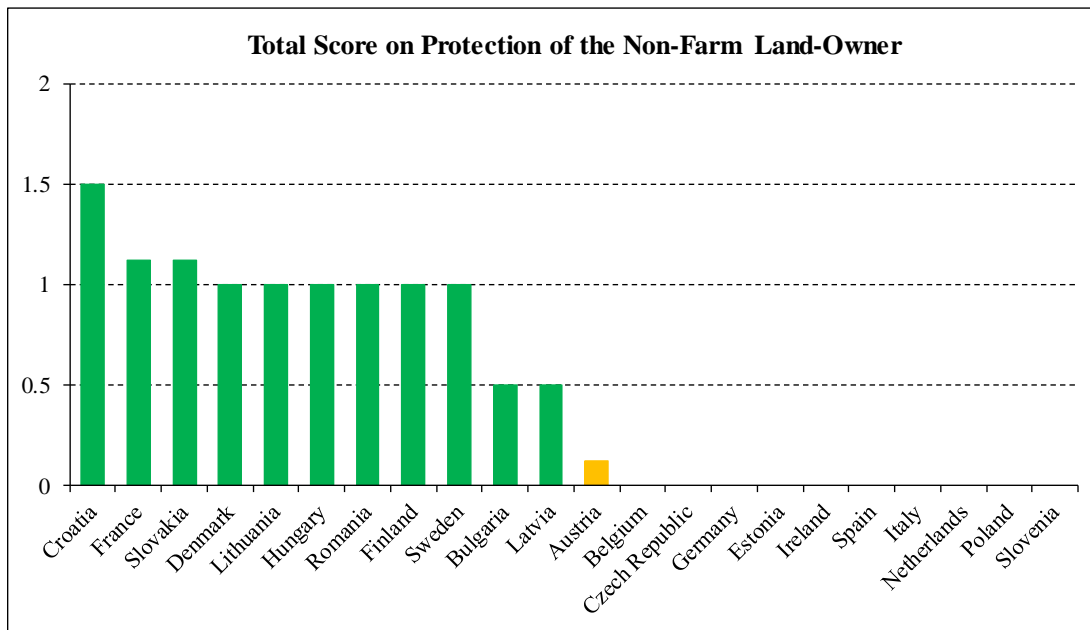


4.2.3. Measures to protect non-farmland owners (Table 4)

The median score of non-farmland owner protection equals 0.31 measures, whereas the average score is 0.49 regulations (Figure 5), out of a range of minimum 0 to maximum 2 regulations (no country has both regulations in place). Both these values are low, indicating a low number of protective measures for non-farmland owners in the 22 countries studied. Austria exercises close to the median number of regulations (0.125), and Bulgaria and Latvia implement an average number of measures (0.5 each). Thus, on average, a fraction of one measure is in place in these countries (out of a maximum of 1.5 observed) to protect the non-farmland owner.

Croatia has the greatest protection of farmland owners (maximum score of 1.5). Ten countries (Belgium, Czechia, Germany, Estonia, Ireland, Spain, Italy, the Netherlands, Poland and Slovenia) have no non-farmland owner protective measures at all (score 0). Three other countries also have a low total score (0.5 or less): Bulgaria, Latvia and Austria.

Figure 5. Total score on protection of the non-farmland owner, 22 MS, around 2020

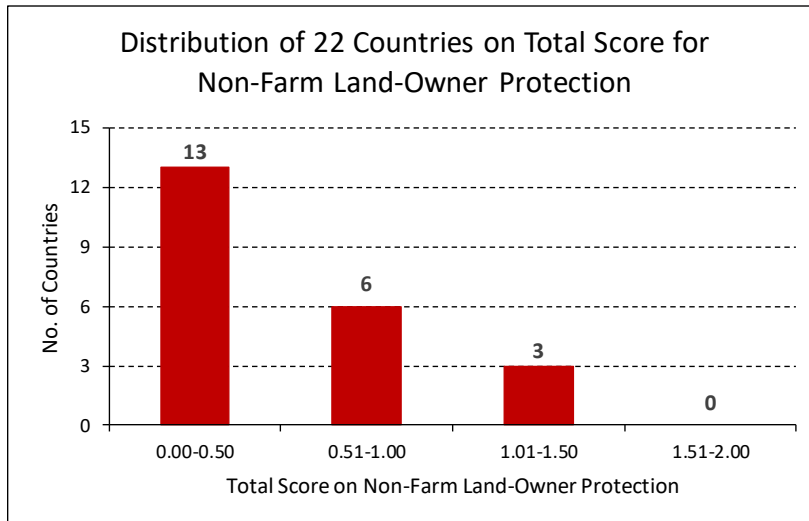


Maximum	Minimum	Average	Median	Skewness	Kurtosis
1.50	0.00	0.49	0.31	0.36	-1.61

NB: Empirical statistics related to data from Table 4 (Section 4.1).

The distribution of the scores of the 22 EU MS on the protection level for non-farmland owners is highly asymmetric, and peaks around the lowest values of the total score (0–0.5; 13 countries; Figure 6). Almost all countries (19 out of 22) have the total number of regulations up to 1 point. Only three countries score higher, that is between 1.01 and 1.5 points (Croatia, France and Slovakia).

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



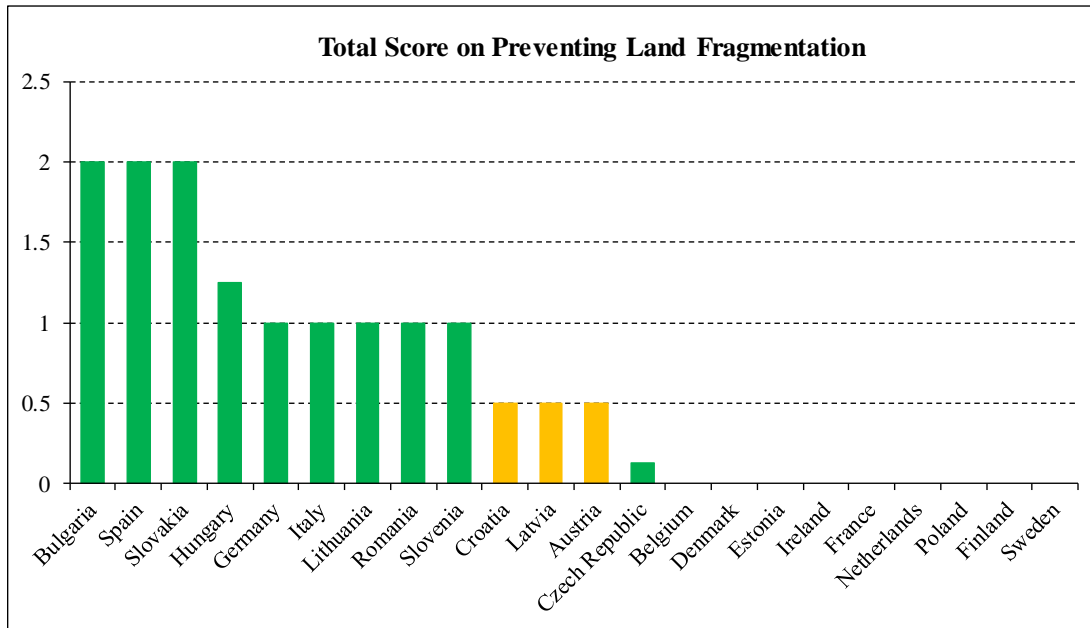
4.2.4. Measures to prevent fragmentation (Table 5)

The median score for preventing land fragmentation equals 0.50 measures, whereas the average score is 0.63 measures, out of a range of minimum 0 to maximum 2 regulations (Figure 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). Thus, a fraction of one measure is in place in these countries (0.5 out of the maximum of 2 observed) to prevent fragmentation.

Bulgaria, Spain and Slovakia have the highest number of regulations preventing land fragmentation (2 out of 2 regulations), followed by Hungary, Germany, Italy, Lithuania, Romania and Slovenia, which each score between 1 and 1.5. Nine countries (Belgium, Denmark, Estonia, Ireland, France, the Netherlands, Poland, Finland and Sweden) observe no measures preventing land fragmentation at all (score 0). Four more countries also have a low total number of land fragmentation regulations (0.5 or lower): Croatia, Latvia, Austria and Czechia.

The distribution of the scores of the 22 EU MS on preventing land fragmentation is highly asymmetric and peaks around the lowest values of the total score (0–0.5; 13 countries; Figure 8). Almost all countries (18 out of 22) have a total score of between 0 and 1 regulation. Only four countries score higher, that is between 1.01 and 2 regulations (Bulgaria, Spain, Slovakia and Hungary).

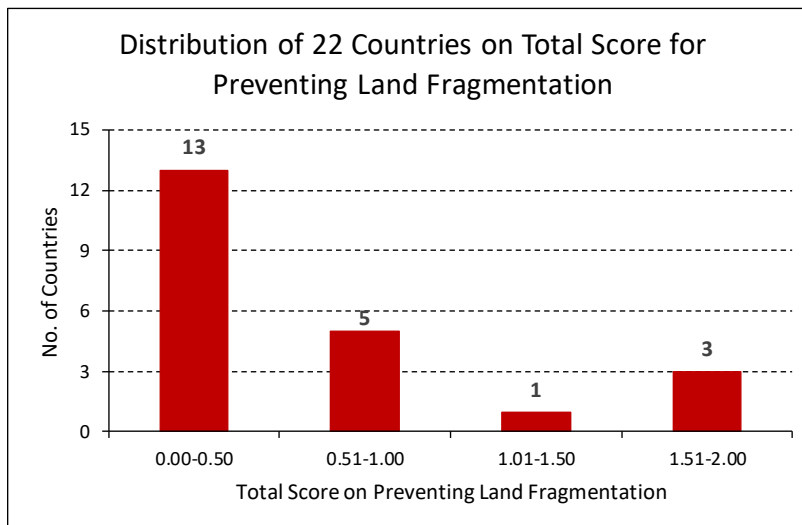
Figure 7. Total score on preventing land fragmentation, 22 MS, around 2020



Maximum	Minimum	Average	Median	Skewness	Kurtosis
2.00	0.00	0.63	0.50	0.85	-0.41

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

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)

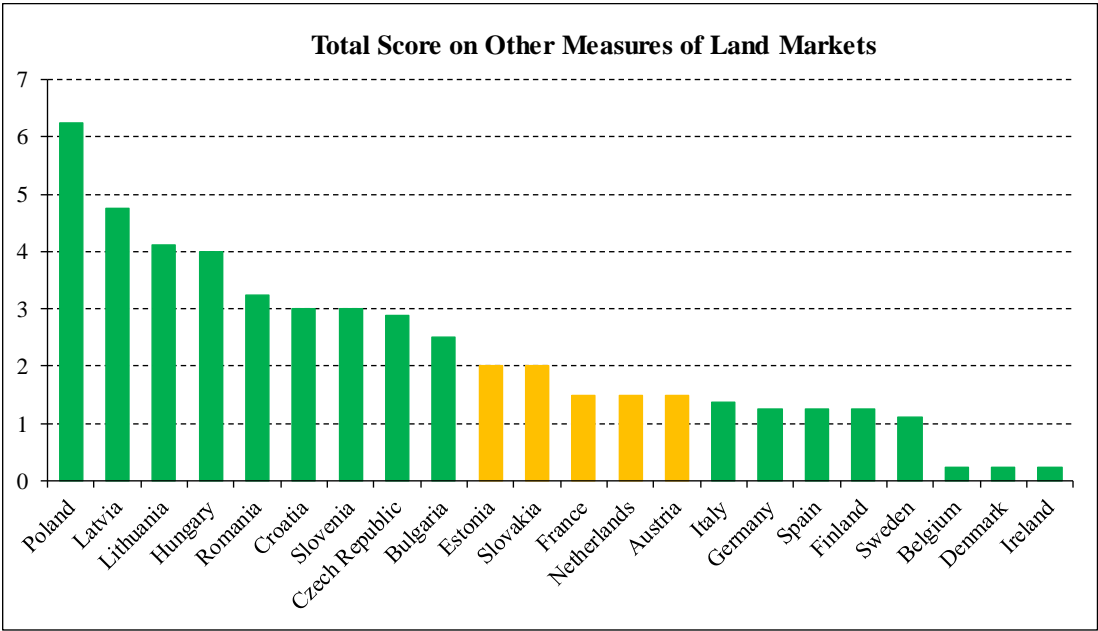
Other measures regulating land markets in the 22 EU MS refer to procedures related to transactions of state-owned land and pre-emptive rights to land of the state/public bodies or family members and relatives. Seven such measures were investigated in this study. None of the 22 countries implemented all seven measures (Figure 9).

The median score of the other measures regulating land markets equals 1.75 measures, whereas the average score is 2.24 measures, out of a range of minimum 0 to maximum 7 measures (all 7 measures were not 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.

Poland has the highest score, with 6.25 measures exercised. Latvia, Lithuania and Hungary also have a relatively high number of other measures, as they implement between 4 and 4.75 regulations (out of 7). This is followed by Romania, Croatia, Slovenia, Czechia and Bulgaria, which have slightly above the average score (between 2.5 and 3.25 measures).

Estonia, Slovakia, France, the Netherlands and Austria observe a close-to-median level of the total score (2 or 1.5 points). Three countries, Belgium, Denmark and Ireland, exercise the fewest other measures (score 0.25). Eight other countries also have a relatively low total score too (1.50 or less), namely Italy, Germany, Spain, Finland, Sweden, Belgium, Denmark and Ireland, all being old MS.

Figure 9. Distribution of the total score on other measures of land market regulations, 22 MS, around 2020

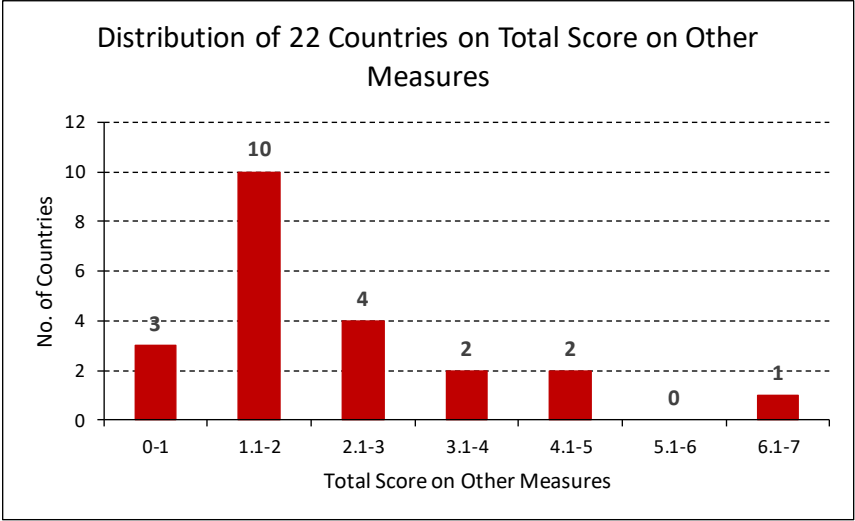


Maximum	Minimum	Average	Median	Skewness	Kurtosis
6.25	0.25	2.24	1.75	0.92	0.68

NB: Empirical statistics related to data from Table 6 (Section 4.1).

Similarly to the above results, the distribution of the scores of the 22 EU countries for 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 are old MS; Figure 10). Another six countries (out of 22), all new MS, have total scores of between 2.1 and 4 measures. One country, Poland, scores really high, with 6.25 regulations, suggesting an abundance of other regulatory measures in place.

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



5. Country-level qualitative description of land market regulations

This section provides a more detailed qualitative description of land market regulations for all 22 MS covered in the report and is primarily based on the country reports. The country qualitative descriptions also highlight some main aspects of the agricultural sector and land markets as background information for a better understanding of the implemented land market regulations across MS.

5.1. Belgium

The number of farms in Belgium declined by 28 % between 2005 and 2016 (i.e. from 51 540 in 2005 to 36 890 in 2016), while the average utilised area per farm increased from approximately 27 ha in 2005 to 37 ha in 2016 (or 37 %) (Eurostat, 2020). The majority of agricultural land (83 %) is cultivated by natural persons, with an average farm 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 agricultural sector in Belgium is access to land (Platteau et al., 2018). High population density and urbanisation increase demand for 'open space' or unbuilt land. Scale increase and the declining number of farms mean that many farm buildings and surrounding farmyards become available to be repurposed for other non-agriculture-related uses. A trend of 'horsification' and 'gardenification' of agricultural land has been observed, particularly around metropolitan areas (Bomans et al., 2010a, 2010b). Demand for land from the agricultural sector competes with demand coming from recreation and nature development. These pressures result in increasing prices for agricultural land, which makes it hard for young farmers or farmers interested in increasing their scale to access land by purchasing on the sales market. The tenancy regulations in Belgium are relatively strict and strongly protect tenants. As a result, landlords seem to be less inclined or interested to rent out land to farmers (Swinnen, Van Herck and Vranken, 2016), which also makes it hard for young farmers, as well as farmers willing to expand, to access land by renting. Despite landowners being less inclined to rent out land, 63 % of the utilised 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 on 13 January 2020. In Flanders, some issues related to tenancy regulations are being discussed, but new legislation had not been adopted at the time of writing. However, even with the existing legislation, tenants still receive a relatively high level of protection under the tenancy regulations.

The tenancy regulations stipulate several provisions regarding rental. The tenancy regulations apply to the rental of immovable property, which, from the moment the tenant takes possession (at the beginning or during the lease period), can be used by the tenant primarily in agricultural business. 'Agricultural business' means the commercial exploitation of the immovable property with the purpose of production of agricultural products mainly intended for sale. However, this does not require the agricultural production to be a main occupation. The use of a plot of land for production of food for personal use is not covered by the tenancy regulation. 'Business' implies an economic operation, carrying out a 'regular' activity and the presence of a minimum of suitable operating equipment. It

excludes a number of other specific uses, such as the lease for industrial fattening or rearing of livestock independent of a farm, and cultivation contracts ⁽¹⁴⁾.

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, 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 in Wallonia 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 have the free enjoyment of the lease property without the lessee being able to object to it.

In addition, there is also the career lease, under which a landlord grants a tenant a fixed rental agreement until the latter has reached the age of 65 years, with a legal minimum lease duration 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, and no lease renewal is possible. During the career lease, sublease 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 the career lease is not taxable.

Landlords can terminate a rental contract only under specific conditions. For example, if the owner or a close relative wants to cultivate the land himself or herself, the contract can be terminated at 2 years' notice. The tenant can end the contract at any time with a minimum notice period of 1 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 agroecological region. The cadastral income is based on the annual net rental income that one would have obtained in 1975 for the real estate if it had been rented out. The cadastral income is indexed on a yearly basis. The tenancy coefficient is published in the Belgian Official 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 or 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 of this provision is to allow the implementation of policies and projects that are in the public interest. The land bank can exert the pre-emptive right to realise the aim of a land development project or a project, plan or programme 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.

⁽¹⁴⁾ 'Cultivation contract' means the contract under which an operator of land (and pastures), after having carried out the preparation and fertilisation works, assigns the exploitation of a specific agricultural crop to a third party against payment. The cultivation contract assumes a use of less than 1 year.

5.2. Bulgaria

All EU citizens can acquire agricultural land in Bulgaria. However, natural persons need to be residents and legal entities need to be established in Bulgaria for more than 5 years in order to be able to acquire ownership rights to agricultural land. Legal persons with registrations under Bulgarian law of less than 5 years may acquire ownership rights 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 ownership change must be witnessed and registered by a public notary. An important part of the procedure is that the public notary checks and ensures the legality of the transaction. In addition, citizens of MS of the EU – self-employed farmers, who wish to settle and reside permanently in Bulgaria and are registered following the procedure of the BULSTAT Register Act – may acquire the right of ownership of agricultural land (and forest land) for agricultural purposes. In such circumstances, there is no residence requirement at the time of land acquisition. Generally, neighbouring farmers and co-owners have pre-emptive rights to acquire ownership of agricultural land. This provision aims to reduce fragmentation of landholdings.

Two types of tenancy contracts exist in Bulgaria. The first type includes 'lease contracts', which have a minimum duration of 1 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 notarised signatures, and the registration of the tenancy lease contracts in the land register is compulsory. Moreover, termination of lease contracts needs to be entered in the notary books. The lease payment is determined by the Agricultural Lease Act. Given that the lease must be notarised, it implies a fairly easy way for the landowner to obtain a writ of execution and to enforce the amounts due through a bailiff, if the tenant does not pay the agreed rental price. In addition, a sketch/map of the property must be included in the lease contract, which ensures clarity in identifying the agricultural land involved. This minimises the possibility of disputes over the extent of the property. As a result, the lease contract conditions are protecting the rights of the non-farmer owner.

The second type of tenancy includes 'rental contracts' without a minimum duration, but with a maximum duration of 5 years. This rental contract can be concluded orally; hence, registration in a land register is not mandatory.

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

A substantial amount of land (approximately one third of total 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 years for arable land and 30 years for permanent crops, and not shorter than 5 business years, as established in the Agricultural Lease Act.

Sales of public land are 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 can be only holders of registered compensation vouchers, of compensation bonds or of residential compensation bonds. Commercial companies (i.e. agricultural companies) cannot participate in the auctions or tenders.

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 Article 20 of the Agricultural Land Ownership and Use Act (ALOUA). Article 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 Article 21 of ALOUA, the priority in acquiring this land is given to individuals in the following order: persons engaged in agricultural activity in the settlement where land is located;

persons permanently residing in the settlement; agricultural specialists, as well as young families who carry out agricultural activity; and persons whose properties have been expropriated for state or public use.

In terms of the implementation and enforcement of the land legislation in place in Bulgaria, 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, the lease contract always includes a map of the property, which ensures clarity in identifying the agricultural land involved. This minimises the possibility of future disputes over the extent of the property and rental arrangements. However, one concern with short rental contracts is that fraud has often been encountered between owners and tenants. This contract type can be manipulated rather easily, as it is difficult to trace and verify the validity of signatures (if they existed at all) of individuals involved in the transaction. 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 agricultural 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 persons) owners and to facilitate expansion of farmland for small and young farmers.

5.3. Czechia

Landownership is highly fragmented in Czechia. In 2017, there were 3 250 000 private owners of agricultural land. A total of 3 198 000 natural persons own, on average, just a bit less than 1 ha. Half of them, around 1.6 million owners, own less than 0.25 ha. Furthermore, 52 000 legal entities own agricultural land. They own on average 16 ha. The high level of fragmentation of landownership results in transaction costs when exchanging land. As a result, there is a desire to stimulate land consolidation. Land consolidation, whether simple or complex, builds on the voluntary participation of landowners and on the consensual approval of the land consolidation plan/project.

