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Bulgaria is a country, situated in East Europe with territory about 110 993.6 km². Mounties and semimounties cover 1/3 of the territory. The table above gives information about territorial allocation of the country.

Agricultural Fund	58,6 %
Forest Fund	35 %
Urban territories	4 %
Transport territory	0,6 %
Waters and expanses of water	1,6 %
Others	0,2 %

Territorial allocation by regions. The agricultural land is biggest in Northern Bulgaria, South-Eastern and South-Central regions. They are followed by the forest territories. The exception is the South-Western region in which forests are bigger than agricultural land.

Development of land market in the last years.

1998 The market exists as a result of pursued reform. Part of the owners is able to manage their restored land. The land market is exceptionally poor and chaotic.

1999 Active offering, low demand, big price differences. The land market is poor and unadjusted.

2000 Active land market at whole territory. The price margin is decreased.

2001 The biggest dynamic in land market was reported during this year. There was a reason – majority of land owners owned deeds and were able to appear on land market.

2002 Moderately developed land market. The transfer of ownership between land owners led to significant difficulties in land transactions.

2003 Moderately developed land market. There was not big difference with a previous year.

2004 Dynamic land market. The land transactions are increased on purpose of land consolidation.

Number of transactions of agricultural land. The number of transactions in the North Eastern region is biggest. Next are North Central, South Central and South Eastern regions. For period 2000-2004 the total number of transactions is increased about 4 times. The North Eastern region has a grate number of transactions, followed by the central part of the country and South Eastern region. The number of transactions is least in West Bulgaria.

Sold agricultural land in the period 2000-2004. The most land was sold in North Eastern region. Sold land is least in South – Western region. The increasing of sold land in 2001 is due to the fact that the majority of land owners owned deeds and were able to appear on land market. There is a big difference between the size of sold land in North Eastern and South – Western regions.

Price of agriculture land. The biggest price is in South – Western region. The lowest is in North Central and North Eastern regions. There is a big difference in prices in South – Western and Northern part of the country because of the difference in soil characteristics.

Correlation between sold agricultural land and average price. Two types of correlation in contrast were observed. One is in North Eastern region; another is in South – Western region. Almost the same is situation in South Eastern and North Western region.

Correlation between average price and average size of agricultural properties.

The land fragmentation in Bulgaria is a big problem after the land restitution. As a result of the implementation of the activities according to the Law on Ownership and use of agricultural land, land reallocation plans by Territories Belonging to Settlements (TBSs) were drawn up and came into force for the entire territory of the country. There were established about 10 million land properties, belonging to approximate 2 million owners, which means that the average area of a property is about 0,6 ha, including perennial plantations, meadows, and pastures.

I expected on a large size of agricultural property to correspond with the high level of price. But the situation is in opposite. One more time we can notice the difference between North Eastern and South Western part of the country.

Regional qualification according to land market price:

- **Regions with low market prices** – Average market price is about EURO 491 per hectare—40 % lower than average price for the country.
- **Regions with medium market prices** – Average market price is about EURO 700 per hectare.
- **Regions with high market prices** – Average market price is about EURO 1 278 per hectare.

Some conclusions about land market in the period 1998 – 2004

- The offering is bigger than demand. It defines comparatively low price level of land. The land market is in direct relation with the incomes from agricultural producing.
- The agricultural land market depends on incomes from agricultural producing. The proof is an active land market in good economic 2004.
- The distinction of agricultural land market by regions is maintained. It depends from regional difference in active producing structures, incomes from agricultural producing and ownership allocation.
- The land category didn't exert influence on forming of market prices. The price is increasing for consolidated land properties or properties with little number of heirs.

Number of leasing contracts during period 2000-2004. There are big drop in 2002 and the big increasing in 2004. There is no an explicit regional difference in 2002 and 2003. There are most leasing contracts in North Eastern region in 2001. In 2004 they are most in North Central region. There is a difference between northern and southern Bulgaria.

Size of leasing land. The North Eastern region is on the first place according to this criterion. In the 2004 the North Central region is first.

Regional qualification according to leased land:

➤ **Regions with low size of leased land** - The lease is developed weakly. The rents in kind are predominated. The rent payments in those regions are lower than the rest. The reason is bad status of active agricultural producing structures.

➤ **Regions with medium size of leased land** - Rent payments are from EURO 2,56 to EURO 15,33. The rents in kind reach to 1000 kg/ha.