To our knowledge, there is no available study in the literature that provides empirical evidence of the causality between land consolidation and land market functioning in Czechia. However, there is a commonly accepted view, and evidence from other countries suggests, that land consolidation contributes to overcome land market frictions (together with state land privatisation) (e.g. Crecente, Alvarez and Fra, 2002; Lerman and Cimpoieş 2006; Palmér, Munro-Faure and Rembold, 2004). The consolidated land generates benefits to owners, as it allows more efficient deployment for production, and to potential buyers or farmers interested to rent, as consolidation expands the plot size and potentially makes land more accessible. Both effects are expected to increase the sale or rental price of consolidated land. Furthermore, there are potential benefits of land consolidation for municipalities, since the land consolidation enables them to design their territorial (development) plans better. As a result, municipalities often carry out land consolidation before large infrastructure projects start. In other words, the intention to put forward essential infrastructural projects often triggers the land consolidation process in Czechia.

Land use is less fragmented in Czechia, as it is consolidated through land rental. Overall, a large share of agricultural land is rented in Czechia. This share has decreased over the last few years, but it is still sizable at 74 % of total agricultural land in 2020.

The Civil Code (Act No 89/2012 Coll.) governs agricultural land transactions (sales, renting) in Czechia, as well as any other property transactions. The Civil Code establishes rather liberal rules governing land market transactions. It does not limit ownership and tenancy in terms of size of the transacted property, legal status of the owners or their nationality (country of residence or citizenship of the owners).

The Czech legislation gives pre-emptive rights only in limited situations. Family relatives and co-owners have pre-emptive rights for 6 months following the owner's acquisition of the land (in the case of inheritance). In the case

of state land, if the tenancy lasted for at least 36 months, then the tenant who rented the land has preferential right to buy (privatise) the land. Overall, the pre-emptive rights can be settled on a voluntary basis by mutual agreement between owner and tenant.

Land reforms (privatisation and restitution) have been largely finalised in Czechia. Therefore, there are hardly any issues regarding unknown or unidentified owners, or people with unproven restitution claims. The unfinished restitution concerns only substitutions of land plots and financial compensation when the land property cannot be returned in the original location (i.e. this concerned only 425 ha as of 31 December 2018).

About 212 000 ha are owned by public institutions and the state in Czechia. The sale of state land is regulated by Act No 503/2012 on State Land Fund, Article 12 – sales to farmers. The sale of state land according to this law is done through public offers. Eligible buyers include agricultural entrepreneurs (natural or legal persons) who (i) have been involved in farming for at least 3 years and operate at least 10 ha in the cadastre or in the area neighbouring where the state land is for sale, and (ii) own at least 10 ha in the cadastre or in the neighbouring area and have farmed at least 10 ha for at least 3 years elsewhere in Czechia. Farmers who rent state land designed for privatisation for at least 3 years have a pre-emptive right to this land. However, under this rule, the farmer is eligible to acquire no more than 70 % of such an area. It should be noted that no state land was offered for sale through Act No 503/2012 in 2019 or 2020. Most of the sales of state land are actually carried out under the Act No 95/1999, which was replaced by Act No 503/2012. Municipalities and regions (*kraj*) have pre-emptive rights to transfer the ownership of the state land (without payment) to them as established in Article 7 of Act No 503/2012. Sales of land owned by municipalities and regions (Nomenclature of Territorial Units for Statistics (NUTS) 3, i.e. *kraj*) are not specifically regulated by a special law.

Overall, the land market in Czechia is largely liberal. Natural and legal persons, regardless of their nationality, can freely buy and sell land. Taxation of landownership and transactions is rather moderate. Thanks to these liberal conditions, demand for land purchases has been dynamic in recent years. Moreover, land tenancy conditions are predominantly set by the contractual parties, with minor (only administrative) state interference. The outstanding issues are 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 in Czechia. Another pressing issue associated with land tenancy is soil and biodiversity protection. The current law stipulates that agricultural land should be maintained so that it is fertile and that soil degradation should be prevented. However, the actual enforcement of the regulations is rather weak. There are indications that the CAP measures, such as the requirement to maintain land in good agricultural and environmental conditions, greening measures or the country's maximum arable field size limit set at 30 ha, have contributed to an improvement of the environment. On the other hand, the evidence suggests that the CAP area payments have, to a large extent, been capitalised into land sale and rental prices.

5.4. Denmark

Denmark's agricultural land is mainly owned by cultivators or by the families of the cultivators. In Denmark, owner-cultivation and family ownership are, by far, the dominant forms of ownership, and protection of owner-cultivation has been – and still is – mentioned in the Agricultural Act as a goal.

The regulations of agricultural land in Denmark are predominantly formulated in the Agricultural Act, which covers all types of agriculture. Regulations have been liberalised and less emphasis has been put on owner-cultivation in the previous three to four decades. 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, an education requirement or the requirement for the owner to run the property themselves. Furthermore, the requirement that the owner must live on the property has been dismantled.

The potential for companies to own agricultural property has increased since 2010. Investors – Danish or foreign – can form a company that can acquire an agricultural property. 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 few decades. In 1965, the share of rented land was less than 10 %, but this share increased to around 40 % in 2020. The share of farms cultivating rented land increased from less than 15 % to around 50 % from 1965 to 2020. By 2020, a farm cultivated, on average, 190 ha of land, of which 70 ha were rented.

Overall land market regulations are limited. Both rental and sales markets are very liberal in Denmark, with a limited number of measures implemented from the six categories listed in Tables 2–6.

Enforcement and application of the legislation are considered to be functioning well. 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 in Denmark also makes it relatively easy to link and assess the information needed to ensure enforcement of the legislation. Furthermore, the strong organisation and integration of farmers helps to monitor enforcement. It is rather difficult for farmers or other land market actors not to comply with the main rules, as those who would suffer from non-compliance can relatively easily uncover incorrect behaviours or practices. Overall, the legal system is 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 its diverse geopolitical history. There are huge differences in average regional farm sizes between the eastern and western part of Germany, but there are also large differences within regions. 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 in farms that are larger than 100 ha. In the eastern part of Germany, there are much larger farms, with an average size of around 244 ha. The share of rented land in the eastern part is also larger than in the west, at 69 %.

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

With regard to its regulatory effect, the current regulation of land sales has to be considered to be rather liberal and, in certain respects, vague. The GrdstVG, 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 be denied (GrdstVG, §9) only if:

- the purchase would lead to an ‘unhealthy distribution of land’;
- the transaction leads to an uneconomical fragmentation of plots;
- there is an imbalance between the price and the value of the land.

Except for the requirement that a land plot must not become smaller than 1 ha, 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 of what this means was developed by the German constitutional court, the

Bundesverfassungsgericht, in 1967 (12 January 1967, 1 BvR 169/63). Accordingly, denials of land sales need a sound reason, such as that the transaction indeed contradicts 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 of land would be willing to step into the contract and use a pre-emptive right. However, the interested farmer has to prove that s/he has a need for land, for example because they lost owned land, their share of owned land is low, or they are a neighbouring farm that can consolidate or reduce fragmentation. Otherwise, non-farmers have the same rights to buy land, and it would even be unconstitutional to prohibit the purchase of land by non-farmers just because they 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 rights 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 that also includes the registration fees and land sales tax paid by the settlement organisation, which is typically around 5 %. Thus, using a pre-emptive right means that farmers must be willing to pay the land sales tax and registration fees twice, on top of the original price.

Sales are also denied if there is an imbalance between price and value, particularly if the sales price is more than 50 % above the value of comparable plots. In the state Baden-Württemberg, 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-emptive rights.

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

Land rental contracts are required to be registered at the 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 unreasonable in relation to the income that could be achieved with proper sustainable cultivation of the land.

If the land rental contract is not registered, no sanctions are imposed. As a result, it is estimated that only around 25 % of the rental contracts are registered (Bundesministerium für Ernährung und Landwirtschaft, 2019). Rental contract duration can be freely negotiated.

With the exception of a lack of sanctions for non-registration of rental contracts and certain bureaucratic and tax burdens, land regulation is widely enforced in Germany. Nevertheless, there are complaints; for example, the Federal Ministry of Food and Agriculture argues that deficits in the regulatory framework exist, such as share deals of whole farms not being covered by the GrdstVG and the LPachtVG, and local regulation offices not properly checking for existing farms that might be interested in exercising a pre-emptive right or for reasons to reject a sales contract (Bundesministerium für Ernährung und Landwirtschaft, 2019). Empirical evidence for such concerns is, however, weak and is based on hearsay rather than on validated facts.

Based on these arguments, and due to increasing land sales and rental prices, since about 2015 there have been some debates to introduce new land market regulations, for example enforcing the registration of rental contracts;

introducing the ability to reject sales contracts due to a high ownership concentration; a need to approve share deals, that is transaction of whole farms; abolish double taxation of pre-emptive rights; reduction of land development; and support for the establishment of young farmers. However, to date (2020), the proposals have not yet translated into new land regulations.

5.6. Estonia

Agriculture in Estonia is characterised by a dual structure with a relatively small number of large farms and a large number 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 Farm Accountancy Data Network (FADN) data, around two thirds 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, 4 July 2017, 64). There are no restrictions on the amount or quality of land, or on the intended use of such land, that can be owned by either a domestic natural person or natural persons from another country that is a contracting party to the European Economic Area (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 to land acquisition can also arise for national defence reasons.

Legal persons, either domestic or from an EEA or an OECD country, have the right to acquire 10 ha of agricultural land without restrictions. For the acquisition of a larger area, additional requirements apply. The legal person has to be engaged in the production of agricultural products or forest management for 3 years preceding the year of land acquisition.

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 6 months immediately before applying for the authorisation, or if the citizen has been engaged in agricultural production or forest management as a sole proprietor in Estonia for 1 year immediately preceding the year of applying for the authorisation. A legal person from a third country can acquire land if it has been engaged in agricultural production or forest management in Estonia for 1 year immediately preceding the year of applying for the authorisation, and if a branch of the legal person is entered in the Estonian commercial register according to the Restrictions on Acquisition of Immovables Act (§5(3)).

Despite the restrictions imposed, it may still be possible for nationals or a legal person from a third country to buy land even if the above conditions are not met. A potential example of such a case would be the use of a local representative of the beneficial owner for land acquisition.

Sales of public land are regulated by the State Assets Act (RT I, 10 December 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 the Law of Obligations Act (RT I, 4 January 2021, 19). It stipulates, among other things, that the tenant has an obligation to take care of the land. The state land is rented through a public written auction. Auction notices are published at least 2 weeks before the auction in the publication *Ametlikud Teadaanded*⁽¹⁵⁾. Information on the concluded lease agreements is published in the state real estate register.

Despite the restrictions imposed on land acquisition by legal persons or nationals from a third country, they can still buy land even if the required conditions are not met. A typical way to do this is to use a local representative

⁽¹⁵⁾ <https://www.ametlikudteadaanded.ee/>

for the beneficiary 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 in Ireland, of which the specialist beef farms have the largest share of agricultural area, comprising approximately 46 % of the total agricultural land in Ireland. Most of the farms are relatively small, with an average size of 48 ha per farm, and around 40 % of farms have less than 20 ha of farmland. Average farms size differs between regions, with relatively smaller farm sizes in the north and west and larger farms 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 % 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 (Central Statistics Office, 2012). It accounts for almost 19 % 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 per farm.

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 fears of losing land to the Land Commission if they rented out land for a longer period or of 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, to provide tenure security for tenants. Despite policy reforms and tax incentives, most (60–65 %) 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 (PSRA) and the local authority.

Duty and stamp duty taxes related to land sales transactions are exempted and reduced under specific circumstances, with the purpose of preserving cultural ties with the land (i.e. to keep land within a family), but also to keep it under active farming and to improve efficiency of land use. Buyers can get a stamp duty exemption if land is transferred between relatives or if the buyer has a farm restructuring certificate (an indication to expand the buyer's own farming activities). Sellers get a relief from the capital gains 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/her land and retiring from farming; if the buyer is an own child of the seller and maintains farming on the land (i.e. agricultural relief is granted); or if the buyer is making a 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 any tax reliefs received must be paid back.

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 a profit from the non-agricultural use of the land (i.e. business relief is granted). Tax exemptions can be granted to the landlord if the land is rented out for a period of 5 years.

Ireland is characterised by a rather liberal approach to land transactions. Ireland does not have strict regulations on land transactions, neither on the persons or entities involved nor the 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 the rental market. There is no legal binding in the historical conacre system of renting out land. When an 11-month contract is over, the contract is extended for another 11 months unless the landowner or the tenant opt out of the contract.

The land rental market has become more formal in recent years. The Property Services (Regulation) Act 2011 stipulates that rental agreements should be registered with the PSRA when 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 when the lease qualifies for tax exemptions.

According to the Property Registration Authority of Ireland, 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 landownership registration ⁽¹⁶⁾.

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 with 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 first be offered to the Land Development Agency automatically.

The Department of Public Expenditure and Reform has reviewed the Regulation of Lobbying Act 2015 (Department of Public Expenditure and Reform, 2020). This review indicated that almost 2 000 organisations and individuals have registered their lobbying activity with the Standards in Public Office Commission. Overall, there is widespread opinion that the new lobbying legislation is successful, although various organisations (including the Standards in Public Office Commission) 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 farms and larger average farm sizes, with a particularly sharp decline in the number of holdings that cultivate areas smaller than 2 ha and a slight increase in the number of farms cultivating more than 50 ha.

Almost all land (almost 95 % of agricultural land) was in the ownership of natural persons in 2016. Between 2003 and 2016, the share of rented utilised agricultural area (UAA) increased from 19 % to 33 %, while the share of land under owner-cultivation decreased from 94 % to 59 %. Land that was under other regimes increased from 4 % to 8 %. Other regimes include sharecropping (*aparcería*), 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*) and tenancy at sufferance (*en precario*).

⁽¹⁶⁾ <https://www.prai.ie/fees/>

In general in Spain, there are no restrictions on the nationality of a buyer when acquiring land. There are restrictions regarding the nationality of the buyer only when the transaction involves land located in specific areas, such as 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 labour (i.e. work by one person full time over 1 year) and whose labour income is between 35 % and 120 % of the reference income (i.e. the average national gross income for non-agricultural activities). In the case of legal entities (cooperatives, Sociedad Agraria de Transformación (Agrarian Transformation Society) or others), at least 50 % of the members need to be professional farmers (Ley 19/1995 de Modernización de las Explotaciones Agrarias (Law 19/1995 on the Modernisation of Agricultural Holdings), Chapter I, Articles 4–6). A professional farmer is a natural person, the owner of agricultural land, who receives at least 50 % of his/her income from agricultural activities or other complementary activities (e.g. management, processing of farm products, direct sale, institutional representation), and at least 25 % of the income is directly linked to agriculture, and who devotes at least half a unit of agricultural labour to agricultural and complementary activities (Article 2.5). If transactions lead 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 subsequent 5 years.

There are also special reductions in the transfer tax for young farmers: under 40 years of age, with agricultural qualifications or in the process of acquiring them within the following 2 years, already a professional farmer or with the intention of becoming one, and living in the county where the land is located. The land to be acquired must require the deployment of at least one unit of agricultural labour or the farmer commits to reach such occupation within 2 years (Article 2.7 of the aforementioned law).

Landowners adjacent to the land that is for sale have pre-emptive rights under certain conditions. If the landowner 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 landowners also have pre-emptive rights for plots of less than 1 ha. Furthermore, tenants, co-owners and co-heirs hold pre-emptive rights. If pre-emptive rights are exerted, then land cannot be sold for 6 years from the year of its acquisition.

The subdivision of agricultural land transacted on the sales market is regulated in Spain. However, there is not a unique minimum size; it varies geographically and depends on whether it is rain-fed or irrigated land. Nevertheless, subdivision is possible when land is sold to adjacent landowners, if both resulting plots are at least as big as the minimum agricultural unit, or when land is sold to the tenant who exerted pre-emptive rights, or because of forced 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 terminated if rent is not paid, if the tenant does not use the land for farming, if the tenant sublets the land or if the land is intentionally damaged. If the owners intend to end the contract at the end of the rental contract duration, a 1-year notification period applies (otherwise the contract is automatically renewed). However, there are no specific conditions for the landowner establishing that they can end the contract only if they intend to cultivate the land himself or herself.

Natural persons who are already owners of more than 500 ha of rain-fed or 50 ha of irrigated agricultural land are not eligible to be tenants. When agricultural land is devoted to extensive livestock, then the limit is 1 000 ha. In the case of agricultural cooperatives, these area limits are multiplied by the number of members.

There are special procedures for the sale of public agricultural land, although the law is from the 1970s and currently only few sales of public land are carried out in Spain.

Overall, the agricultural sector in Spain is subject to regulations that are relatively demanding, aiming, among other policy objectives, to stimulate land mobility. However, concerning land markets, there are few restrictions on land transactions in place both for natural and legal persons. The exceptions are restrictions for land acquisition for national security reasons in specific geographical areas of the Spanish territory, and measures aiming to improve access to land for young people, to promote farmers' cooperation and to increase the duration and flexibility of rental contracts.

5.9. France

In France (mainland France, excluding overseas regions), the UAA accounts for 54 % of the national area. In 2016, there were 437 400 farms, with an average farm size of 63 ha. Only 20 % of the UAA was in ownership-cultivation; the rest was rented. Of the 80 % that was rented, around 20 % (thus about 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 Sociétés d'Aménagement Foncier et d'Établissement Rural (SAFERs) (Land Development and Rural Establishment Companies). The SAFERs' role is to regulate the transfer of agricultural 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 land markets in case a transaction is not in line with the above objectives and priorities, and can reject the transaction before the ownership transfer is finalised. There is no legal maximum sales price. However, the SAFERs intervene when the price asked by the seller is perceived to be too high for the given regional context (region, type of land) and ask the seller for a decrease in the price. Rejections of sales by the SAFERs may also happen when, for example, the sale implies the dismantling of a farm. With regard to the transfer of shares of an agricultural company, the SAFERs can stop a transfer of shares, but only in cases when the totality of the shares are sold at once. When only a part of the shares are sold, the SAFERs cannot intervene, sometimes giving rise to concerns over potential land grabbing.

Land regulations in France strongly protect tenants. The level of rental prices is regulated, as well as the tenancy duration. Rental prices must fall within a range, with the minimum and maximum prices set each year by the state. The minimum lease durations are set for 9 years, 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 cannot be renewed more than five times) or when the SAFERs rent out land. Rental contracts that are not written have 9 years' duration by default.

Rental contracts cannot be terminated by landowners before the end of the lease, except in cases when the land is sold. In such a 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. The landowners have the possibility to withdraw their land from the tenancy contract only if they (or their heirs) intend to farm the land for at least 9 years. In this case, landowners must inform the tenant at least 18 months before the termination of the rental contract.

Rental contracts are inheritable after the current tenant's retirement or death, that is the farm successor is automatically the new tenant. Landowners are free to choose another farmer tenant only if the exiting tenant has no successor.

Since 2016, transferable lease contracts (*bail cessible*) can be established, under which the exiting tenant can choose the new tenant. The transferable contracts can last only 18 years (not 9 years) and do not entail automatic renewal.

In 2016 an additional type of rental contract was introduced, namely the environmental lease (*bail environnemental*). This 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); in exchange, the rental price required by the landowner can be set below the minimum regulated price. However, this type of rental contract has, so far, scarcely been used.

Tenants have priority pre-emptive rights; the state (to urbanise land) and the SAFERs also have pre-emptive rights. The SAFERs cannot intervene in a sale of land between an owner and a tenant (who has pre-emptive rights on the land rented) if the tenant buyer has been operating the land for at least 3 years, and s/he commits to operate it for at least the next 9 years. There is an additional priority order for buyers for agricultural land acquisition (outside the pre-emptive rights): (1) the tenant on the land, (2) a neighbouring young farmer and (3) other neighbouring farmers.

If the SAFERs deny a transaction because the price is not representative of market prices, the SAFERs negotiate with the parties involved in the transaction to reach an agreement. If this is not possible, the SAFERs have a pre-emptive right and can purchase the land at the modified price. The land owned by the SAFERs is then sold to a new buyer or rented out until it is sold. However, some land transactions are not regulated by the SAFERs due to the fact that the SAFERs are not notified, although the transactions are subject to the notification. In addition, the SAFERs sometimes do not have sufficient funds to purchase pre-empted land, which reduces their power to intervene in the land sale market.

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

Publicly owned land is rarely sold in France. Only a few cases of public land sales have been recorded in recent years. For example, in 2020–2021, publicly owned land in Grignon, an area close to Paris used for decades by the National Research Institute for Agriculture, Food and the Environment (INRAE) and the agricultural university AgroParisTech (land, buildings, farm), has been offered for sale.

Overall, regulations are rather well enforced in France, except for two main situations. First, it is a requirement to notify SAFERs of all sales transactions, but this does not always happen; SAFERs are not notified of some transactions (the exact figures are not available), meaning such transactions avoid the SAFERs intervention. Second, the informal and illegal practice of *pas de porte* (key money) is believed to be used, especially in northern France (the estimate of an exact number of transactions is not available). This is an unofficial practice that involves unofficial payments in addition to the official price.

5.10. Croatia

The farm structure is highly polarised in Croatia, with few large farms and many small farms operating in the agricultural sector. According to the Farm Structure Survey, the average farmer used 11.6 ha of agricultural land

in 2016. The largest number of Croatian farmers – 93 430 farms, accounting for 69.5 % of the total number of farmers – use, on average, less than 5 ha of agricultural land. These small farmers use a total of 178 670 ha of agricultural land, accounting for 11.4 % of UAA. Large farmers use more than 100 ha of land per farm. There are 1 620 such farms; they account for 1.2 % of the total number of farms and use a total of 676 416 ha of agricultural land (43.2 % of the UAA). The ownership of land is also highly fragmented. The land fragmentation in ownership and use strongly hampers land transactions as it generates transaction costs to land market participants.

It is not straightforward to have a full picture of the ownership structure of agricultural land in Croatia, as more exact data are not available. However, according to an analysis conducted by the Agricultural Land Agency from 2013 to 2018, the total agricultural land area was 2 695 037 ha in Croatia in this period, of which 890 214 ha (or 33 %) were state owned while the remaining 1 804 823 ha (67 %) were privately owned. Inefficient, lengthy, non-transparent and inappropriate allocation of state-owned land is often perceived as an obstacle to a well-functioning land market in Croatia.

Private land (rental or sale) transactions are subject to general regulations governing real estate transactions in Croatia. According to this law, private owners can freely sell and lease their agricultural land to other Croatian natural and legal persons, without the implementation of pre-emptive rights.

Land regulation in Croatia mostly concerns the state-owned agricultural land and the land of persons who cannot be reached, or for whom their place of residence is unknown. According to the law Official Gazette No 20/118, the 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 ha per tenant for a duration of 25 years, which can be extended for an additional 25 years. As an exception, land foreseen to be restituted to persons whose property was taken during communism and land planned for other purposes can be leased for a period of up to 5 years. State-owned agricultural land may be sold on the basis of a public tender. One buyer can buy state-owned agricultural land in Croatia of 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. The land bought from the state has to be cultivated for 10 years, and if the new owner intends to sell it, it has to be offered back to the state. The rule of domicile is also considered: the state land is distributed to farmers from the local area with the aim to discourage outmigration from rural areas.

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

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

The law on agricultural state land has been changed frequently in the last 30 years, since Croatia has had independent land legislation. This complicates enforcement and potentially leads to problems in its application. In the past 3 years, only 20 % of all local municipalities announced tenders for the lease of state land, which represents only 50 % (460 000 ha) of the total state-owned land. There are numerous obstacles that slow down

the process of leasing or selling state agricultural land. Some argue that there is a lack of political will to cooperate across different policy departments (taxation, inheritance). Other put the blame on the lengthy process to return nationalised property to former owners, obsolete data in the land cadastre or lack of control by the state inspection office. Overall, there is no available information on how local self-government units manage state-owned agricultural land, how the funds obtained through lease and concession are used or how eventual disputes with tenants who do not fulfil their contractual obligations are resolved.

5.11. Italy

Farm structure in Italy is very fragmented, with the average farm size equal to 9.5 ha in 2016. Land regulations that have been introduced typically aim to increase the average farm size, by consolidating the land property through markets (by farmers), by liberalising land rental contracts and by pre-emptive rights on land acquisition.

In the 1990s, strong increases in land prices were observed as a result of competition between alternative land uses (i.e. rural versus urban); increased productivity; and subsidy schemes, especially direct payments granted from the first pillar of the CAP. Currently, land prices are more or less stable. This can probably be linked to the financial crisis of 2008–2009, which has led many landowners to retain landownership (they are probably expecting a further increase in land values in the medium term), with a strong preference for renting out land.

An important tool for land consolidation applied in Italy is pre-emptive rights. In the case of land sales, pre-emptive rights go to the following subjects (in priority order): (a) the co-owner; (b) the tenant (whose contract has been active for at least 2 years); and (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 who, together with their family, spend at least one third of their working hours on the 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 who spend at least 50 % of their working hours on the farm and get at least 50 % of their income from farming. In addition, professional farmers must meet at least one of the following criteria: (a) hold a degree in agricultural sciences or related subjects, (b) hold a high school diploma in agricultural sciences or related subjects, (c) have attended a professional qualification course in agriculture accredited by the regional authorities or (d) have at least 3 years of experience as an 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 and one of these inheritors wishes to sell their part of the land, the other family inheritors have pre-emptive rights.

Landowners may try to avoid the use of the pre-emptive rights in order to be free when they decide to sell their land. For this reason, it is quite common that, in the rental contract, the landowner asks the tenant to commit to the release of the agricultural land at the end of the contract, which is interpreted by judges as a waiver of pre-emptive rights. Concerning the pre-emptive rights of the neighbouring farmers, since the priority goes to the tenant, but s/he obtains such pre-emptive rights only after a minimum of 2 years of contract, landowners selling their land before the end of the 2 years can freely sell their land, because neither the tenant nor the neighbours can claim their pre-emptive rights. Moreover, landowners often engage in lawsuits 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 since 2009, and some of them only very recently (2016):

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

Since 1960, subsidised loans are available for tenants and sharecroppers wishing to buy the land they use. Over time, this opportunity has been extended to family-based farmers and professional farmers wishing to enlarge their farms. In the last few years, access to these subsidised 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 interest costs.

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 with all land owned by the farmer is only 6.5 ha, compared with an average size of 15.4 ha for farms with all land rented, and 20 ha for 'mixed' farms with owned/rented land. Thus, land rental seems to be one of the key consolidation tools, especially for the largest farms.

Historically, the duration of land rental contracts was established by law (15 years as reference length) and the rental price was computed using automatic calculations established by law. Now, both the duration and the rental price are freely set between landowner and tenant. The only requirement is that, in signing this type of 'liberalised' rental contract, tenants and landowners must be supported by their organisations (i.e. farmers' unions and landowners' organisations).

All sales of public land take place through a public auction.

In general, the approach of the Italian legislation to land market regulation is rather liberal. This is the result of a process that took place over several decades, with the objective of reducing land fragmentation, by 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 has encountered several difficulties in reaching its 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 their impact in the medium term should be observed.

5.12. Latvia

There is an observed a trend of land use concentration towards larger farms in Latvia. During 2005–2016, the UAA used by small and medium farms has been steadily decreasing. By 2016, almost 60 % of agricultural land was

cultivated by farms that manage 100 ha or more of agricultural land. This also suggests relatively low fragmentation of land use in Latvia. However, landownership is more fragmented. There are around 241 000 owners in Latvia who own, on average, 9 ha of land split into two plots.

Only citizens and legal entities of the EU, the EEA or the Swiss Confederation can acquire agricultural land in Latvia. Foreign citizens have to provide a certificate proving their knowledge of the Latvian language (at least level B2). The language requirements also apply to shareholders of legal persons who jointly represent more than half of the company's voting capital and who have the right to represent the company. In addition, if a natural person owns more than 10 ha or a legal person owns more than 5 ha, then the buyer has to be registered as a performer of economic activity in Latvia and has to confirm in writing that the agricultural activity on the land will start within a year after its purchase.

There is an upper limit imposed on landownership in Latvia. Natural persons and legal entities cannot own more than 2 000 ha of agricultural land. To avoid a person owning or controlling vast areas of agricultural land, all related persons can jointly own a maximum of 4 000 ha. In the case of legal entities, the 4 000-ha limit is imposed for a holding company or a group of companies.

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

The municipal commission monitors the legality of agricultural land transactions. The approval of the local government is needed to acquire landownership. The current market regulations related to these municipal control mechanisms make land transactions more time-consuming and increase the administrative burden to transfer landownership.

Co-owners have pre-emptive rights, as do tenants who registered the rental agreement at the land register or at the municipality. Pre-emptive rights do not apply if the buyer owns (or will own after the transaction) less than 10 ha of land for natural persons or 5 ha of land for the legal persons. Moreover, the Latvian land fund has pre-emptive rights to land acquisition. This was introduced in order to facilitate the acquisition of agricultural land by local farmers. However, the fact that the Latvian land fund has pre-emptive rights on almost all agricultural (or forestry) land may cause some uncertainties concerning planning land transactions and acquisitions for land market actors.

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 of 4.5 % of the land's cadastral value. Only individuals (legal entities are not eligible) 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.

There are no strict regulations imposed on the duration of tenancy contracts or rental price setting in Latvia. A minimum contract duration of 5 years (as of November 2014) is only required for the lease of municipal agricultural land with redemption rights (see above). Furthermore, a maximum rental price applies only in some exceptional circumstances (for land obtained through the land reform). Rental contracts are not automatically renewed, but the sitting tenant may have the pre-emptive 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 land market regulations, an important uncertainty arises from the legal conditions a foreign investor has to fulfil in order to purchase agricultural land. Since the legislative reform adopted in 2017, foreign investors who intend to acquire agricultural land in Latvia must demonstrate an advanced knowledge of the Latvian language. This applies both for a single investor and for the sole or majority shareholders of a company. Without proof of knowledge of the language, the land cannot be acquired. However, according to the Latvian Land Privatisation Law, this regulation applies only to EU foreigners, not to Latvian citizens. This provision suggests the presence of the 'direct discrimination on grounds of nationality' in the Latvian land market regulations. As a result, the European Court of Justice (ECJ) in the 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 privatisation law might have to be adjusted, but at present it creates uncertainties for actors in the land market.

Studies indicate that Latvian farmers are facing difficulties in accessing land (e.g. European Investment Bank, 2020) because the availability of fertile and accessible land is limited and rather expensive in the presence of rising land prices, and because farmers' access to the credit needed to finance land acquisitions (or the construction of buildings) is constrained. To address this problem, a new financial product has recently been offered by the Latvian state-owned finance institution (ALTUM), the so-called reverse leasing of agricultural land. Under this arrangement, a farmer sells the agricultural land s/he owns to ALTUM, continues to rent and uses the land for agricultural purposes, with the rights to re-purchase it back within 5 years. This financial product serves as a finance provision of last resort for farmers who do not have access to other financing possibilities.

5.13. Lithuania

Agricultural development in Lithuania has been characterised by a decrease in the number of small farms (particularly of those using less than 10 ha) and an increase in the number of large farms (particularly of those using more than 100 ha) in recent decades. The average farm size was around 19 ha in 2020.

Currently, only up to 10 ha of agricultural land can be acquired in Lithuania, without restrictions, by natural and legal persons from countries that meet the criteria of the European and transatlantic integrations. If persons or companies acquire a larger area of land, they must ensure that it is used for agricultural activities for a minimum of 5 years from the time of acquisition. 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 does not exceed 300 ha and the total area of agricultural land belonging to them (acquired from the state and/or other persons) does not exceed 500 ha (except for livestock farming purposes). Related parties are considered the spouse, 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 the shares of the legal person who acquired the state land. Despite the current restrictions, there are instances in which natural persons and/or companies own more than these thresholds. According to various surveys, the biggest farmland owners currently own up to 24 000 ha of agricultural land ⁽¹⁷⁾.

⁽¹⁷⁾ Ramūnas Karbauskis, a member of the Lithuanian parliament and the leader of the ruling Lithuanian Farmers and Greens Union, is the biggest landowner in the country. The delfi.lt news website (<https://www.delfi.lt/>) reported that Karbauskis owns 22 000–24 000 ha of land via his Agrokoncernas business group and as a farmer. Other big landowners include the businessman Darius Zubas and Fixed Yield Invest Fund. Zubas owns 7 400 ha of land via Linas Agro Group, and the Lithuanian investment fund Fixed Yield Invest Fund owns 6 400 ha of land. Austria's Agroforst GmbH is the owner of 5 000 ha and comes in fourth, followed by businessman Kęstutis Juščius, with 4 300 ha (BNS 14 October 2019) (<https://www.lrt.lt/en/news-in-english/19/1106443/ruling-party-leader-the-biggest-land-owner-in-lithuania>).

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 landowners, farmers (natural or legal persons) who cultivate land in the municipality or in a neighbouring municipality, and the state. The state may use its pre-emptive rights to acquire, at the price at which it is offered for sale and under same other sale conditions, private agricultural land that, according to valid detailed plans or special plans, is intended for public need or agricultural land intended for the implementation of the measures that are financed by the state budget and with EU 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 by the state budget and with EU funds for improving the structure of landholdings 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 is 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 plots. The duration of a contract of lease of agricultural land in state ownership is established upon the agreement between the lessor and the lessee; nevertheless, the term may not exceed 25 years.

Regarding private land rental transactions, the regulations are rather liberal in Lithuania. There is no maximum rental duration nor administrative (minimum or maximum) rental price for private tenancy contracts. Contracts are not automatically renewed, but the tenant has pre-emptive lease rights after the contract expiration. Registration of land rental agreements is compulsory in the case of leasing state land. The tenant is obliged to register the state-land lease agreement with the Register of Real Estate of Lithuania within 3 months of the conclusion of the agreement.

Irregularities linked to the implementation of the land regulations have been identified. Therefore, the Lithuanian Parliament (Seimas) recently announced its plans to strengthen the control of transfer of agricultural land. In particular, it intends to prevent the acquisition of more land than is permitted by law. Furthermore, by promoting the development of relevant e-services, the parliament intends to reduce the considerable administrative burden that falls on those who wish to register their farms ⁽¹⁸⁾.

5.14. Hungary

The Hungarian agricultural sector is characterised by a dual farm structure consisting of small-scale individual farms, on the one hand, and relatively large-scale agricultural companies, on the other hand. In 2016, the individual farms cultivated about 58 % of the total agricultural land, with an average size of around 8 ha, while agricultural companies cultivated around 42 % of agricultural land, using, on average, 250 ha per farm. Most agricultural companies, around 80 %, cultivated more than 300 ha per farm in 2016. Around 59 % of individual farms cultivated less than 1 ha while only 10 % of individual farms used an area exceeding 300 ha in the same year. Around 42 % of the UAA and forestry areas is rented in Hungary.

The main aspect of the agricultural land market that is regulated in Hungary is landownership. Of approximately 6 million ha of agricultural land, agricultural companies own less than 3 % (around 140 000 ha). The companies

⁽¹⁸⁾ https://www.lrs.lt/sip/portal.show?p_r=35403&p_k=2&p_t=271881

acquired ownership to this land before 1994. Since 1994, the adopted Land Act prohibits companies from buying land. Nevertheless, they do cultivate slightly more than two fifths of all agricultural land, which indicates that most is rented.

All EU and Hungarian citizens can buy 1 ha of land without restrictions. Only registered farmers can acquire more than 1 ha. 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 3 years in 5 consecutive years, or owns at least 25 % of a registered agricultural producer organisation. Farmers can acquire 300 ha of land, and their maximum holding can be up to 1 200 ha. Livestock farm operators and seed growers, on the other hand, can use 1 800 ha of land.

A wide range of potential buyers have pre-emptive 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 3 years, or a resident neighbour. A resident neighbour is a person who (1) 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) has lived for at least 3 years in a municipality that is adjacent to the municipality in which the land that is the subject of the sale, exchange or lease is situated, and the land that they own or use in the municipality in which they reside is adjacent to the land that is the subject of the sale, exchange or lease. During the acquisition of land, the law gives preference to the exercise of the pre-emptive right of family farmers, young farmers and beginner farmers. These preference options have importance if buyers have the same ranking among the pre-emptive rights holders.

The land regulation (Land Act) in Hungary establishes a maximum sale price for land. For agricultural land, it is set as the index-based value reflecting the profitability of agricultural production over a 20-year period. For forests, it is the index-based value of forest production profitability for a 50-year period. In addition, prevailing prices in the specific region or locality are also considered and taken into account when calculating maximum sale prices.

State land of more than 3 ha is sold through auction, while smaller plots 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 national land fund, taking into account both county and local average prices. Maximum sales prices are also set for the sale of state land. To limit land fragmentation, state land plots cannot not be subdivided into plots smaller than 1 ha (or 3 ha for orchards).

Overall, the main objectives of the land regulations in Hungary are to promote fair allocation and access to agricultural land; to curb speculative pressures; to retain the rural population; to favour agricultural practices that support landscape conservation; and to create viable farms, thereby ensuring a stable supply of affordable food. While some stakeholders argue that the land regulations in Hungary are appropriate and perform rather well in achieving the outlined objectives, others criticise that they restrict fundamental economic freedoms. For example, a ban on land acquisition by companies (legal persons) runs counter to the principle of free movement of capital. However, some argue that the absence of a ban would lead (and the evidence tends to suggest that it did lead in the past) to a convoluted and uncontrollable land use system. An example of a possible attempt to bypass the ban on land acquisition relates to the usufruct right (right of use). The past possibility of unrestricted use of the usufruct resulted in 'abuses' of this right, aiming to circumventing land acquisition bans. For this reason, the usufruct right was ruled out by the new Land Act from 2002 (with the exception of close relatives – which is often subject to criticism as well), even though it may be contrary to the right of free settlement and to the principle 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 may not be suitable for achieving the set long-term goals, such as

retaining the rural population, some believe that it provides a better regulatory environment than the one in place before 2010, particularly in preventing land speculations and undesirable developments in the land market.

5.15. Netherlands

The agricultural sector in the Netherlands has been characterised 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, and 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 from 2008 to 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 (liberalised) lease does not have these characteristics and has therefore become more popular.

Agricultural tenancy law has been given a strong mandatory character; it 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 occur only under strict conditions (e.g. if the owner wants to cultivate the land himself or herself).

Since 2007 deregulated (liberalised) tenancy agreements are allowed for loose land; these agreements involve hardly any protection for the tenants. It is also new that the tenant cannot claim a right of first refusal if the landowner intends to sell the land to a 'safe landlord', that is a landlord who confirms that s/he will not invoke a provision to personally exploit the land. Lastly, the age limit of 65 years of the tenant as grounds for cancellation has been 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 liberalised lease contracts shorter than 6 years.

Regular contracts have a duration of 12 years for a farm (including buildings) and 6 years for loose land. These contracts are automatically renewed. Leasehold contracts of agricultural land have a minimum duration of 26 years. Short-term liberalised contracts have a minimum duration of 1 year and a maximum duration of 6 years.

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 10 years, a fee is payable to the lessor. The pre-emptive right of the tenant can be circumvented by sale to a 'safe party' (*veilige verpachter*) who does not intend to farm the land itself.

The Municipalities Preferential Rights Act (*Wet voorkeursrecht gemeenten*) is an instrument that municipalities can use to acquire land under certain conditions. If a municipality intends 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, s/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*). 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 (Article 15, paragraph 1q). The land must be used for agricultural purposes for a period of 10 years following the transfer. To facilitate farm succession, some fiscal measures have been introduced. 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 liberalised in the Netherlands. In the absence of special requirements, the transfer of landownership does not involve issues of enforcement and application. The lease market is a different story. The rules of the regular lease agreements and the liberalised lease agreements should be clear for the parties and, in the case of disagreement, there are institutions and procedures in place. The informal lease agreements based on trust, which are also used to some extent in the Netherlands, represent a special case. 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; Bundesministerium für Landwirtschaft, Regionen und Tourismus (Federal Ministry of Agriculture, Regions and Tourism), 2020), the average farm in Austria manages 19.8 ha of UAA. About 48 % of farms in Austria have less than 10 ha of UAA and only about 2 % have more than 100 ha of UAA. There is a high share (more than 55 %) of part-time farms. Moreover, 96 % of all farms are family farms (with more than 50 % of regular labour being 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 with any other contract. The Austrian civil code provides some general rules on, for example, legal periods of notice of dismissal or provisions for the case that the landlord/tenant sells/transfers/inherits the land. However, fundamental contract terms such as 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-sized family farms.

In general, a transfer (including sales and exchanges) of agricultural land requires approval by a specific authority, the land transfer commission (Grundverkehrscommission). However, there are some exceptions to this general rule. Not all exceptions exist in all federal states, but in most of them transactions do not have to be approved if (Holzer, 2018):

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

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

- If the sale is to a non-farmer, and 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 4 weeks or 1 month), local farmers can make an offer. This can be interpreted as a pre-emptive right of farmers against non-farmers ⁽²⁰⁾.
- If mainly considered as a speculative capital investment (B, C, S, ST, UA).
- If the price is unreasonably 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 Tyrol 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 in buying the land (B, C, S, V, UA).
- If the sale leads to a disruption of a favourable landownership structure (e.g. too small and too scattered plots or if it reverses conducted land consolidations) (B, C, S, ST, T, V, UA).
- If the sale leads to the development of a disadvantageous agricultural and forestry structure (C, S).
- If the sale leads to the emergence of uneconomically small properties (T).
- If it is an evasive transaction.

For non-EU citizens (both natural and legal persons), no exceptions exist for the transfer of agricultural land. Approval can be denied for the reasons listed above. In addition, in most federal states of Austria, transfer of land to non-EU citizens is authorised only if there is a cultural, social or economic interest and 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 they have been 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, Jilch and Wilfinger, 2013): 15 years for horticulture, viticulture and fruit culture farms; 10 years for all other farms and horticulture, viticulture and fruit culture plots; and 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 more than 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, it is not renewed. Tenancy is inheritable on both sides (landlord and tenant). In this case, special opportunities to end a contract early may apply.

Land rental transactions – just like sales transactions – are, 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), for example for areas above a certain size (e.g. greater than 2 ha in C and

⁽¹⁹⁾ B, Burgenland; C, Carinthia; LA, Lower Austria; S, Salzburg; ST, Styria; T, Tyrol; UA, Upper Austria; V, Vorarlberg.

⁽²⁰⁾ 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 that they have appropriate training. In some states, the former requires that at least 25 % of total income is from farming. Legal entities can also be farmers.

LA, greater than 5 ha in B), for long-term renting (e.g. more than 20 years or unlimited duration and area greater than 2 ha in ST), for renting entire farms or land with farm buildings (e.g. C, V), or if the prospective tenant is a non-farmer (e.g. S, T if area is greater than 3 ha). Only one state (UA) does not require any approval of land rental transactions.

Stricter limits for the need for approval of rental transactions apply for non-EU citizens: approval is already required for smaller plots and shorter rental periods, and approval can be given only 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 deals 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 (1 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, the six land transfer commissions of Tyrol approved 642 agricultural land transactions; in 2019, they approved 678. However, in 2018, there were 818 (890 in 2019) exceptions based on the reasons described above (e.g. farm succession, transfers in the public interest). In addition, another 339 (366 in 2019) exceptions were not covered by the reasons given above; these exceptions were, for example, land transferred to expand commercial and industrial sites or land sold to building cooperatives. In 2018, only 16 (14 in 2019) transactions were disapproved. In 19 (25 in 2019) cases, the pre-emptive right of farmers against non-farmers was applied. In 59 (65 in 2019) cases, EU citizens were involved in agricultural land transactions. Given the scarcity of land, documented by the high sales and rental prices, it can be assumed that Tyrol is a state where the land transaction law is probably executed more stringently 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 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 be approved only if the new owner would farm the land himself or herself, rather than rent it out to a farmer. However, in a case brought to the European Court of Justice (CJEU), in which a family foundation from Lichtenstein wanted to buy land in Vorarlberg and was refused, the court considered this to be incompatible with the free 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⁽²¹⁾. 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 himself or 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⁽²²⁾. Therefore, the original version of the pre-emptive right, which still exists in some states, can be considered unlawful (Holzer, 2018; Holzer, Jilch and Wilfinger, 2013). Notwithstanding these problems, the general approach and goals

⁽²¹⁾ Commission Interpretative Communication on the Acquisition of Farmland and EU Law (OJ 2017/C 350/05, 18.10.2017).

⁽²²⁾ In regard to the infringement procedure, see CJEU, European Commission v Republic of Austria, Case C-516/10.

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 ⁽²³⁾.

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, Braitto and Penker (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, for example, 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, Braitto and Penker (2019) supports this argument.

To summarise, 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) as to how strictly this rule is applied. To attain a basic agricultural education is not very difficult or time-consuming (a course of 200 hours). Moreover, the pre-emptive right applies only if the farmer is willing to offer the same price as the non-farmer. 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 relatively sizable rental share (around 35 % in 2014).

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 1.3 million ha still belongs to the state – managed by the state agency, the National Support Centre for Agriculture, which usually leases it to private farms (Główny Urząd Statystyczny (Statistical Office of Poland), 2020).

Land use is very fragmented among many small family farms. Regulations are in place in Poland regulating the transaction of both private and state land, and mainly aim to support and protect family farms.

Non-farmers can buy, without restrictions, only a plot smaller than 1 ha. Individual farmers running a family farm can buy plots larger than 1 ha. An individual farmer is defined as 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 the agricultural plots is located) and manage the farm personally for at least 5 years. The buyer of a plot larger than 1 ha (including purchased land) is obliged to run the farm for at least 5 years. During this period, the plots of purchased land cannot be sold or transferred to other persons.

Sales of state land can take place only if, as a result of 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 plots larger than 2 ha can only be rented. In general, the sale of state-owned land is carried out by the state agency (i.e. 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.

⁽²³⁾ Commission Interpretative Communication on the Acquisition of Farmland and EU Law (OJ 2017/C 350/05, 18.10.2017).

There are several limitations for legal entities to buy agricultural land. In fact, legal entities can acquire land only 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 a farm smaller than 300 ha, as well as to the state (i.e. the National Centre for Agricultural Support). The pre-emptive 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 transfer between family members accounts for a significant percentage of all transactions in Poland. The pre-emptive right also does not apply if the sale of agricultural property takes place between legal entities of the same church or religious association. In addition, the pre-emptive right does not apply to the acquisition of agricultural real estate concluded between members of an agricultural cooperative (or by contracts for the sale of land contributions in such cooperatives).