➤ **Regions with big size of leased land** – During period 2001-2004 about 60 % from all leased land was leased in both regions. Rent payments are from EURO 2,56 to EURO 7,67. Rents in kind reach to 600 kg/ha.

Conclusions about leased land are:

- The rent payment level is almost equal in all regions. There is no explicit difference.
- The rent payments depend on incomes from agricultural producing mainly.
- The land lease is continuing to be priority preference for dealing with land for landowners.

Scheme of land sale-trade.

Purchaser and seller reach the agreement for land sale-trade. Then the notary legalizes the sale-trade contract and the purchaser obtains notarial deed. The notary registers the transaction at Register Agency officially.

Related Institutions in the field of land market are:

- **Notary** – every notary is able to legalize the sale-trade contract of land
- **Register Agency (RA)** under Ministry of Justice – maintains the property register. The transaction should be entry into the register according to property location by Regional Office of RA to the relevant Regional court.
- **Ministry of Agriculture and Forests.**
 - Legislation was adopted allowing for different possibilities to consolidate land such as renting or leasing of agricultural land in government property and exchange of land;
 - Creating a legal basis defining the land ownership bodies and extending the competence and staff of the MAF.
 - The increased number of transactions and the slowly rising prices indicate that the land market is gradually developing.

For proper land administration MAF working out territory balance on the base of digital land tenure data base for total 4746 TBSs. Land balance will be prepared and published annually on the base of the following indicators:

The sources of information for buyers and sellers are:

- Information system “Land Market”. It gives information about offering and demand of agricultural land nationwide in Bulgaria. The system has supported by Ministry of Agriculture and Forestry. Every user is able to enter information after registration. The system is available in Bulgarian on:

http://www1.mzgar.government.bg/land_www/default.asp

- Private companies, dealing with land sale-trade

- Mass medias
- Personal contacts

Related main Laws are:

- ✓ **Law on obligations and contracts** – settles contracting between Natural persons
- ✓ **Trade Law** – settles contracting between trader and another side
- ✓ **Law on cadastre and property register** - settles property register
- ✓ **Law on ownership and usage of agricultural land, Law on ownership reinstatement of forests and land from Forest Fund** – settles some rules for land partition of co-ownership only for agricultural land and forests
- ✓ **Civil proceeding code** – settles protection in case of breaking of rights and procedures in the process of contracting and entering of transaction

Foreigners and ownership land rights – NOW

- ✓ The Constitution of Bulgaria doesn't allow foreigners (natural persons or foreign juridical persons) to gain ownership rights of land unless in case of inheritableness by law. In this case they have to transfer their ownership.
 - ✓ According to a Law on alien investments a foreigner, including by branches or as a trader, is not able to gain ownership rights of land.
 - ✓ The juridical persons with foreign partnership, registered in Bulgaria are able to gain ownership rights of land. According the Law they are not foreign. They are Bulgarian juridical persons in spite of a size of foreign partnership.
 - ✓ There is no an official statistic about land owned by foreigners.

Laws which settle the restriction foreigners to gain ownership rights of land

- ✓ Constitution of Bulgaria, art. 22
- ✓ Law on alien investments, art. 23
- ✓ Law on forests, art. 10
- ✓ Law on protected territories, art. 10
- ✓ Law on ownership and usage of agricultural land, art. 3

Foreigners and ownership land rights after accession to EU

The government of Bulgaria requested 10 years transition period (reckoning from the date of accession to EU) in which the restriction foreigners to gain ownership rights of land would be valid.

The main factors about this request are:

- The land market is still in developing
- The land price is several times lower than in the EU member countries
- Bulgarian citizens don't have equal opportunities with foreigners because of low level of incomes.
- The establishment of land cadastre and property register is not finished. Their final establishment and the availability of market information are the main necessarily preconditions for the development of land market in the future.
- After the process of land reinstatement, the process of land consolidation is possible to realize.

Foreigners and ownership land rights after accession to EU

The government of Bulgaria negotiated 2 transition periods:

- **7 years transition period** (reckoning from the date of accession to EU) in which citizens and Juridical persons of EU to gain ownership rights of agricultural land, forests and forest areas;
- **5 years transition period** (reckoning from the date of accession to EU) in which citizens of EU to gain ownership rights of “land for second habitation”.

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