Land regulations have changed quite significantly in Poland over the past few decades. After a period of liberalisation at the beginning of the transition period in the 1990s, the first restrictions on the freedom of agricultural land trade were introduced in 2003, just before Poland's accession to the EU. Further changes were introduced as a response to the expiration of the transitional restrictions on agricultural land acquisitions by foreigners in 2016. Recent amendments to the legislation in 2019 introduced provisions to alleviate existing restrictions, but the overall approach has not changed significantly. The regulations are often considered to be rather restrictive (Najwyższa Izba Kontroli (Supreme Audit Office), 2019) and rather complex⁽²⁴⁾. The purpose of the regulations introduced in 2003 and 2016 was to prevent speculative trade, excessive concentration of agricultural land, and land grabbing of both private and state agricultural land. 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, particularly larger plots of land. Some farms run by natural persons who want to enlarge their farms also 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 involved in non-agricultural activities, for speculative purposes or as a form of capital investment (Sejm, 2019), they might also limit the inflow of capital into the agricultural sector (Jędruchiewicz and Maśniak, 2018).

Some studies argue that the pre-emptive right of tenants and of the National Support Centre for Agriculture was primarily introduced to create barriers to the acquisition of agricultural real estate by foreigners, rather than to shape and promote the development of the agricultural sector, as, for example, specified in the preamble of the land law (i.e. the Act of 11 April 2003 on Shaping the Agricultural System) (Truskiewicz, 2019).

Overall, the land regulation is strictly implemented and enforced in Poland. The National Centre for Agricultural Support, being the control agency, has become an important player in agricultural land markets. It not only manages agricultural land owned by the state, but it also exercises control over the private transactions of agricultural land.

5.18. Romania

The total UAA in Romania amounted to 13.5 million ha in 2016. The majority of farms are of a relatively small size in Romania. In 2016, around 91 % of all farms (primarily family farms) cultivated areas smaller than 5 ha and used around 29 % of UAA, while less than 1 % of farms (usually legal entities) cultivated an area larger than 50 ha and used 51 % of UAA. The rest of the farms (approximately 8 % of all farms) were of medium size, between 5 ha and 50 ha, and used the rest of the UAA (20 %).

⁽²⁴⁾ See, for example, an article on the concept of agricultural real estate under the Act of 11 April 2003 on Shaping of the Agricultural System (<https://codozasady.pl/en/p/the-concept-of-agricultural-real-estate-under-the-agricultural-system-act>).

The primary subject of land market regulations in Romania are sale transactions. Both legal entities and natural persons can own land in Romania. However, conducting a sale transaction is a rather administratively demanding procedure in Romania. In order to sell agricultural land located outside a built-up area, the seller must submit to the town hall the application for displaying the sale offer in a designated public place, together with a series of documents. The sale offer needs to be displayed for 45 working days so that those who have pre-emptive rights can exercise their rights. The legislation grants pre-emptive rights for land purchase to co-owners, tenants, owners of neighbouring plots 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-Șișești) and the agricultural-related research and development institutes (i.e. those active 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 shows intention to buy the land on offer, it still cannot be freely sold to any buyer, but must be made available to the following potential specialised buyers within an additional 30-day period: (1) individuals who have been domiciled or have resided in Romania for the preceding 5 years, carry out agricultural activities in Romania and are registered by the Romanian tax authorities (i.e. this includes individual farmers); and (2) legal entities with a registered office and/or secondary headquarters in Romania in the preceding 5 years, that are involved in agricultural activities in Romania (representing at least 75 % of the total income), with a partner/shareholder who has a controlling influence in the company and has had domicile or residence in Romania in the preceding 5 years (i.e. this includes agricultural companies). If the potential buyer does not meet these conditions, the Ministry of Agriculture and Rural Development will issue a negative approval. If, within the 30-day period (and after the initial 45 working days, available to exercise the pre-emptive rights, have passed), none of the potential buyers meet the abovementioned conditions, the land can be sold to other buyers. Approval of a sale is always needed from governmental bodies (e.g. mayor's office, Ministry of Agriculture and Rural Development) and the transaction needs to be registered in the land books (cadastre).

Overall, the objective of the land market regulations in Romania is to prioritise access to land for young farmers and for existing farms that intend to expand and consolidate their agricultural production (both for family farmers and agricultural companies). However, some experts argue that the land market regulations impose rather restrictive conditions on some investors for buying land in Romania, particularly on those without agricultural activities or those who want to expand certain investments.

5.19. Slovenia

The total agricultural area of Slovenia is 676 000 ha, of which 605 000 ha is, according to the most recent 2016 Farm Structure Survey ⁽²⁵⁾, operated by 69 902 agricultural farms. The average size of a Slovenian farm is 6.9 ha. Farms cultivate 481 415 ha of the total agricultural area, and the rest of the total area represents non-productive agricultural land. Most of the cultivated area is permanent grasslands (276 244 ha), followed by arable land (176 807 ha). The vineyards cover 15 241 ha, and orchards and olive groves cover 11 297 ha (Farm Structure Survey, 2016).

Around 91 % of all agricultural land is in private ownership; the rest (9 %) is owned by the state and managed by the Farmland and Forest Fund (FFF). The FFF is the biggest and most important single player on the agricultural land market in Slovenia. It manages (through sale, acquisition and lease) the state-owned agricultural land, farms and forests. The main purposes and objectives of the FFF buying, selling and renting land is to contribute to the

⁽²⁵⁾ <https://www.stat.si/statweb/en/News/Index/6742>

consolidation of production properties, thereby ensuring a more economically rational size of plot, and to improve the size structure of farms.

The key regulation that regulates the agricultural land market in Slovenia is the Agricultural Land Act (ALA). It establishes pre-emptive rights to different land market actors in the following order: (1) co-owners, (2) farmer-owners whose land borders with land that is on sale, (3) the tenant of the land for sale, (4) other farmers, (5) agricultural organisations or sole proprietors who need land or a farm to perform agricultural or forestry activities and (6) the FFF. If the pre-emptive right-holders among farmers are ranked in the same place, the priority is given in the following order to (1) farmers for whom agricultural activity constitutes their sole or principal activity; (2) farmers who cultivate the land themselves; and (3) farmers appointed by the seller, except in the case of the sale of real estate owned by the state, in which case the farmer needs to be selected based on public auction.

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

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

The Agricultural Holdings Inheritance Act regulates the division of agricultural holdings in the inheritance process. This regulation basically prohibits the division of farms of a size between 5 ha and 600 ha. These farms are called 'protected farms'. A farm is automatically classified in this category through an official procedure when – according to the official records – the farm falls within the defined margins. The regulation stipulates that the 'protected farms' must be inherited by only one heir, while all the other legal heirs are compensated financially by the one taking over the farm.

Some stakeholders – mainly farmers – consider the Agricultural Holdings Inheritance Act as the most restrictive for the functioning of the land market. It influences the land market because the designation of 'protected farm' effectively impedes the sale of any part of such farm separately from the whole farm. 'Protected farms' can be sold only as a whole (including agricultural land, forest and agricultural buildings) to other farmers. However, this is not common practice occurring in the Slovenian agricultural land market. In particular, the sale of the buildings is an obstacle, as they are usually together with the housing part of a farmyard. As the identification of a protected farm is an administrative procedure done automatically by the responsible local authority, resulting in an administrative decision, the regulation is strictly enforced.

The ALA also regulates the lease of agricultural land by establishing the order of pre-emption beneficiaries and requires lease contracts to 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 FFF, 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; instead, unofficial rental agreements are widely used. The anecdotal evidence suggests that the process of selling or leasing land as regulated by the ALA is very time-consuming and procedurally complex.

5.20. Slovakia

The total agricultural area in Slovakia is 2.39 million ha. In 2017, 4.4 million people in Slovakia (out of a total population of 5.4 million) owned agricultural land. On average, a landowner owned less than 1 ha of agricultural land, split into around two plots. A land plot was owned, on average, by 12 persons. There were 100.7 million

agricultural landownership relationships in Slovakia in 2017. The extreme landownership fragmentation causes significant transaction costs when buying or renting land. Not surprisingly, there is a strong need to consolidate land and it is high on the political agenda. In 1995, Act No 180/1995 Coll. on some measures for consolidation of landownership was adopted. It includes legal rules on the minimum sizes 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 % of the value of the 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 % of the agricultural land value has to be paid when the newly created plot is 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 law. However, there are some exemptions in the act.

Landownership is fragmented, but that is not the case for land use. The average farm size is 73.6 ha in Slovakia, which is almost five times higher than the EU average farm size of 15.2 ha. A greater proportion of large farms are bigger than 100 ha in Slovakia than in the rest of the EU (European Commission, 2020b, 2020c).

About 90 % of land is rented; therefore, rental transactions dominate the agricultural land market in Slovakia. Farms rent land mainly from natural persons (more than 50 %), from the Slovak Land Fund ⁽²⁶⁾, from members of agricultural cooperatives or from other institutions (e.g. the Roman Catholic Church). About 60 % of land is rented for 5–10 years, 22 % of land is rented for 10–15 years and the remaining 18 % is rented for more than 15 years. Land renting is currently governed by Act 504/2003 Coll. on renting of agricultural land, agricultural enterprise and forest land. It stipulates that the minimum duration of a rental contract of agricultural land to conduct business by enterprises is to be 5 years, and the maximum is 15 years. In the case of the renting of agricultural land for conducting business by an agricultural enterprise whereby the rental contract is concluded for an infinite time period, it can be terminated with effect from 1 November 2020 with a 5-year advance notice period. The law establishes a minimum rent of 1 % of the land value. In practice, the market rent is considerably higher than the minimum set by the law. If the landlord is the Slovak Land Fund, the internal rules of the Slovak Land Fund set the minimum rent to be 2.2 % of the land value in 2014 ⁽²⁷⁾. The market rent is still about double the value of 2.2 % of the 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), while there are no restrictions on ownership of agricultural land for EU nationals and no pre-emptive rights for buyers. It is important to note that, since 1 July 2014, Act No 140/2014 Coll. on the acquisition of the ownership of agricultural land has come into effect in Slovakia. This act aimed to introduce new rules on the acquisition of agricultural land. According to this act, the ownership of agricultural land may be acquired only by a person who has either permanent residence (in the case of a natural person) or a registered office (in the case of a legal person) in Slovakia for at least 10 years and carries out agricultural production for at least 3 years before the date of the conclusion of the land acquisition contract ⁽²⁸⁾. The act also requires the publication of sale offers in designated public places.

⁽²⁶⁾ The Slovak Land Fund is a legal entity established by the law for the administration of state land and of the land of unknown owners. The land of unknown owners is land without documentation of the land ownership due to missing data on the landlords, which were lost or destroyed in the past. The lands of unknown owners together with the state land occupy about one fourth of the total agricultural land in Slovakia.

⁽²⁷⁾ 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 to 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 the previous year. These modifications aim to approximate the lease payment of the Slovak Land Fund land towards the market lease prices.

⁽²⁸⁾ Young farmers are not required to comply with the requirement to have carried out 3 years of business conduct in agricultural production. However, they cannot rent out, sell or donate the acquired agricultural land for 3 years from acquiring the ownership of the agricultural land.

However, on 14 November 2018, the Constitutional Court of the Slovak Republic decided that Act No 140/2014 is against the constitution and repealed some of the provisions of the law ⁽²⁹⁾. Following this decision of the Constitutional Court, there are no restrictions on ownership of agricultural land by EU nationals and no pre-emptive rights to acquire agricultural land in Slovakia.

Regarding rental market regulation, the tenant has a pre-emptive right to enter into a new rental contract, except in specific conditions. Furthermore, the minimum duration of a rental contract is 5 years if land is rented by an enterprise to conduct business, and the contract cannot be terminated earlier, except by mutual agreement. The tenant has a right to ask for a reduction in rent if the expected revenues have not been achieved due to a substantial change in economic conditions or if the prices of commodities decline by half. Finally, tenancy contracts are inheritable.

In Slovakia, about 77.5 % of agricultural land is privately owned, 16.7 % is owned by unknown owners and 5.8 % is state land. Land of unknown owners and state land is managed by the state-owned Slovak Land Fund. This means that more than 20 % of agricultural land is under state control. The state rents out these lands. As mentioned above, for a long time, it was rented out at administrative rents, which were considerably 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 where land is located. In renting out the land, the Slovak Land Fund is obliged by the law to give preference to young farmers ⁽³⁰⁾; small farms ⁽³¹⁾ or microenterprises ⁽³²⁾ that focus on special plant production or special animal production ⁽³³⁾; farmers who, on at least half of the cultivated area, conduct special plant production (grow fruits and vegetables); or farmers who produce a final product and can prove that s/he owns agricultural land or rents agricultural land from other owners. However, in reality, the Slovak Land Fund rented only a very small area to small farms or young farmers. The reasons are that the rental contracts were signed for a long duration initially, large farms have dominant positions and more access to information in the specific cadastres where the state land or land of unknown owners managed by the Slovak Land Fund is located, and the political influence of large farms. Furthermore, some rental contracts are problematic. This is the outcome of the situation of the land market, which suffers from extremely high transaction costs, stemming from missing, erroneous or incomplete legal documents; old and imprecise maps; the difficulty or impossibility of contacting owners (e.g. deceased owners, absentee owners, owners with unknown addresses, co-owners with legal conflicts between them, incomplete inheritance processes); and imperfect correspondence between the land plot information system used to distribute direct payments and cadastre registers to register landownership. 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 a land plot did not sign the rental contract with the farm. In some cases, a majority of co-owners did not sign the contract with the farm.

Act No 504/2003 Coll. deals with some problems in the rental market, but it does not solve them fully. According to the law, if a land user who uses the land without a rental contract proves that s/he proposed to conclude the rental contract and the landowner did not refuse to conclude the contract within 2 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

⁽²⁹⁾ At the EU level, the European Commission initiated a process against Slovakia on the grounds that this act is against the Treaty on the Functioning of the EU.

⁽³⁰⁾ As defined in Art. 2, par. 1, letter n), of the Regulation (EU) No 1305/2013 of the European Parliament and of the Council (i.e. a person not older than 40 years).

⁽³¹⁾ As defined in Art. 2, par. 2, of Annex I of the Commission Regulation (EU) No 651/2014.

⁽³²⁾ As defined in art. 2 par. 3 Annex I of the Commission Regulation (EU) No 651/2014.

⁽³³⁾ Special plant production is represented by 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 or millet. Special animal production represents the stocking density of agricultural land from 0.4 livestock unit per ha (for details, see the Slovak government regulation No 416/2014).

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.

Imperfections in the land rental market are tolerated and status quo prevails if there are no conflicts created between the owners, between the owners and users of land, or between the users of land. The conflicts often arise when new farmers, for example new young farmers, enter the business and attempt to rent land, or when farms attempt to expand.

The number of conflicts over land use increased in Slovakia after EU accession with the introduction of CAP direct payments (particularly the single area payment scheme). Land conflicts are solved by agreement or the legal system is used. The use of the legal system to solve land conflicts takes a significant amount of time, which causes a major problem for some farms in accessing land.

The problem often arises with the so-called double declaration of land plots for direct payments. This is the case when two different farmers claim the right to use the same land plot to receive direct payments. In such a case, the paying agency refuses to pay direct payments to both farms, which could create significant problems for both of them, or for at least one of them. Double claims are sometimes used as a strategic behaviour of some farms to create costs for their competitor.

5.21. Finland

In 2019, there were 46 800 farms in Finland, which was approximately 800 farms fewer than in 2018. The average farm size was 49 ha. A farm cultivates, on average, 17 different plots of land. Most farm holdings are family farms (86 %) in Finland. The average size of plots is around 2.37 ha (Hiironen and Ettanen, 2012).

The amount of leased land in Finland is approximately 777 000 ha, or about one third of the UAA. The share of leased land increased between 1990 and 2000 from 15 % to 30 %, but has been steady ever since. Around 60 % of farms cultivate some leased land. Land renting is more common on livestock farms than crop farms: more than 80 % of livestock farms cultivated some rented area.

Agricultural land transactions are regulated by the same legislation as regulates all other property transactions. The spirit of the regulations is relatively liberal: there are no restrictions on who can buy or own agricultural land. Foreigners and legal persons have equal rights to purchase land, except that an entity domiciled outside the territory of a MS of the EU or of a state belonging to the EEA or a national outside the EU or outside the EEA need to apply for permission 2 months before the transaction. This law came into force at the beginning of 2020.

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

Land rentals, including plots for buildings, etc., are regulated by the 'Land rental act' (Maanvuokralaki 29.4.1966/258). Agricultural land that does not have farm buildings may be leased for a maximum period of 20 years for conducting agricultural activities as the main purpose. The rental contract must be done in writing and signed by the involved parties. The exception is a lease for no more than 2 years' duration, which may be agreed orally. The written contract must state when the contract period begins and when it ends. If this is not established in the contract, the duration is the same as in the oral agreement, that is 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 EUR 0. The termination terms in the contract are fully binding. A typical termination condition is a change of ownership without transfer of the lease to the new owner. If the termination conditions are not set in the lease contract, the change of landownership will not affect the lease, but the rent must be paid to the new owner. Tenancy agreements are inheritable in Finland.

The transfer of land between different family generations can result in certain tax reliefs being granted (e.g. for property transfer tax). These tax benefits are binding for the successor and could be lost if the land is sold within 5 years.

Overall, natural persons and legal entities are free to buy or rent, under rather liberal conditions, whatever they wish in terms of farm and forest land. Since the land-related legislation is relatively liberal, it is well followed and enforced. The main challenges of the Finnish agricultural sector are related to the rigidity of the arable land markets and the ageing of farmers and landowners, which limits the availability of arable land to developing and expanding farms.

5.22. Sweden

According to the Swedish Farm Register, there were around 63 000 farms in Sweden in 2016, with an average size of 41 ha of arable land per farm.

Natural persons, 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 persons (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 wants to acquire 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 and in order to avoid legal persons outcompeting natural persons on the agricultural land and forestry markets, strict rules are in place that limit legal persons' opportunities to buy land from natural persons.

In sparsely populated areas, a natural person (either domestic or foreign) does not have to apply for an acquisition permit in specific situations, for example if the person already owns part of the property or if the person has been registered in a sparsely populated area in the municipality where the property is located for at least 1 year. For a natural person to receive an acquisition permit in sparsely populated areas, the following conditions apply:

- the person must settle permanently on the acquired property within 12 months of the acquisition (proof must be provided);
- if the person does not plan to permanently reside on the property, they must instead show that the acquisition will permanently contribute to local employment;
- when acquiring a property dominated by agricultural land, the land is required to be used by someone who lives 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 (either domestic or 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 person, 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 or when acquiring agricultural property, regardless of area, from natural persons or deceased persons. Legal persons may be granted an acquisition permit in sparsely populated areas, if, for example one of the following conditions applies.

- The buyer agrees to relinquish the 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 (where 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.
- For other special reasons that do not counteract the purpose of the Land Acquisition Act.

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 confirmed that the current legislation makes it difficult for those who run an agricultural activity as a legal entity to acquire agricultural property. This legislation is also expected to affect the establishment of new businesses in rural areas (Statens Offentliga Utredningar (SOU), 2014). A government inquiry from 2015 stressed that the current legislation has an inhibiting effect on the competitiveness of the agricultural sector because it complicates the acquisition, exchange, transfer and sale of agricultural property and, in addition, creates administrative burdens (SOU, 2015).

In the rental market, a distinction is made between 'farm leases' (*gårdssarrende*) 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. As 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 at least a 5-year period.

Agricultural leases that are not farm leases are considered side leases. A legal person can enter only side leases. In most side leases, no residential building is included. For side leases, 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, for example if the landowner's partner or children intend to use the leased land. In side leases, provisions to protect the tenant (*besittningsskydd*) are not applicable when the contract covers a maximum period of 1 year. In the event that a contract period exceeds 1 year, provisions to protect the tenant are included (Sveriges Domstolar, 2020). Land tenancy is inheritable.

According to the Land Code (Jordabalk), rental agreements for agricultural land must, under all circumstances, be written (chapter 8, 3§, Jordabalk 1970:994). This means that rights set through an oral agreement are not enforceable. The parties in a rental agreement must also agree upon a rental price. If there is no rental price, 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 are required to be written, figures from the Swedish Board of

Agriculture (Jordbruksverket) show that 69 % of agricultural rental agreements were in writing in Sweden in 2018. This suggests that a significant share of rental contracts are oral, under which the rules and regulations (e.g. those protecting the tenant, *besittningskydd*) are circumvented or contractual arrangements are not enforceable. According to the survey of the Swedish government agency SOU , carried out between 2011 and 2014, 25 % of respondents with oral rental contracts indicated that they have chosen this alternative because it is less complicated than the written contract, and 40 % of the respondents indicated that the issue of drawing up a written contract was never discussed (SOU, 2014).

Finally, there are also some procedures in place for property sales (including land) by government agencies. The government agency selling the property is required first to consult other government agencies to check whether it is deemed probable that they need the property. In the next step, the government agency is required to inform the municipality (prior notice) in which the property is located before selling the property, to check whether the municipality is interested in acquiring the property. If the municipality shows interest, it must provide reasons why it wants to acquire the property. In all circumstances, the sale must take place under the market terms.

6. Implications and cross-country comparisons of land market regulations

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 transaction costs for 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. To better visualise the land regulations in place across the MS studied, Table 7 and Figure 11 provide, for each country, a simple summation of the measures that are in place for all five groups of measures (based on the information provided in Tables A4.1–A4.4 in Annex 4). The next sections discuss the implications and cross-country comparisons of the land market regulations separately for each of the five groups of measures, as well as for all measures combined.

6.1. Measures to protect the tenant

There are large differences across MS in the 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 the rental rights of tenants. In the latter countries, more regulations to protect tenants are in place. Table 7 and Figure 11 illustrate that a sizable number of measures to protect tenants are in place in several countries. Figure 12 indicates some positive correlation between the number of measures in place to protect the tenant and the share of rented land in the studied countries. This positive relationship between tenancy protection and the renting of land could reflect, among other things, a historical dependency of political power to protect the existing land use structures, tenancy protection regulations stimulating higher renting, or a combination of both these factors. Often one important policy objective for introducing tenancy protection is to stimulate long-term investment in agriculture and to provide more secure access to land to small and medium-sized farms, young farmers and credit-constrained farmers. However, the impact of the tenure protection may not always be straightforward and, in some cases, it could have unintended effects. For example, the highest number of measures are in place in Belgium, France, Spain, the Netherlands and Slovakia, respectively. However, extensive tenancy protection resulted in perverse effects (Swinnen, Van Herck and Vranken, 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. The sale prices of free land were considerably higher than the sale 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⁽³⁴⁾. Moreover, young farmers were having difficulties accessing land through rental markets, as automatic renewal regulations caused that land to remain under the control of the sitting tenant, even if s/he aged and was farming the land extensively only (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 liberalised tenancy contracts was introduced and is gaining popularity at the expense of the regulated contracts.

In some countries that used to focus on self-ownership and have no to few 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 himself or herself. The requirement that the owner must live on the property has also been

⁽³⁴⁾ For the development of land sales prices and land rental prices across time and MS, see Baldoni and Ciaian (2021).

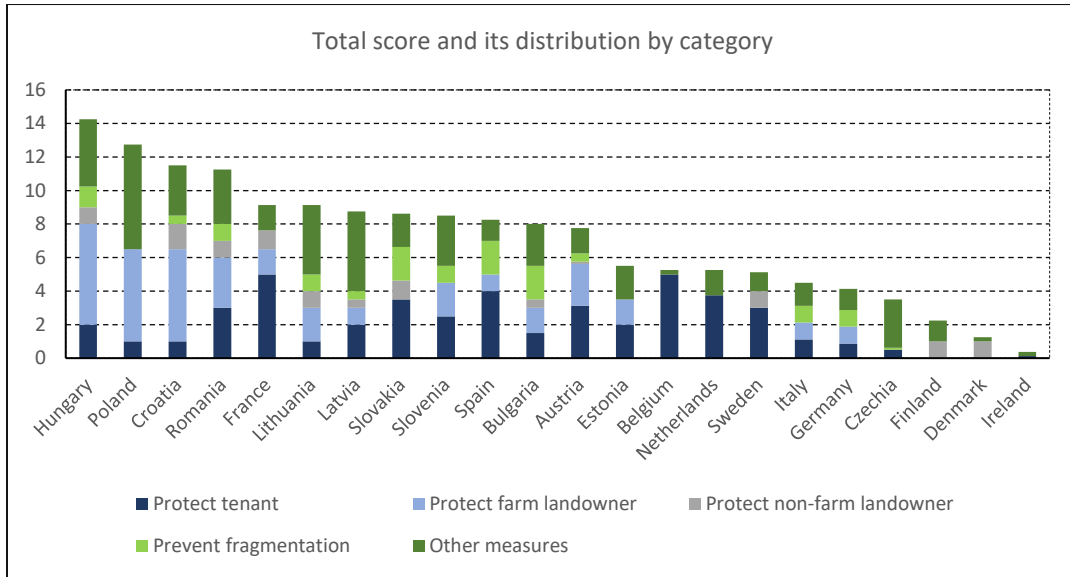
abolished. All this resulted in a considerable increase in the share of rented land, from 10 % in the mid 1960s to 40 % by 2020. In Ireland, long(er)-term rental is stimulated through tax exemptions.

Table 7: Summation of the number of measures per category and total score, 22 MS, around 2020

Country	Total (sum) to protect tenant	Total (sum) to protect farmland owner	Total (sum) to protect non-farmland owner	Total (sum) to prevent fragmentation	Total (sum) of other measures	Total score
Belgium	5	0	0	0	0.25	5.25
Bulgaria	1.5	1.5	0.5	2	2.5	8
Czechia	0.5	0	0	0.125	2.875	3.5
Denmark	0	0	1	0	0.25	1.25
Germany	0.875	1	0	1	1.25	4.125
Estonia	2	1.5	0	0	2	5.5
Ireland	0.125	0	0	0	0.25	0.375
Spain	4	1	0	2	1.25	8.25
France	5	1.5	1.125	0	1.5	9.125
Croatia	1	5.5	1.5	0.5	3	11.5
Italy	1.125	1	0	1	1.375	4.5
Latvia	2	1	0.5	0.5	4.75	8.75
Lithuania	1	2	1	1	4.125	9.125
Hungary	2	6	1	1.25	4	14.25
Netherlands	3.75	0	0	0	1.5	5.25
Austria	3.125	2.5	0.125	0.5	1.5	7.75
Poland	1	5.5	0	0	6.25	12.75
Romania	3	3	1	1	3.25	11.25
Slovenia	2.5	2	0	1	3	8.5
Slovakia	3.5	0	1.125	2	2	8.625
Finland	0	0	1	0	1.25	2.25
Sweden	3	0	1	0	1.125	5.125
Total	46	35	10.88	13.88	49.25	155

Source: Based on Tables A4.1–A4.4 in Annex 4.

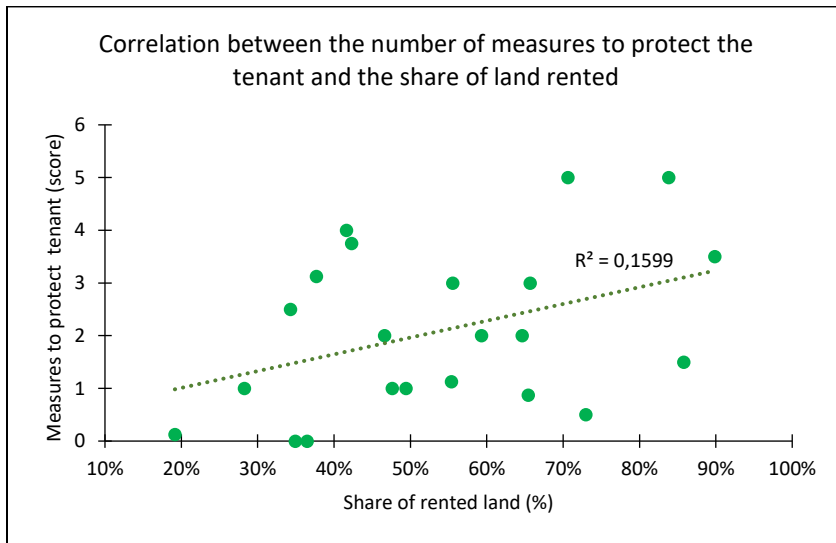
Figure 11. Total number of land market measures and their distribution by category, 22 MS, around 2020



Maximum	Minimum	Average	Median	Skewness	Kurtosis
14.25	0.38	7.05	7.88	0.05	-0.51

Source: Based on Tables A4.1–A4.4 in Annex 4.

Figure 12. Correlation between the number of measures to protect the tenant and the share of land rented



Source: Measures to protect the tenant: based on Table A4.1 in Annex 4. The share of land rented: FADN for 2019.

6.2. Measures to protect the farmland 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 11) aiming, among other things, to protect family farms; to protect local, small and young farmers; and to maintain farmland in agricultural use. Other countries might not have strict regulations such as maximum sales price or maximum transacted area, but transactions need to be approved by designated government bodies (e.g. in Germany, France and Austria). Sales can be refused if, for example, the sale is to a non-farmer, if the price is unreasonably high, if the sale promotes the formation or expansion of large estates, if the land is not used for the intended purposes, to prevent undesirable farm structural change or to avoid fragmentation. Such approvals are mainly introduced to guarantee access to land for farmers with small or medium-sized farms. Caution is needed to ensure that the ability to refuse sales, just as prior authorisations, does not lead to arbitrary use and decisions by authorities, and it should be ensured that it does not lead to discriminatory conduct. Moreover, sales refusal or prior authorisation of sales is preferred above annulment of the transfer afterwards, as the latter would undermine legal certainty⁽³⁵⁾ and result in insecure property rights. Pre-emptive rights granted to (neighbouring) farmers are relatively common in the studied countries. Such pre-emptive rights enhance access to landownership by farmers and discourage land sales to investors who have no interest in farming 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-emptive rights in favour of farmers could be considered proportionate restrictions on the free movement of capital and are considered to be less restrictive than a prohibition of sales to non-farmers⁽³⁶⁾. 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 and more credit-constrained farmers in a disadvantageous position because their own financial resources would be needed for acquiring land, which leaves fewer resources for productive investments. The requirement for agricultural experience and qualification for buyers that is applied in some countries (e.g. in Croatia, Hungary, Poland, Romania and Slovenia) may facilitate the entry to the sector of individuals with skills that can stimulate agricultural productivity improvement and the adoption of innovative farm practices; it may also promote a greater environmental awareness and adoption of environmentally friendly practices, particularly by those with experience and/or education in ecology and environmental fields. An adverse effect of a too narrow definition of experience and qualification could lead to reduced land access and prohibit entry into the sector of individuals from other fields (e.g. those with technical experience) whose skills could be particularly desirable to promote the adoption of modern technologies (e.g. precision farming, robotics).

6.3. Measures to protect the non-farmland owner

Measures listed in this category include regulations on minimum rental prices and maximum rental contract durations. These regulations could indeed favour the non-farmland owner who is guaranteed a minimum revenue (from renting the land) and can more easily allocate the land to a more beneficial tenant. At the same time, maximum tenancy duration could result in that land becoming more mobile (and remaining for less time under the control of a sitting, sometimes ageing, tenant), which could then favour access to land by new or young farmers, or farmers wishing to expand their farm.

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, Hungary and Slovakia), the measure regarding maximum tenancy duration ensures that

⁽³⁵⁾ Commission Interpretative Communication on the Acquisition of Farmland and EU Law (OJ 2017/C 350/05, 18.10/2017).

⁽³⁶⁾ Commission Interpretative Communication on the Acquisition of Farmland and EU Law (OJ 2017/C 350/05, 18.10/2017),

land for rental purposes becomes more easily available for farmers other than the sitting tenant. Similarly, the minimum rental price is mainly applied to state-owned land (e.g. in Croatia, Latvia and Lithuania) to prevent underpriced lease of public assets to the private sector.

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 the 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 perspective, they 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 who take over a farm. In some countries, co-heirs have pre-emptive rights as well.

6.5. Other measures

In half of the countries (Bulgaria, Czechia, 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 under the 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 some buyers taking advantage of their privileged position 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 organisation) has pre-emptive rights (e.g. in Germany, France, Croatia, Latvia, Lithuania, Hungary, Poland, Romania, Slovenia and Finland). As a result, they can steer who gets access to land. However, it seems that the execution of these pre-emptive rights differs considerably between countries varying from exceptional (e.g. Finland) to more active use (e.g. France).

Pre-emptive rights are also held by family relatives (e.g. in Czechia, Poland, Romania and Slovenia). This could have different purposes: landownership 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 landowners or neighbouring landowners (e.g. in Bulgaria, Estonia, Hungary and Poland). This could also serve different purposes: it could stimulate consolidation, but also ensure that land remains in local ownership.

The publication of sale offers in a designated public place is required in several countries (e.g. Latvia, Lithuania, Hungary, Austria, Romania and Slovenia), with the purpose of providing an opportunity to pre-emptors to exercise their rights, or to increase the transparency of the land market. On the one hand, this could increase land access for local farmers, particularly for those that have pre-emptive rights. On the other hand, external buyers may also benefit from greater transparency, particularly if it is more difficult for them than for local buyers to access local land market information. Sale offers must usually be published for a predefined minimum duration, which may generate some costs to buyers and sellers as it may delay the execution of the transaction and induce uncertainty

in certain buyers about the completion of the transaction (e.g. those without pre-emptive rights or pre-emptors with lower priority because a buyer with higher priority may exercise their right, implying that a transaction may not be certain to be completed even if initially pre-agreed with the seller) (Ciaian et al., 2017).

Tax reliefs are often given if land is sold to family or when it is sold to keep it under active farming (e.g. Ireland, Spain and Finland).

6.6. Comparison between European Union Member States

We collected information about 24 different measures regulating the land markets in 22 EU MS (5 – tenant protection, 8 – farmland owner protection, 2 – non-farmland owner protection, 2 – preventing fragmentation and 7 – other measures). Hence, up to 24 measures could be in place in a single country. In reality (see Table 7 and Figure 11), the maximum implemented is 14.25 regulations. The median 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 minimum 0 to maximum 24 regulations. Bulgaria has a total score of 8 regulatory measures in place and is the closest to the median (Figure 11).

Among the 11 countries with a relatively high number of regulations in place (to the left of the median in Figure 11), only 2 countries (France and Spain) are old MS and 9 are new MS. This pattern is reversed among the 11 countries with a relatively low number of measures exercised (to the right of median): only 2 are new MS (Estonia and Czechia) and the remaining 9 are old MS.

The country with the highest number of regulations is Hungary (14.25). Poland, Croatia and Romania are also characterised by a high number of measures regulating their land markets, as they have 12.75, 11.5 and 11.25 regulations, respectively. 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 in the markets.

Three countries – Ireland, Denmark and Finland – have just a few regulations (0.375, 1.25 and 2.25, respectively). The land markets in these countries are very liberal. Seven other countries exercise fewer than six regulations, which is reasonably low: Estonia, Belgium, the Netherlands, Sweden, Italy, Germany and Czechia.

The distribution of the total number of land market regulations in place in the 22 EU MS is characterised by a concentration of countries (13 out of 22) having their total number of regulations between 3.1 and 9 (Figure 13). The distribution is left-skewed with the peak in the interval of 3.1 to 6. This finding is consistent with similar distributions for the main groups of regulations (tenant protection, farm and non-farmland owner protection, preventing land fragmentation and other measures) presented in Section 4 (Figures 2, 4, 6, 8 and 10).

Figure 13. Distribution of countries for the total number of measures regulating land markets, 22 MS, around 2020

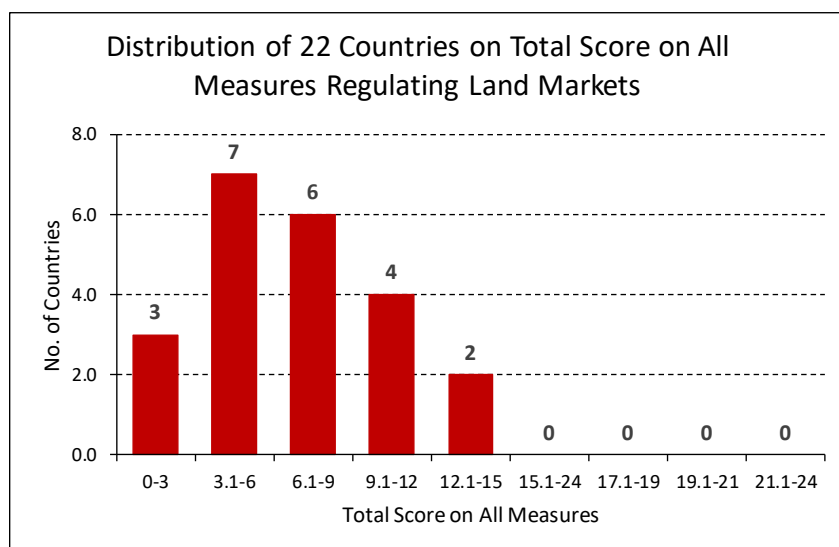
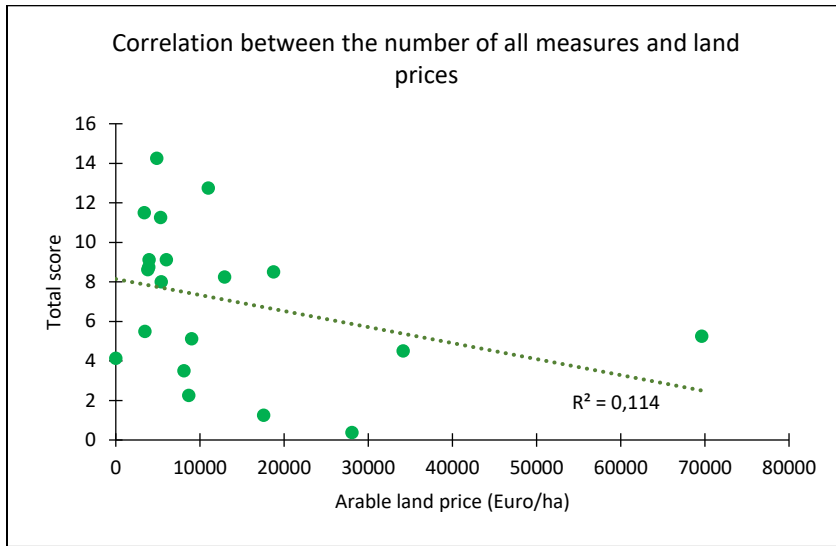


Table 7 and Figure 11 illustrate that countries vary in the ways in which they exercise their land market regulations. The picture of regulations identified for the 22 countries jointly does not closely resemble that across some of the countries or a group of the countries. In countries that have many regulations in place, such as Croatia, Hungary, Poland and Romania, measures that aim to protect the farmland owners are particularly widespread. In France, land exchange is strongly regulated, but the regulations mainly focus on protecting the tenant. Bulgaria, Latvia and Lithuania also have a sizable number of regulations in place, but measures preventing fragmentation and other measures appear to have the largest share in the total score. Countries such as Belgium, Spain, the Netherlands, Austria and Slovakia have moderately regulated land markets while regulations that protect the tenant are omnipresent. In several new MS, such as Croatia, Latvia, Lithuania, Hungary, Poland and Romania, there are several land market regulations that were not considered in the classification by Swinnen, Van Herck and Vranken (2014a). 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 with land prices in the old MS, the prices in these countries are still relatively low (Baldoni and Ciaian, 2021; Eurostat, 2018), which feeds the fear that land will be bought by investors who are not interested in farming the land and/or foreign farmers. As a result, new measures were introduced in these countries. Indeed, Figure 14 indicates some positive correlation between the number of regulations in place and the land price across countries. Regulations such as pre-emptive rights for local farmers, tenants, family relatives and the state or public bodies, alongside the maximum threshold imposed on a transacted or owned area, may, in some new MS, hold back land purchases by these non-local, non-farming investors.

Figure 14. Correlation between the number of all measures and the land prices



NB: Germany and Austria are not included in the figure because land prices were not available for these two countries.
Source: Measures to protect the tenant: based on Tables A4.1–A4.4 in Annex 4; arable land price (for 2019): Eurostat.

Figures 15–17 confirm that a variety of situations are in place in the 22 MS studied in this report. Figure 15 complements Figure 11 by showing country scores for each main group of regulations (tenant protection, farmland owner protection, non-farmland owner protection, preventing land fragmentation and other measures). In Figure 15, countries are sorted in exactly the same way as in Figure 11 to make it easier to evaluate the variety of situations, that is in descending order of the total number of regulations for all measures in all 22 MS. The sorting makes it possible to more easily compare the results shown in the two figures. The pattern seen in Figure 11 for all measures seems not to correspond one to one to the patterns for the groups of measures in Figure 15. This means that the same countries have different numbers (proportions) of regulations in place in each main group of measures. The most correlated with the total score are the most numerous groups of measures, that is the tenant protection and other measures.

Figure 15. Country scores for land market regulations by group of measures, 22 MS, around 2020

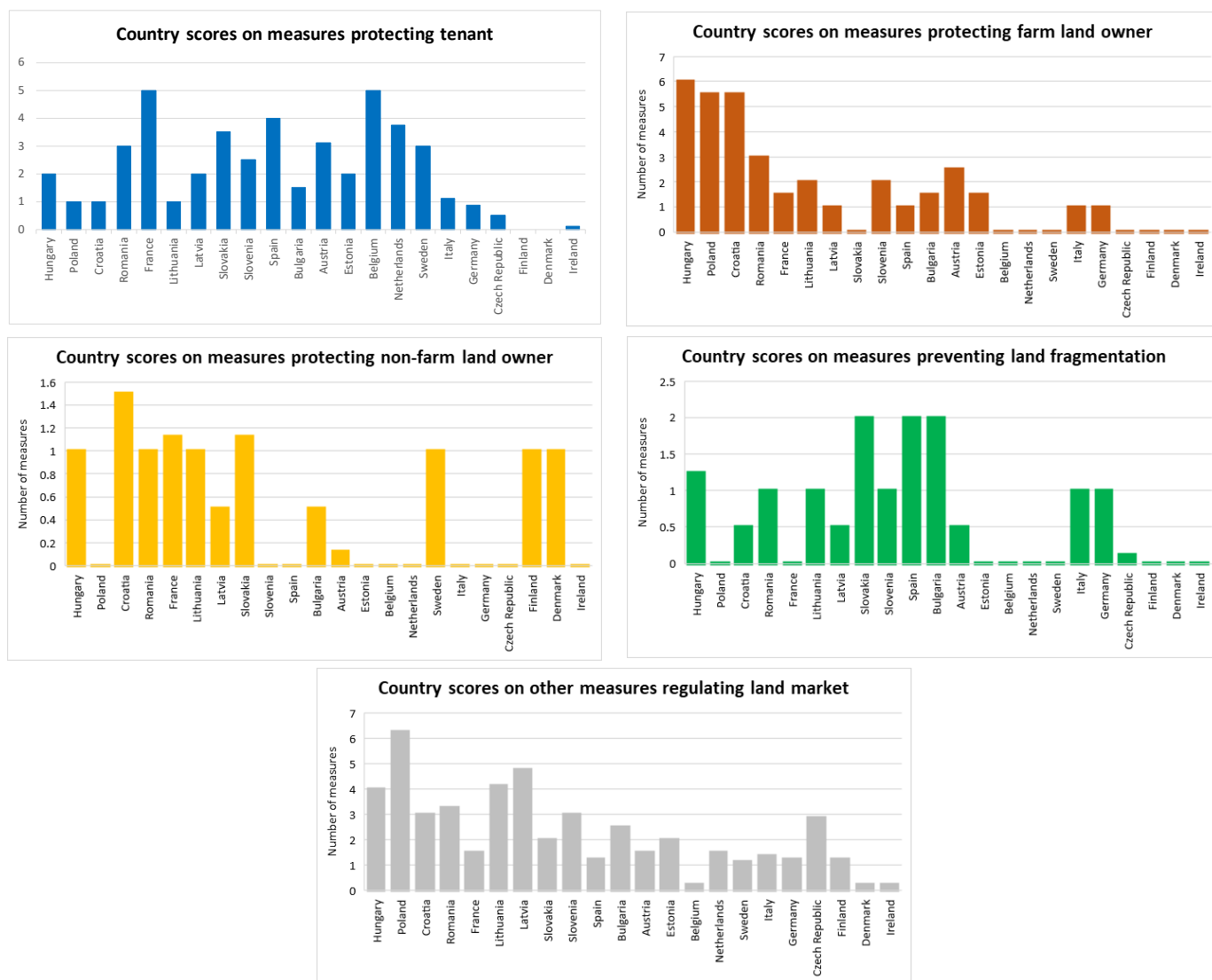


Figure 16 illustrates the percentage distribution of the total number of all measures in place in all 22 countries jointly, by main groups of measures. It shows that the two groups with the largest contributions are protection of the tenant (30 %) and other measures (32 %). The third biggest group relates to protection of the farmland owner (23 %). The remaining two groups of measures each have less than 10 % representation.

Figure 17 illustrates the same percentage distribution in some selected countries⁽³⁷⁾. The eight country-specific charts included in Figure 17 are examples of how the same distribution looks in the eight countries with the most measures out of the 22 studied: Hungary, Poland, Croatia, Romania (each with between 7 % and 9 % share in the overall total number of measures for all 22 MS), France, Lithuania, Latvia and Slovakia (each with a 6 % share in the total number of measures in all MS). Notably, seven of the eight biggest contributors are new MS; France is the only old MS.

⁽³⁷⁾ See also Annex 5.

The greatest shares of tenant protection measures are seen in France (55 %) and Slovakia (41 %), both considerably higher than the 30 % share of tenant protection measures for all 22 MS jointly (Figure 16). The greatest shares of farmland owner regulations are in Hungary (42 %), Poland (43 %) and Croatia (48 %), while this share for all 22 MS is only 23 %. Measures protecting the non-farmland owner are most prevalent in Croatia (13 %), France (12 %) and Slovakia (13 %); this value for all 22 MS jointly is only 7 %. Preventing land fragmentation is very strongly addressed in Slovakia (23 %, versus 9 % for all 22 MS). Finally, the greatest shares of other measures are seen for Poland (49 %), Lithuania (45 %) and Latvia (54 %), which are far higher than the share of other measures for all 22 MS jointly (32 %). This observation calls this group of measures to be inspected more in depth in order to learn more about the effects and importance of these ‘other’ regulations on and to the land markets.

The country-specific figures are thus all different distributions, compared with the overall total for the 22 EU MS, except perhaps for Romania, which is rather similar to the total of the 22 EU MS. Moreover, the regulations exercised in the old MS more strongly address different groups of measures than the regulations exercised in the new MS. The examples of Belgium and the Netherlands in Figure 18 (each has a small 3 % share in the overall score for all 22 MS) confirm that, in these two old MS, it is mainly regulations protecting the tenant that are in place, together with some other regulations. Not all old MS, however, follow this exact pattern; some old MS additionally prevent land fragmentation, and some protect the landowner-cultivator. The overall finding substantiates the conclusion that the group contributions of land market regulations exercised in the 22 countries vary by country and, to some extent, also by new and old MS; 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 EU in the MS. It would be useful to know which sets of regulations are more supportive and which are less supportive in achieving these goals.

Figure 16. Distribution of the total score for all measures by groups of measures: all 22 MS

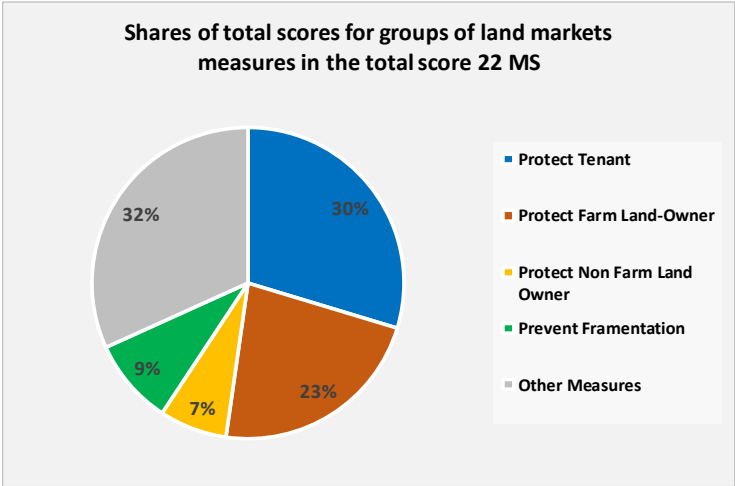
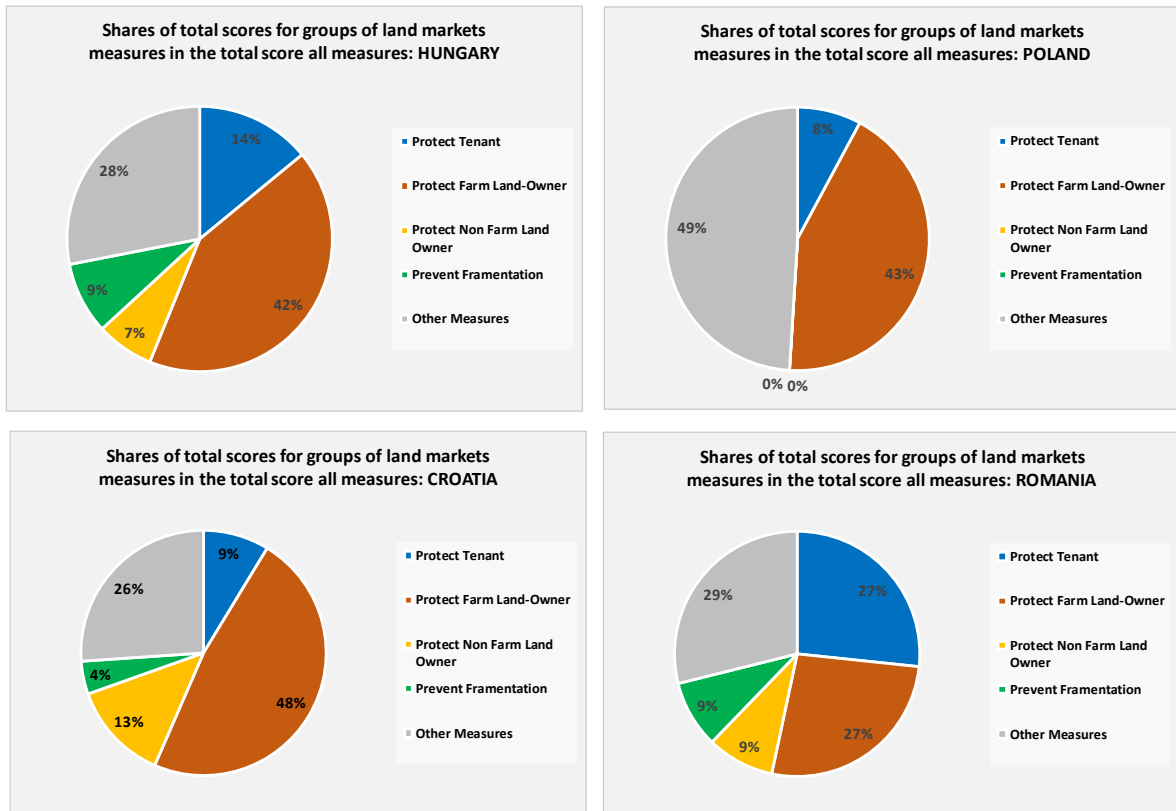


Figure 17. Distribution of the total score for all measures, by groups of measures: the eight highest-scoring countries



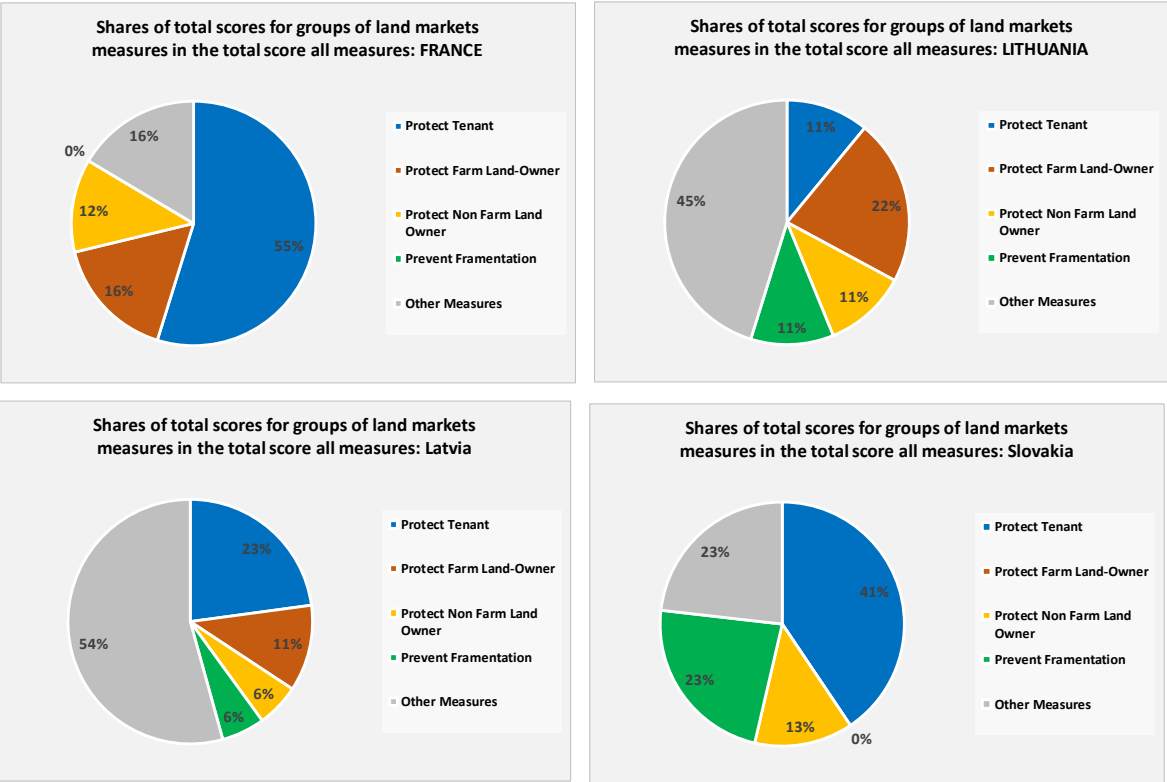
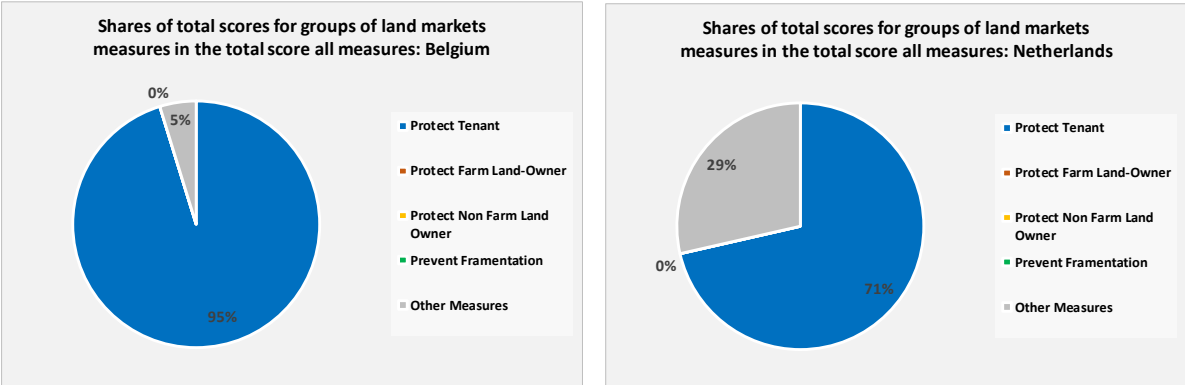


Figure 18. Distribution of the total score for all measures, by groups of measures: Belgium and the Netherlands



7. Conclusions

The objective of this report was to collect data and information on agricultural land market regulations implemented in different EU MS. The recent legislation adopted across the MS studied was the main foundation for carrying out this report, in order to update the analyses on agricultural land regulations done in the previous studies from 2014 and 2017 (Ciaian, Kancs and Espinosa, 2018; Swinnen, Van Herck and Vranken, 2014a). The report covers 22 MS and describes the situation of land market regulations as it was in 2020.

The analyses of the report are based on input from agricultural land market experts and the latest available documentation (e.g. MS legislation, official documents, academic literature), and take into consideration relevant theoretical and empirical developments in the literature in the area of agricultural land market analysis, with a special focus on the EU. This report is the outcome of the JRC study entitled *Agricultural land market regulations in the EU Member States*, funded by the European Commission. It was carried out by a team made up of members from Wageningen Economic Research and the KU Leuven, and 22 country experts and associates.

The report builds upon the framework developed by Swinnen, Van Herck and Vranken (2014a) to provide a comprehensive and structured analyses of agricultural land market regulations in the MS studied. Overall, the measures in place in MS covered are grouped into five categories and each category includes several specific measures detailing specific land market rules present in the included countries. More specifically, the following five categories of measures were considered in the report:

- 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 farmland owner: restrictions on legal form of buyer, restrictions on nationality of buyer for legal entities and natural persons, restrictions on residence of buyer, restrictions on experience of buyer, maximum sales price, pre-emptive right to (neighbouring) farmers and maximum transacted/owned area;
- M3, measures to protect the non-farmland owner: minimum rental price and maximum duration of a rental contract;
- M4, measures to prevent land fragmentation: lower plot size limit and regulations on pre-emptive buying rights of the co-owner;
- M5, other measures targeting the agricultural land market: requirement to publish sale offers, procedures for sale of public land, share deal approvals, pre-emptive rights for state/public bodies, pre-emptive rights for family relatives, moratorium on transferring ownership after acquisition and moratorium on selling public land.

The first four groups of measures are similar to those covered previously in Swinnen, Van Herck and Vranken (2014a), whereas the last group, 'other measures', includes additional measures added in this report. Several measures from the last group can and should be interpreted together with other groups, for example protecting the landowner-cultivator or preventing land fragmentation.

Some of the agricultural land market measures considered in the report might be of particular interest, as they overlap largely with the measures discussed in the Commission's Communication, OJ 2017/C 350/05, including prior administrative approval of land market transactions; requirements that an acquirer of agricultural land farms the land himself or herself, holds qualifications in farming and has been residing or doing business in the given

country, pre-emptive rights favouring tenants, neighbouring farmers or locals; and, finally, prohibiting selling to legal persons ⁽³⁸⁾.

The abovementioned measures were included in the recent amendments to the legislation in Bulgaria, Latvia, Lithuania, Hungary, Romania and Slovakia, and coincided with the end of the transitional periods during which the accession treaties allowed these countries to restrict EU investors from buying agricultural land in these countries. The new legislation filled a gap, which was no longer justified by 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 grounds 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 ⁽³⁹⁾.

The matter is complex, however, as, under EU law, the definition and implementation of land market regulations by EU MS 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 ⁽⁴⁰⁾. The assessment of proportionality and of the non-discriminatory character of land market regulations requires, thus, a good knowledge of the practical effects of the regulations in place and, owing to differences in interpretations of these effects, often involves interventions by a court of law, such as those provided in the recent past by the CJEU ⁽⁴¹⁾.

Although we are not in the position to make any statements about whether or not any freedoms or rights of the EU were violated through the regulations concerned, our study shows that a number of regulations highlighted in the Commission Interpretative Communication OJ 2017/C 350/05 as possibly violating the free movement of capital and discriminating on the grounds of nationality are currently still in place in several countries. The overview of these measures and the countries that implement these measures can be found in Tables 2–6 of this report and can become a starting point for further exploration of the issue.

This report focused on providing data and information on land market regulations currently exercised in the EU MS, and thus provided multiple outcomes in this area, including the following:

- an overview of the number and type of agricultural land market regulations implemented in each of the 22 MS studied (Section 4, Tables 2–6 and the related discussion);
- a comparison of the number and type of the regulations in place across the 22 MS, thereby allowing an assessment of the character and, to some extent, the strength of the regulatory approaches applied in the 22 countries (Section 6 and subsection 6.6);
- the possibility to compare the regulatory profiles across countries, with a particular focus on old and new MS (Section 6 and comparative part in subsection 6.6, as well as Annex 5);
- the possibility to make an initial assessment of the agricultural land market situations in the 22 countries studied, and compare the countries with each other;
- finally, country chapters on the agricultural land market regulations implemented by the 22 MS studied (Section 5).

⁽³⁸⁾ Commission Interpretative Communication on the Acquisition of Farmland and EU Law (OJ 2017/C 350/05, 18.10.2017, p. 9, par. 'e').

⁽³⁹⁾ Commission Interpretative Communication on the Acquisition of Farmland and EU Law (OJ 2017/C 350/05, 18.10.2017, p. 9, par. 'e').

⁽⁴⁰⁾ Commission Interpretative Communication on the Acquisition of Farmland and EU Law (OJ 2017/C 350/05, 18.10.2017, Sec. 5, p. 17).

⁽⁴¹⁾ Commission Interpretative Communication on the Acquisition of Farmland and EU Law (OJ 2017/C 350/05, 18.10.2017, Sec. 4, p. 12–17).

The main conclusions of the report can be summarised as follows.

Large differences in agricultural land market regulations exist between 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, Van Herck and Vranken, 2016). These historical factors have 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. Croatia, Hungary, Poland and Romania), other countries have a very liberal approach to land markets (e.g. Czechia, Denmark, Ireland and Finland).

Some countries, such as Belgium, France and the Netherlands, have very strict tenancy regulations. In these countries, many farmers access land through rental markets. However, regulations that are too extensive have had some perverse effects (Swinnen, Van Herck and Vranken, 2016); hence, countries with strict tenancy laws are, or have been, loosening these tenancy regulations. In Slovakia, quite a few tenancy regulations can also be found, but the power relations are quite different from those in Belgium, France and the Netherlands. Slovakian agriculture is characterised by large corporate organisations that are renting from numerous small, often absent, landowners. Regulations protecting the tenant might, in such circumstances, 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 being abolished. It is recognised that land rental can have important benefits for the development of the agricultural sector; rental markets allow cheaper access to land to expanding farms and young farmers, and they lock in fewer resources in land, which leaves more liquidity for productive investments that are particularly important for the adoption of modern technologies. Tax exemptions are sometimes introduced to steer transactions, for example to stimulate long-term leases or to ensure that land remains under active farming. Hence, not only land regulations but also surrounding (fiscal) policies have an impact on land exchanges.

Countries with heavily regulated land markets can mainly be found among the new MS (with the exception of Czechia). In Croatia, Hungary, Poland and Romania, many regulations exist to protect the farmland owner. In Croatia, some (temporary) restrictions regarding land acquisition by foreign owners are in place. These temporary restrictions have been lifted in other new MS, but there are other regulations in place that favour ownership by farmers, particularly those with small and medium-scale farms. For example, in Hungary and Poland, 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, the acquisition of land is subject to the condition of agricultural experience by the acquirer, which, on the one hand, may stimulate improvement in agricultural productivity and environmental performance, but, on the other hand, may also restrict entry into the sector of individuals with other skills relevant for rural development (e.g. technical experience), whose skills could be particularly desirable to promote the adoption of modern technologies (e.g. precision farming, robotics). However, such a requirement is not per se needed to ensure that land remains in agriculture or is properly farmed or to promote rural development. Alternatively, non-farmers could be allowed to buy land on the condition that it is kept in agricultural use or on the condition that it is farmed properly (either by himself or herself or by a tenant). Pre-emptive rights are given to neighbouring farmers in several new MS (e.g. Bulgaria, Lithuania, Hungary, Romania and Slovenia) and in some old MS (e.g. Italy and Austria), or are given to adjacent landowners (e.g. Estonia and Spain). In some countries, residence requirements have been introduced (e.g. in Bulgaria, Croatia, Poland and Romania). Such regulations protect the farmland owner, but also discourage sales to investors who are not active in agriculture or to non-locals. At the same time, pre-emptive rights for neighbouring farmers might stimulate concentration of land among existing farmers, particularly those with large farms, as they might have more resources at their disposal to access land through sales.

In many new MS, one can find regulations categorised under 'other measures'; these were not included in the study by Swinnen, Van Herck and Vranken (2014a). 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 the 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 landowners, which can reduce landownership fragmentation and stimulate land consolidation. However, depending on the local landownership structure, pre-emptive rights for adjacent landowners 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 realise efficiency gains without favouring more capital-endowed farms. Pre-emptive rights for adjacent landowners 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. Furthermore, 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 MS. However, in new MS, 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 (e.g. young farmers) or those looking to expand their farms. 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 not only limits fragmentation, but can also ease access to land for heirs who take over the farm. However, caution is needed. If measures, such as restrictions on minimum plot size, lead to imperfect property rights, then the overall effect might be less positive (Vranken et al., 2004).

Future research should focus on collecting information for MS that have not been included in this study (i.e. Greece, Cyprus, Luxembourg, Malta and Portugal). It is also necessary to *fill in the gaps in the existing knowledge*. While the analyses of this report have some implications for the new CAP and the Green Deal strategy of the EU (e.g. for land restructuring, whether regulations facilitate young farmers' entry to the sector, land succession, or promoting investments), further research is needed to better understand the efficiency of the land market regulations in achieving the goals of the new CAP and the Green Deal. 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 EU 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 among participants of land market transactions represented by farmers themselves, especially young farmers; farmers' organisations; agriculture sections of chambers of commerce; and other organisations and individuals involved in the transactions and in the process of implementation.

Furthermore, *improvements in the methodology* could be addressed. One should take into consideration that the authors used their own judgement to construct the numerical scales presented in Tables A4.1–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. This 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.

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Annex 1: Country expert questionnaire

<p style="text-align: center;">Country questionnaire for the study on 'Agricultural land market regulations in the EU Member States'</p>

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 you to specify agricultural land market restrictions, and in which we explicitly ask for restrictions according to 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 predefined responses are not appropriate or too restrictive for the country or a part of it, or if the predefined 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 hold.

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 after 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.

Glossary

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) and to provide cadastral data and legal information relating to real estate.

If the land register and cadaster are integrated in your country, please mention this under Q145 and Q147.

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 No (go to q12) Other Don't know (go to q12)
 Yes, but only for non-farmers
 Yes, but only for farmers
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 No (go to q5) Other Don't know (go to q5)
 Yes, but only for non-farmers
 Yes, but only for farmers
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: ...
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 No (go to q9) Other Don't know (go to q9)
 Yes, but only for non-farmers
 Yes, but only for farmers
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 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*)

Yes for both farmers
and non-farmers

No
(go to q11)

Other

Don't know
(go to q11)

Yes, but only for non-
farmers

Yes, but only for
farmers

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

No
(go to q14)

Other

Don't know
(go to q14)

Yes, but only for non-
farmers

Yes, but only for
farmers

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?

- | | | | | | | | | | | | |
|--|---|---|--|--|--|--|--|--|---|--------------------------------|---|
| <input type="checkbox"/> Yes, restrictions apply to all EU and non-EU citizens | <input type="checkbox"/> Yes, restrictions apply but only to non-farming EU and non-EU citizens | <input type="checkbox"/> Yes, restrictions apply but only to farming EU and non-EU citizens | <input type="checkbox"/> Yes, restrictions apply but only to all non-EU citizens | <input type="checkbox"/> Yes, restrictions apply but only to non-farming non-EU citizens | <input type="checkbox"/> Yes, restrictions apply but only to farming non-EU citizens | <input type="checkbox"/> Yes, restrictions apply but only to all EU citizens | <input type="checkbox"/> Yes, restrictions apply but only to non-farming EU citizens | <input type="checkbox"/> Yes, restrictions apply but only to farming EU citizens | <input type="checkbox"/> No (go to q26) | <input type="checkbox"/> Other | <input type="checkbox"/> Don't know (go to q26) |
|--|---|---|--|--|--|--|--|--|---|--------------------------------|---|

15. Do foreign natural EU citizens face restrictions other than those faced by domestic natural persons?

- Yes No Other Don't know

16. Do foreign natural NON-EU citizens face restrictions other than those faced by 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?

- | | | | | |
|---|--|--|---|-------------------------------------|
| <input type="checkbox"/> Yes, for all foreign EU and non-EU citizens | <input type="checkbox"/> Yes, only for foreign EU citizens | <input type="checkbox"/> Yes, only for foreign non-EU citizens | <input type="checkbox"/> No (go to q19) | <input type="checkbox"/> Don't know |
| <input type="checkbox"/> Yes, but only for foreign non-farming EU and non-EU citizens | <input type="checkbox"/> Yes, but only for foreign non-farming EU citizens | <input type="checkbox"/> Yes, but only for foreign non-farming non-EU citizens | | |
| <input type="checkbox"/> Yes, but only for foreign farming EU and non-EU citizens | <input type="checkbox"/> Yes, but only for foreign farming EU citizens | <input type="checkbox"/> Yes, but only for foreign farming non-EU citizens | | |

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?
- | | | | | |
|---|--|--|---|-------------------------------------|
| <input type="checkbox"/> Yes, for foreign EU and non-EU citizens | <input type="checkbox"/> Yes, only for foreign EU citizens | <input type="checkbox"/> Yes, only for non-EU citizens | <input type="checkbox"/> No (go to q23) | <input type="checkbox"/> Don't know |
| <input type="checkbox"/> Yes, but only for foreign non-farming EU and non-EU citizens | <input type="checkbox"/> Yes, but only for foreign non-farming EU citizens | <input type="checkbox"/> Yes, but only for foreign non-farming non-EU citizens | | |
| <input type="checkbox"/> Yes, but only for foreign farming EU and non-EU citizens | <input type="checkbox"/> Yes, but only for foreign farming EU citizens | <input type="checkbox"/> Yes, but only for foreign farming non-EU citizens | | |
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.
- | | | | | |
|------------------------------|---|-----|-----------------|-----|
| <input type="checkbox"/> Yes | Please specify the maximum amount for each 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*)
- | | | | | |
|---|--|--|---|-------------------------------------|
| <input type="checkbox"/> Yes, for foreign EU and non-EU citizens | <input type="checkbox"/> Yes, only for foreign EU citizens | <input type="checkbox"/> Yes, only for foreign non-EU citizens | <input type="checkbox"/> No (go to q25) | <input type="checkbox"/> Don't know |
| <input type="checkbox"/> Yes, but only for foreign non-farming EU and non-EU citizens | <input type="checkbox"/> Yes, but only for foreign non-farming EU citizens | <input type="checkbox"/> Yes, but only for foreign non-farming non-EU citizens | | |
| <input type="checkbox"/> Yes, but only for foreign farming EU and non-EU citizens | <input type="checkbox"/> Yes, but only for foreign farming EU citizens | <input type="checkbox"/> 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?

- | | | | | |
|---|--|--|---|-------------------------------------|
| <input type="checkbox"/> Yes, for foreign EU and non-EU citizens | <input type="checkbox"/> Yes, only for foreign EU citizens | <input type="checkbox"/> Yes, only for foreign non-EU citizens | <input type="checkbox"/> No (go to q28) | <input type="checkbox"/> Don't know |
| <input type="checkbox"/> Yes, but only for foreign non-farming EU and non-EU citizens | <input type="checkbox"/> Yes, but only for foreign non-farming EU citizens | <input type="checkbox"/> Yes, but only for foreign non-farming non-EU citizens | | |
| <input type="checkbox"/> Yes, but only for foreign farming EU and non-EU citizens | <input type="checkbox"/> Yes, but only for foreign farming EU citizens | <input type="checkbox"/> 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?

- | | | | |
|---|---|--------------------------------|-------------------------------------|
| <input type="checkbox"/> Yes, for both farming and non-farming legal entities | <input type="checkbox"/> No (go to q39) | <input type="checkbox"/> Other | <input type="checkbox"/> Don't know |
| <input type="checkbox"/> Yes, but only for non-farming legal entities | | | |
| <input type="checkbox"/> Yes, but only for farming legal entities | | | |

29. If 'Yes', do domestic legal persons face restrictions other than those faced by domestic natural persons?

- | | | | |
|------------------------------|---|--------------------------------|-------------------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No (go to q39) | <input type="checkbox"/> Other | <input type="checkbox"/> Don't know |
|------------------------------|---|--------------------------------|-------------------------------------|

30. Does the amount of agricultural land that a domestic legal person is allowed to own depend on the quality of the land?

- | | | | |
|---|---|--------------------------------|-------------------------------------|
| <input type="checkbox"/> Yes, for both farming and non-farming legal entities | <input type="checkbox"/> No (go to q32) | <input type="checkbox"/> Other | <input type="checkbox"/> Don't know |
| <input type="checkbox"/> Yes, but only for non-farming legal entities | | | |
| <input type="checkbox"/> Yes, but only for farming legal entities | | | |

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 is allowed to own depend on the destination (arable/pasture/forest/...) of the land?
 Yes, for both farming and non-farming legal entities
 No (go to q36)
 Other
 Don't know
 Yes, but only for non-farming legal entities
 Yes, but only for farming legal entities
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 is allowed to own depend on the region where the land is located? (*e.g. proximity to national borders, cities*)
 Yes, for both farming and non-farming legal entities
 No (go to q38)
 Other
 Don't know
 Yes, but only for non-farming legal entities
 Yes, but only for farming legal entities
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
 No (go to q41)
 Other
 Don't know
 Yes, but only for non-farming legal entities
 Yes, but only for farming legal entities

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?

- | | | | | |
|---|--|--|---|---|
| <input type="checkbox"/> Yes, for all EU and non-EU legal entities | <input type="checkbox"/> Yes, only for EU legal entities | <input type="checkbox"/> Yes, only for non-EU legal entities | <input type="checkbox"/> No (go to q53) | <input type="checkbox"/> Don't know (go to q53) |
| <input type="checkbox"/> Yes, but only for non-farming EU and non-EU legal entities | <input type="checkbox"/> Yes, but only for non-farming EU legal entities | <input type="checkbox"/> Yes, but only for non-farming non-EU legal entities | | |
| <input type="checkbox"/> Yes, but only for farming EU and non-EU legal entities | <input type="checkbox"/> Yes, but only for farming EU legal entities | <input type="checkbox"/> Yes, but only for farming non-EU legal entities | | |

42. Do foreign, but EU, legal persons face restrictions other than those faced by domestic legal persons?

- | | | | |
|------------------------------|-----------------------------|--------------------------------|-------------------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Other | <input type="checkbox"/> Don't know |
|------------------------------|-----------------------------|--------------------------------|-------------------------------------|

43. If 'Yes', do foreign NON-EU legal persons face restrictions other than those faced by domestic legal persons?

- | | | | |
|------------------------------|-----------------------------|--------------------------------|-------------------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Other | <input type="checkbox"/> 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 is allowed to own depend on the quality of the land?

- | | | | | |
|---|--|--|---|-------------------------------------|
| <input type="checkbox"/> Yes, for all foreign EU and non-EU legal entities | <input type="checkbox"/> Yes, only for foreign EU legal entities | <input type="checkbox"/> Yes, only for foreign non-EU legal entities | <input type="checkbox"/> No (go to q46) | <input type="checkbox"/> Don't know |
| <input type="checkbox"/> Yes, but only for non-farming EU and non-EU legal entities | <input type="checkbox"/> Yes, but only for non-farming EU legal entities | <input type="checkbox"/> Yes, but only for non-farming non-EU legal entities | | |
| <input type="checkbox"/> Yes, but only for farming EU and non-EU legal entities | <input type="checkbox"/> Yes, but only for farming EU legal entities | <input type="checkbox"/> Yes, but only for farming non-EU legal entities | | |

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.

...

46. Does the amount of agricultural land that a foreign legal person is allowed to own depend on the destination (arable/pasture/forest/...) of the land?

- | | | | | |
|---|---|--|---|-------------------------------------|
| <input type="checkbox"/> Yes, for foreign EU and non-EU legal entities | <input type="checkbox"/> Yes, only for foreign EU legal entities | <input type="checkbox"/> Yes, only for foreign non-EU legal entities | <input type="checkbox"/> No (go to q50) | <input type="checkbox"/> Don't know |
| <input type="checkbox"/> Yes, but only for non-farming EU and non-EU legal entities | <input type="checkbox"/> Yes, but only for non-farming EU and non-EU legal entities | <input type="checkbox"/> Yes, but only for non-farming non-EU legal entities | | |
| <input type="checkbox"/> Yes, but only for farming EU and non-EU legal entities | <input type="checkbox"/> Yes, but only for farming EU and non-EU legal entities | <input type="checkbox"/> Yes, but only for farming 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 is allowed to own depend on the region where the land is located? (*e.g. proximity to national borders, cities*)

Yes, for all foreign EU and non-EU legal entities Yes, only for foreign EU legal entities Yes, only for foreign non-EU legal entities No (go to q52) Don't know

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

Yes, but only for farming EU and non-EU legal entities Yes, but only for farming EU legal entities Yes, but only for farming non-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: ...

- Region Y: ...

...

- Region Z: ...

...

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, only for EU legal entities Yes, only for non-EU legal entities No (go to q55) Don't know

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

Yes, but only for farming EU and non-EU legal entities Yes, but only for farming EU legal entities Yes, but 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 ha/year

OR _____ local currency per ha/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 (go to q60) Other Don't know (go to q60)

59. If 'Yes' or 'Other', please specify the minimum land sales price and 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:

Price	Currency	Year	Authority	Method
-------	----------	------	-----------	--------

... ..

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 (go to q62) Other Don't know (go to q62)

61. If 'Yes' or 'Other', please specify the maximum land sales price and 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 price is determined:

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

Price	Currency	Year	Authority	Method
-------	----------	------	-----------	--------

... ..

62. Does part of the land sales payment occur 'under the table'?

- Yes No (go to q65) Other Don't know (go to q63)

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 (go to q67) Other Don't know (go to q65)

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

- _____ euro per ha/year
OR _____ local currency per ha/year (local currency =)
OR _____ % of the sales price

Don't know

67. Does the seller need to pay a land sales (capital profit) tax?

- Yes No (go to q69) Don't know

68. If 'Yes', what is the magnitude of the land sales (capital profit) tax?

- _____ euro per ha/year
OR _____ local currency per ha/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?

Family relatives	<input type="checkbox"/>
Tenant	<input type="checkbox"/>
Co-owners	<input type="checkbox"/>
Neighbouring farmers	<input type="checkbox"/>
Farmers with residence (headquarters) in the country	<input type="checkbox"/>
Adjacent land owners	<input type="checkbox"/>
State	<input type="checkbox"/>
Other	<input type="checkbox"/>

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

- Yes No (go to q74) 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?

No	<input type="checkbox"/>
Yes, land can only be sold to buyers with residence in the country	<input type="checkbox"/>
Yes, land can only be sold to buyers with agricultural experience	<input type="checkbox"/>
Do not know	<input type="checkbox"/>
Other, please specify	<input type="checkbox"/>

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

- Yes
- No (go to q89)
- Other
- Don't know

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 (go to q82)
- 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 (go to q86) 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*)
 Yes No (go to q88) Other Don't know

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?

Yes, always	<input type="checkbox"/>
Yes, depending on the type of buyer (<i>e.g. it depends on whether the buyer has residence in the country or not</i>). Please, specify:	<input type="checkbox"/>
Yes, depending on the type of seller (<i>e.g. it depends on whether the seller is a legal or natural person; has residence/headquarters in the country</i>). Please, specify:	<input type="checkbox"/>
Yes, depending on the size of the area that is being transacted. Please specify size above which approval is needed.	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't know	<input type="checkbox"/>
Other, please specify	<input type="checkbox"/>

Land sales restrictions for domestic legal persons

90. Is there a maximum amount that can be bought per transfer by a domestic legal person?
 Yes No (go to q101) Other Don't know
91. If 'Yes', do domestic legal persons face restrictions other than those faced by 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 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 the amount for each other land category
98. Does the amount of land that a domestic legal person is allowed to buy depend on the region where the land is located? (*e.g. proximity to national borders, cities*)
 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	<input type="checkbox"/>
Yes, depending on the type of buyer (<i>e.g. it depends on whether the buyer has residence in the country or not</i>). Please, specify:	<input type="checkbox"/>
Yes, depending on the type of seller (<i>e.g. it depends on whether the seller is a legal or natural person; has residence/headquarters in the country</i>). Please specify:	<input type="checkbox"/>
Yes, depending on the size of the area that is being transacted. Please specify the size above which approval is needed.	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't know	<input type="checkbox"/>
Other, please specify	<input type="checkbox"/>

Land sales restrictions for foreign natural persons

102. Is there a maximum amount that can be bought per transfer by a foreign natural person?
- Yes, for foreign EU and non-EU citizens Yes, only for foreign EU citizens Yes, only for foreign non-EU citizens No (go to q114) Don't know
103. Do foreign, but EU, citizens face restrictions other than those faced by 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 restrictions other than those faced by 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 is allowed to buy per transfer depend on the region where the land is located? (*e.g. proximity to national borders, cities*)
- 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	<input type="checkbox"/>
Yes, depending on the type of buyer (<i>e.g. it depends on whether the buyer has residence in the country or not</i>). Please, specify:	<input type="checkbox"/>
Yes, depending on the type of seller (<i>e.g. it depends on whether the seller is a legal or natural person; has residence/headquarters in the country</i>). Please, specify:	<input type="checkbox"/>
Yes, depending on the size of the area that is being transacted. Please specify size above which approval is needed.	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't know	<input type="checkbox"/>
Other, please specify	<input type="checkbox"/>

Land sales restrictions for foreign legal persons

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

116. Do foreign, but EU, legal persons face restrictions other than those faced by 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 restrictions other than those faced by 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 by a foreign legal person 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 is allowed to buy depend on the region where the land is located? (*e.g. proximity to national borders, cities*)

Yes, for EU and non-EU legal entities 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?

Yes, always	<input type="checkbox"/>
Yes, depending on the type of buyer (<i>e.g. it depends on whether the buyer has residence in the country or not</i>). Please specify:	<input type="checkbox"/>
Yes, depending on the type of seller (<i>e.g. it depends on whether the seller is a legal or natural person; has residence/headquarters in the country</i>). Please specify:	<input type="checkbox"/>
Yes, depending on the size of the area that is being transacted. Please specify size above which approval is needed.	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't know	<input type="checkbox"/>
Other, please specify	<input type="checkbox"/>

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)

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 147) 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 149) 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 of 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 abovementioned 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, particularly of the issues relevant to 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 or to illustrate that certain regulations or procedures have a big impact given the prevailing farm structures. So, statistics: yes, very welcome, but one should not spend overly much time in collecting these data 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 the most impact? Which are considered stringent? Which are considered to be important from the farmer, tenant and/or owner points of view? Which regulations are currently being debated or are under review?

3. Institutions (regulations, customs, practices) in the surrounding environments of the land market 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? Does it favour 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, ponds, 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.*
- Other European directives can also have an impact such as the Nitrates Directive, or manure policies that affect the demand for and the price of land.*
- In some regions, small plots of land might be incorporated into 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. Does what is or is not allowed depend 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 a non-farmer, or to a 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.

Include also a copy of the legislation in the local language and in 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 to SharePoint)

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

Measure category	Measure	Measure description	Measure scale
M1. Measures to protect the tenant	Minimum rental contract duration	Minimum duration of a rental contract	1 = Existence of a minimum rental contract duration 0.5 = Existence of minimum rental contract duration for certain types of tenancy contracts (Bulgaria); existence of minimum rental contract duration for rented state land (Slovenia) 0.125 = Existence of reference contract durations (Austria) 0 = No restrictions
	Maximum rental price	Maximum price per ha that is rented	1 = Existence of a maximum price 0.5 = Rental agreement can be denied if the price is unreasonable in relation to the income that can be achieved from the land (Germany, Austria); existence of maximum rental price for state-owned land (Croatia); existence of maximum rental price for land resulting from land reform (Latvia); maximum rental price for regulated tenancy contracts, not for liberalised shorter than 6 years (Netherlands) 0 = No maximum price
	Automatic rental contract renewal	Regulations in terms of automatic renewal of a rental contract at the end of the duration of a contract	1 = Existence of automatic renewal with the duration of the initial contract or minimum tenancy duration 0.5 = Existence of automatic renewal for period of 1 year (Austria); existence of automatic renewal if landlord does not react to the tenant's renewal offer after 2 months (Slovakia) 0.25 = Automatic renewal for regular regulated contracts, but not for deregulated liberalised rental contracts (Netherlands) 0.125 = Existence of automatic renewal if included in provisions of the contract (Germany, Ireland, Italy) 0 = No automatic renewal
	Conditions for rental contract termination	Regulations in terms of rental contract termination	1 = Termination is possible at the end of the contract and if some specific conditions are fulfilled 0 = Termination is possible at the end of the contract

Measure category	Measure	Measure description	Measure scale
	Pre-emptive rights for tenant	Pre-emptive rights for a tenant	1 = Existence of a pre-emptive right by the tenant 0.5 = Pre-emptive rights for tenant, but only if state land is sold and if tenancy lasted for at least 36 months (Czechia); 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) who owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia) 0.25 = Tenant can indirectly exert pre-emptive right through public organisation if non-farmer wants to buy land, but use of pre-emptive rights should be justified, that is there must be a reason that farmers need more land (Germany) 0 = No pre-emptive rights for the tenant
M2. Measures to protect the farmland owner	Restrictions on legal form of buyer	Restrictions on sales to non-natural persons	1 = Restriction on sales to non-natural persons 0 = No restrictions
	Nationality of buyer in case of legal entities	Restrictions on sales transactions by foreign legal entities	1 = Prohibition on legal entities with shares owned by foreigners buying 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 of buyer in case of natural persons	Restrictions on transactions by foreign natural persons	1 = Prohibition on a foreign natural person buying a particular plot of agricultural land unless they have been staying and farming in the country for at least 3 years and they rented that 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 on residence of buyer	Restrictions on the residence of the buyer or headquarters of a buyer's legal entities	1 = Restrictions on sales to buyers who 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 who do not have their residence in the country, except for self-employed farmers (Bulgaria) 0 = No restrictions
	Requirements for experience of buyer	Restrictions on sales to non-experienced farmers	1 = Existence of restrictions on sales to buyers with no agricultural experience 0 = No restrictions
	Maximum sales price	Maximum sales price per ha that is sold	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

Measure category	Measure	Measure description	Measure scale
	Pre-emptive rights for (neighbouring) farmer	Pre-emptive rights for the neighbouring farmer	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 rights if acceptable justification, for example share of owned land is small, farmer has lost owned land, neighbouring farm can consolidate or reduce fragmentation (Germany) 0 = No pre-emptive rights for a neighbouring farmer
	Maximum transacted/owned area	Limitations to the maximum transacted agricultural area	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) and renting in land as tenant is forbidden if certain area is already in ownership (Spain) 0 = No regulations
M3. Measures to protect the owner	Minimum rental price	Minimum rental price per ha that is rented	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 at a very low level) (Slovakia) 0 = No minimum rental price
	Maximum rental contract duration	Maximum duration of a rental contract	1 = Existence of a maximum rental contract duration 0.5 = Existence of a maximum rental contract duration for certain types of tenancy contracts (Bulgaria); existence of a 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
M4. Measures to prevent fragmentation	Minimum plot size	A minimum plot size below which a plot cannot be subdivided for a transaction	1 = Existence of a minimum plot size 0.5 = Approval of transfer can be denied if it leads to disruption of a favourable land structure (Austria); subdivision of already consolidated plot not allowed (Croatia) 0.25 = State land will not be subdivided into plots of <1 ha, or <3 ha for orchards (Hungary) 0 = No minimum plot size

Measure category	Measure	Measure description	Measure scale
	Pre-emptive rights for co-owner	Pre-emptive rights for the co-owner	1 = Existence of a pre-emptive right of the co-owner 0.5 = Pre-emptive rights for co-owners, unless sold to family or unless sold to an acquirer (other than the co-owner) who owns less than 10 ha for natural persons or 5 ha for legal persons (Latvia) 0.125 = Existence of a pre-emptive right for the co-owner, but only for 6 months after the acquisition 0 = No pre-emptive right for the co-owner
M5. Other measures	Requirement for publication of sale offer	Requirement to publicly announce the sales of agricultural land	1 = Requirement to publicly announce the sale of agricultural lands 0.5 = 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 (1 month) (Austria) 0.25 = Sale of state-owned land needs to be announced publicly (Czechia, Poland) 0 = No requirements to publicly announce the sale of agricultural lands
	Procedures for sale of public land	Procedures that are in place	1 = Regulations that steer the sales of public land 0 = No regulations that steer the sales of public land
	Share deal approval	Approval needed for transfer of shares of legal entity that owns agricultural land	1 = Approval by state (or public authority) is needed for the transfer of shares of a legal entity that owns agricultural land 0.5 = Transfer of shares can be forbidden, but only if the totality of shares is transferred/sold (France) 0.25 = Administrative approval needed for the transfer of shares of a legal entity that owns agricultural land (Denmark) 0 = No approval by state (or public authority) is needed for the transfer of shares of a legal entity that owns agricultural land
	Pre-emptive rights for state/public bodies	Pre-emptive rights for the state or public body	1 = Existence of a pre-emptive right for the state or public body 0.25 = Government body can take possession of the land under specific conditions, for example to build new residential areas (Netherlands, municipalities have preferential rights; Belgium) 0.125 = Municipalities and regions have pre-emptive rights (without payment) to state land (Czechia) 0 = No pre-emptive right for the state or public body
	Pre-emptive rights for family relatives	Pre-emptive rights for family relatives	1 = Existence of a pre-emptive right for family relatives 0.25 = No explicit pre-emptive rights for family relatives, but pre-emptive rights for tenants, co-owners or state do not apply if land is sold to spouse or relatives of second or third degree 0 = No pre-emptive rights for family relatives

Measure category	Measure	Measure description	Measure scale
	(Temporary) moratorium on transferring ownership after acquisition	Temporary moratorium on transferring ownership rights after acquisition	<p>1 = Restriction to transfer ownership rights (e.g. sell or donate) after the purchase of agricultural land</p> <p>0.5 = Restriction to transfer ownership rights (e.g. sell or donate) of land acquired from state or municipality (Bulgaria, Czechia, Latvia)</p> <p>0.25 = Restriction to transfer ownership rights (e.g. sell or donate) of land if tax reduction or exemptions were granted (Spain, Italy, Netherlands, Finland), or if pre-emptive rights were used (Spain, Netherlands); land can be sold, but if sold within 5 years, the granted tax reliefs need to be returned (Ireland); land can be sold, but if sold within 8 years, an 80 % tax needs to be paid on the difference between the purchase and the sales prices (Romania)</p> <p>0 = No restriction to transfer ownership rights (e.g. sell or donate) after the purchase of agricultural land</p>
	(Temporary) moratorium on selling public land	Temporary moratorium on selling public land	<p>1 = Restriction to sell public land</p> <p>0.25 = Speed of privatisation of public land is limited (Germany)</p> <p>0.125 = Restriction to sell public land if land is subject to specific constraints (e.g. areas of specific environmental value or areas of specific historical/cultural value) (Italy); if land is needed for special reasons, which could include cultural environment, defence, nature conservation and recreation (Sweden); no restriction, but a maximum of 300 ha can be acquired from the state (Lithuania)</p> <p>0 = No restriction to sell public land</p>

Source: Adapted from Swinnen, Van Herck and Vranken (2014a)

Annex 4: Tables with indices (numerical scales) to describe the measures

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

Country	Minimum rental contract duration	Maximum rental price	Automatic rental contract renewal	Conditions for rental contract termination	Pre-emptive right for tenant
Belgium	1	1	1	1	1
Bulgaria	0.5	0	0	0	1
Czechia	0	0	0	0	0.5
Denmark	0	0	0	0	0
Germany	0	0.5	0.125	0	0.25
Estonia	0	0	1	0	1
Ireland	0	0	0.125	0	0
Spain	1	0	1	1	1
France	1	1	1	1	1
Croatia	0	0.5	0	0	0.5
Italy	0	0	0.125	0	1
Latvia	1	0.5	0	0	0.5
Lithuania	0	0	0	0	1
Hungary	1	0	0	0	1
Netherlands	1	0.5	0.25	1	1
Austria	0.125	0.5	0.5	1	1
Poland	0	0	0	0	1
Romania	1	0	1	0	1
Slovenia	0.5	0	1	0	1
Slovakia	1	0	0.5	1	1
Finland	0	0	0	0	0
Sweden	0	0	1	1	1

NB: 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, Van Herck and Vranken, 2014a).

Table A4.2: Measures to protect the farmland owner, by country

Country	Restrictions legal form buyer	Restrictions nationality buyer for legal entities	Restriction nationality buyer natural person	Restrictions residence buyer	Restrictions experience buyer	Maximum sales price	Pre-emptive right (neighbouring) farmer	Maximum transacted/owned area
Belgium	0	0	0	0	0	0	0	0
Bulgaria	0	0	0	0.5	0	0	1	0
Czechia	0	0	0	0	0	0	0	0
Denmark	0	0	0	0	0	0	0	0
Germany	0	0	0	0	0	0.5	0.5	0
Estonia	1	0	0	0	0	0	0.5	0
Ireland	0	0	0	0	0	0	0	0
Spain	0	0.125	0.125	0	0	0	0.5	0.25
France	0	0	0	0	0	0.5	0.5	0.5
Croatia	0	1	1	1	1	0	0.5	1
Italy	0	0	0	0	0	0	1	0
Latvia	0	0	0	0	0	0	0	1
Lithuania	0	0	0	0	0	0	1	1
Hungary	1	1	0	0	1	1	1	1
Netherlands	0	0	0	0	0	0	0	0
Austria	0	0	0	0	0	0.5	1	1
Poland	1	1	0	1	1	0	0.5	1
Romania	0	0	0	1	1	0	1	0
Slovenia	0	0	0	0	1	0	1	0
Slovakia	0	0	0	0	0	0	0	0
Finland	0	0	0	0	0	0	0	0
Sweden	0	0	0	0	0	0	0	0

NB: 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, Van Herck and Vranken, 2014a).

Table A4.3: Measures to protect the non-farmland owner and measures to prevent fragmentation, by country

Country	Measures to protect the non-farm owner		Measures to prevent fragmentation	
	Minimum rental price	Maximum rental contract duration	Smaller plot size	Pre-emptive right for co-owner
Belgium	0	0	0	0
Bulgaria	0	0.5	1	1
Czechia	0	0	0	0.125
Denmark	0	1	0	0
Germany	0	0	1	0
Estonia	0	0	?	?
Ireland	0	0	0	0
Spain	0	0	1	1
France	1	0.125	0	0
Croatia	0.5	1	0.5	0
Italy	0	0	0	1
Latvia	0.25	0.25	0	0.5
Lithuania	0.5	0.5	0	1
Hungary	0	1	0.25	1
Netherlands	0	0	0	0
Austria	0	0.125	0.5	0
Poland	0	0	0	0
Romania	0	1	0	1
Slovenia	0	0	0	1
Slovakia	0.125	1	1	1
Finland	0	1	0	0
Sweden	0	1	0	0

NB: 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.

Table A4.4: Other measures targeting the agricultural land market, by country

Country	Requirement for publication of sale offers	Procedures for sale of public land	Share deal approvals	Pre-emptive right for state/public bodies	Pre-emptive rights for family relatives	(Temporary) moratorium on transferring ownership after acquisition	(Temporary) moratorium on selling public land
Belgium	0	0	0	0.25	0	0	0
Bulgaria	0	1	0	0	0	0.5	1
Czechia	0.25	1	0	0.125	1	0.5	0
Denmark	0	0	0.25	0	0	0	0
Germany	0	0	0	1	0	0	0.25
Estonia	0	1	0	0	0	0	1
Ireland	0	0	0	0	0	0.25	0
Spain	0	1	0	0	0	0.25	0
France	0	0	0.5	1	0	0	0
Croatia	0	1	0	1	0	0	1
Italy	0	1	0	0	0	0.25	0.125
Latvia	1	1	1	1	0.25	0.5	0
Lithuania	1	1	1	1	0	0	0.125
Hungary	1	1	0	1	1	0	0
Netherlands	0	0	0	0.25	0	0.25	1
Austria	0.5	0	1	0	0	0	0
Poland	0.25	1	1	1	1	1	1
Romania	1	0	0	1	1	0.25	0
Slovenia	1	0	0	1	1	0	0
Slovakia	1	1	0	0	0	0	0
Finland	0	0	0	1	0	0.25	0
Sweden	0	1	?	0	0	0	0.125

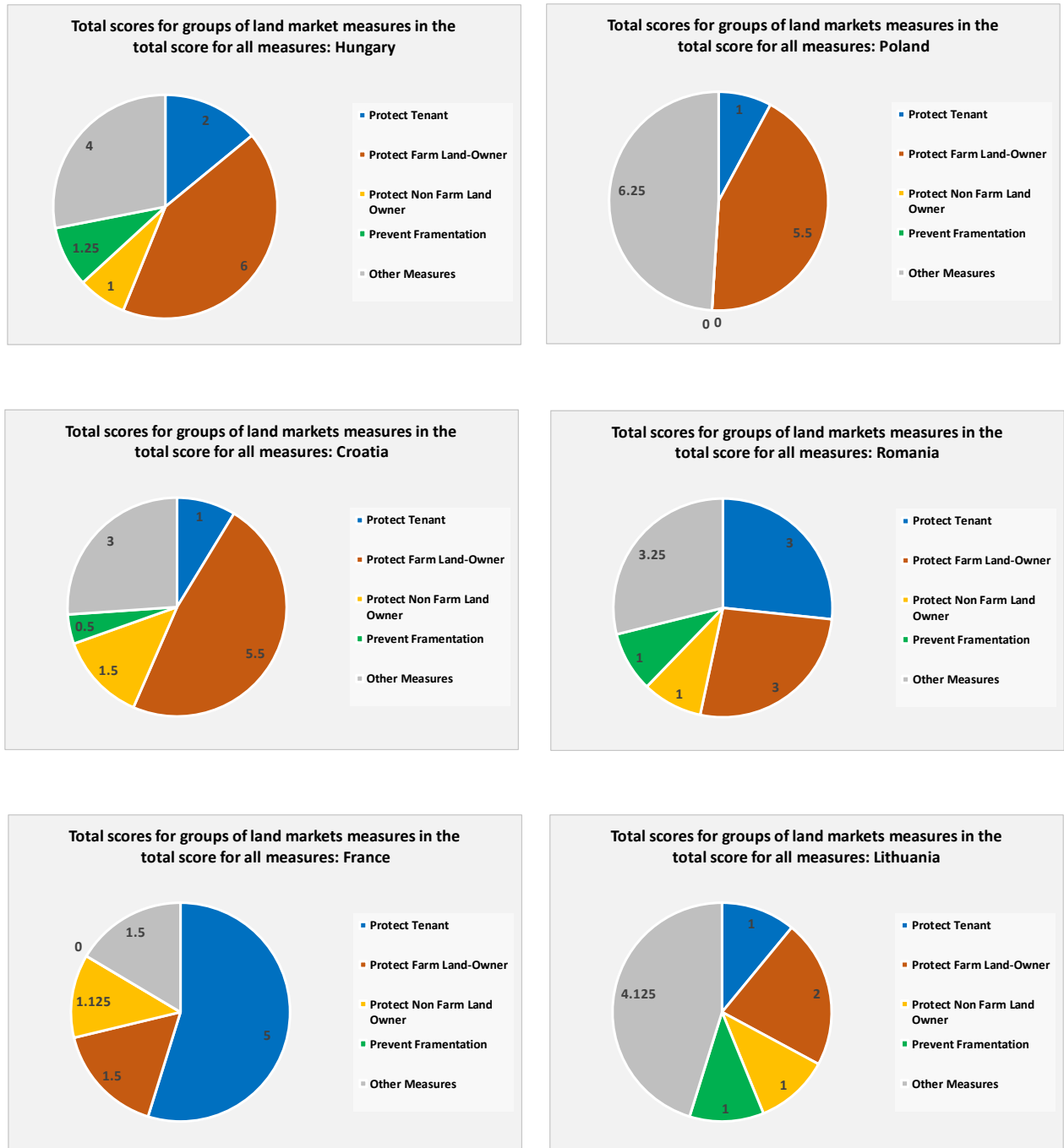
NB: Each measure ranges between 0 (no restrictions) and 1 (most restrictions). Scales are explained in Annex 3.

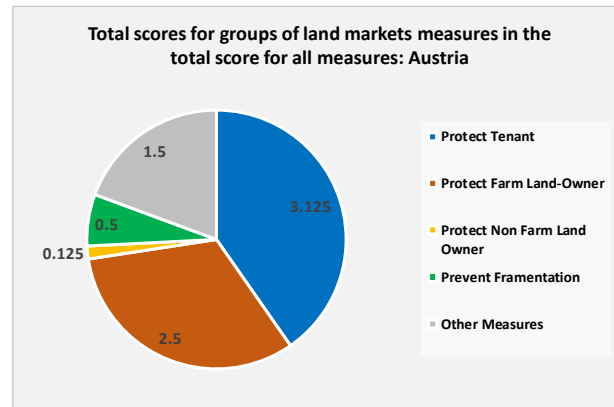
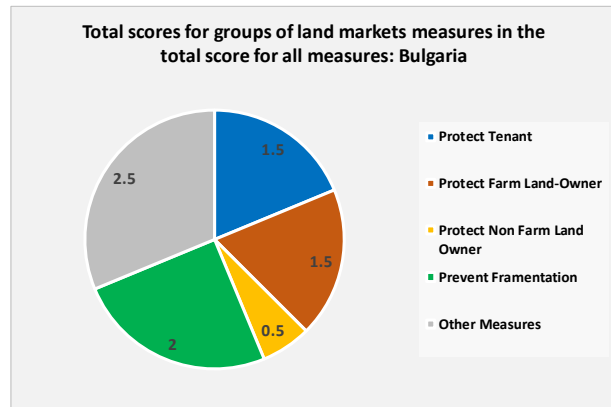
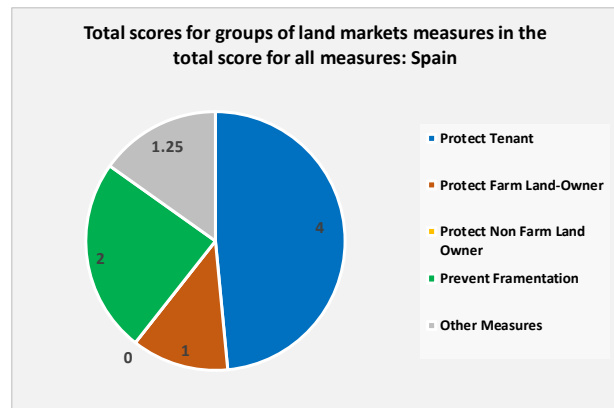
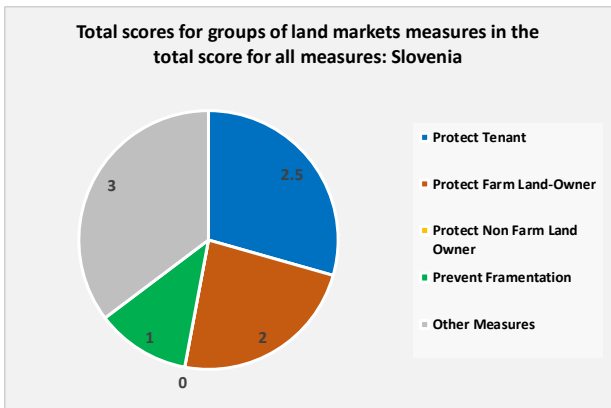
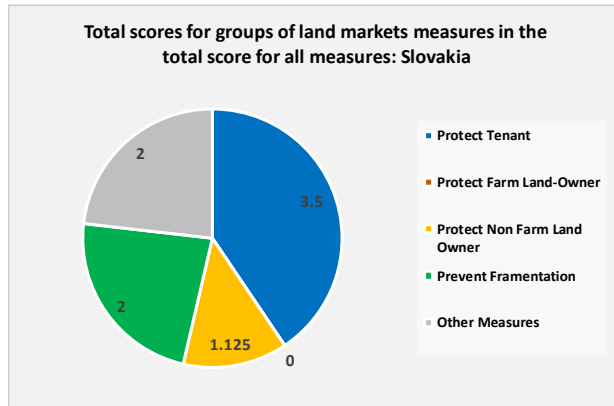
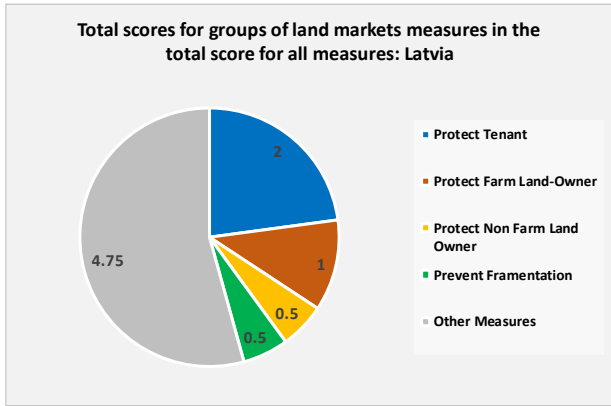
Source: Own data based on expert survey, interviews and country reports (adapted from Swinnen, Van Herck and Vranken, 2014a).

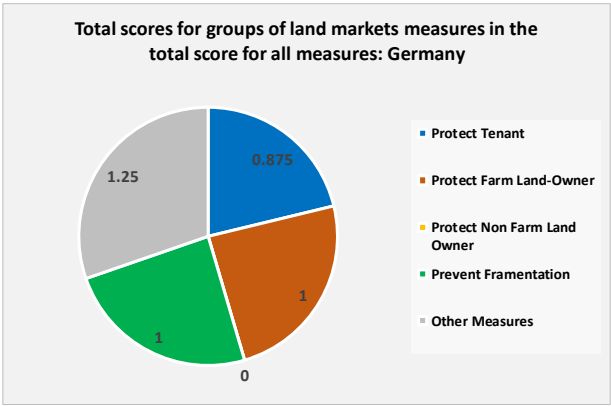
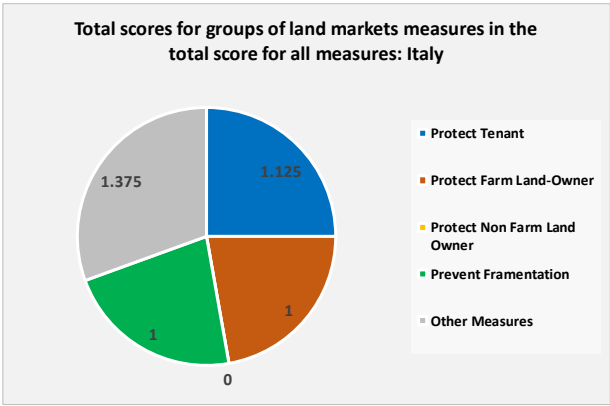
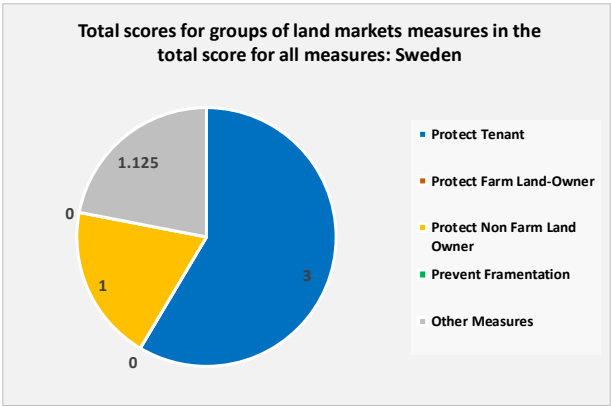
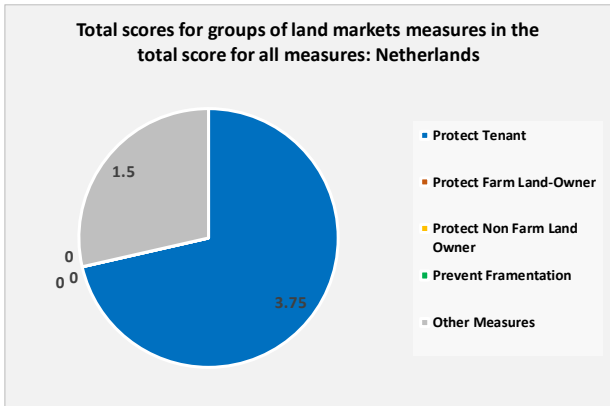
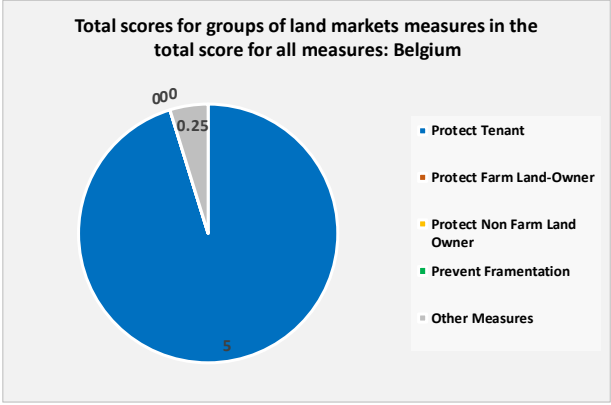
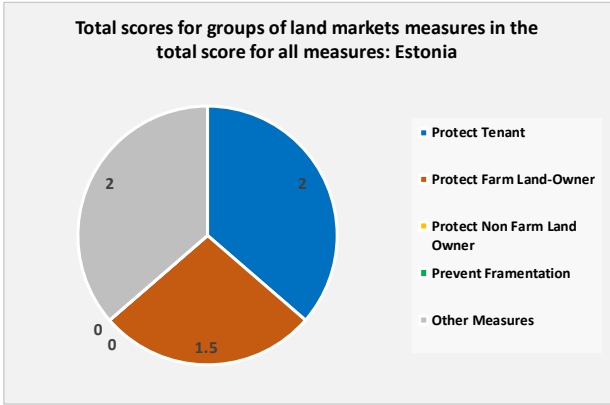
Annex 5: Regulatory profiles by country

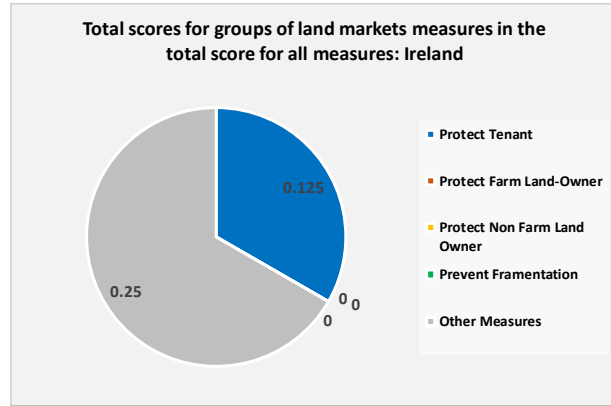
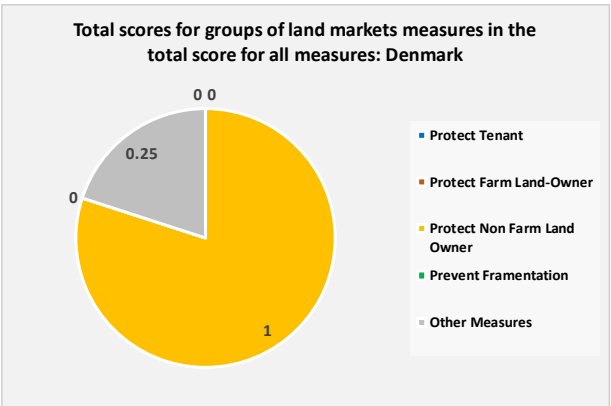
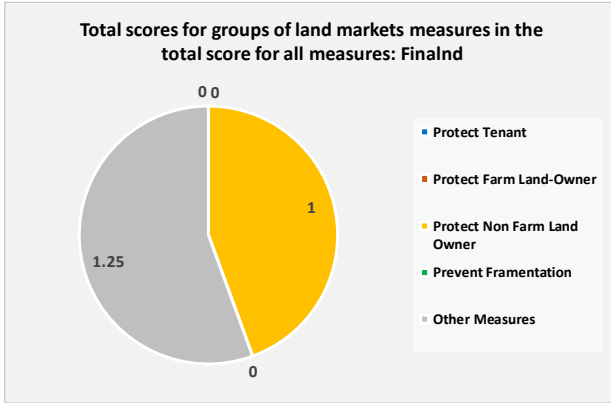
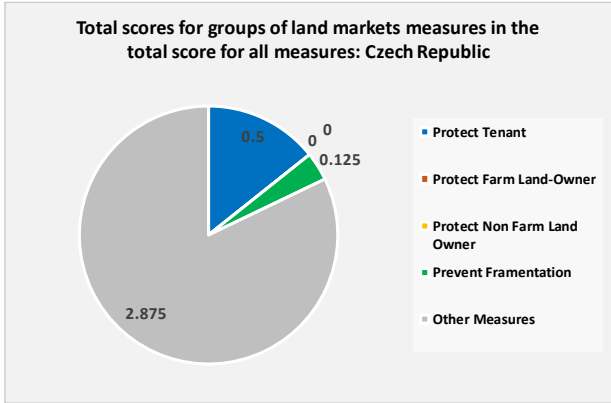
Figure A5. Regulatory profiles by country

(in descending order of country total score)









List of abbreviations

ALA	Agricultural Land Act
ALOUA	Agricultural Land Ownership and Use Act
B	Burgenland
C	Carinthia
CAP	common agricultural policy
CJEU	Court of Justice of the European Union
ECJ	European Court of Justice
EEA	European Economic Area
EU	European Union
FADN	Farm Accountancy Data Network
FFF	Farmland and Forest Fund
GrdstVG	Grundstückverkehrsgesetz
JRC	Joint Research Centre
LA	Lower Austria
LpachtVG	Landpachtverkehrsgesetz
MS	Member State(s)
OECD	Organisation for Economic Co-operation and Development
PSRA	Property Services Regulatory Authority
S	Salzburg
SAFERS	Sociétés d'Aménagement Foncier et d'Etablissement Rural
SOU	Statens Offentliga Utredningar (Swedish Government Official Reports)
ST	Styria
T	Tyrol
UA	Upper Austria
UAA	utilised agricultural area
V	Vorarlberg

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doi:10.2760/86127
ISBN 978-92-76-41990-7