

## **Land Privatization in Ukraine**

Land privatization in Ukraine started right after the collapse of the Soviet Union, when the country became an independent sovereign state. The main purpose of privatization was transfer land ownership rights to the people. Land privatization is still an ongoing process and people can still exercise the right if such right was not exercised in the past.

### **What is a Right to Free Privatization**

Under the Land Code every individual has the right to obtain a land plot from the state or communal ownership into private ownership free of charge.

### **When the Privatization Procedure Started**

The land privatization started in Ukraine after approval of the new Land Code in 1992, and was one of the steps foreseen within the process of land reform and transition to market economy.

Initially, land privatization had a clear agricultural character. Land reform in agricultural sector was driven by the need to transfer land ownership to those who were cultivating the land. Privatization right was not limited to agricultural land and included lands for other designation types. The list of land eligible for privatization was formalized in the Land Code amendment in 2001.

### **Who Can Obtain a Privatized Land**

Every citizen of Ukraine has a right to get a privatized land plot without any charge. An individual can select a land plot in any place within the territory of Ukraine, irrespective of his/her actual or registered residence. There are no more restrictions other than citizenship of Ukraine.

The right to free privatization could be used only once by each citizen for each type of land designation.

### **What Land and in What Size Can Be Privatized Free of Charge**

Land in Ukraine can be privatized for the purposes below and within the following limits:

- farming – in the amount of the land share specified for the members of the agricultural enterprises located within the territory of the respective local council;
- individual agricultural production – up to 2 hectares;
- gardening – up to 0,12 hectares
- construction and maintenance of house and utility buildings (adjacent area):
  - in villages – up to 0,25 hectares;
  - in urban-type villages – up to 0,15 hectares;
  - in cities – up to 0,10 hectares;
- individual summer houses construction – up to 0,10 hectares;
- individual garage construction – up to 0,01 hectares.

### **What Are the Specifics to Know About Land Privatization**

- to be used only once with regard to each type of land designation;
- the land size specified by law marks the upper limit, actual size can be less. Unused amount of land for free privatization can't be claimed in the future, as the right is considered to be fulfilled;
- if the land size, which an individual wants to get privatized, is bigger than the amount specified for free privatization, the difference should be paid by the individual;
- if one of the spouses has used his/her right to free land privatization, the other one doesn't lose the equivalent right, but the land plots privatized by each of them would be considered as joint property;
- if an individual wants to get privatization of more than one land plots, the additional plots could be bought from the state or territorial community;
- land can also be privatized through filing a court claim based on acquisitive prescription, which means open, good faith and uninterrupted usage of the land plot during 15 years.

### **Is Privatization Procedure Still Being Used**

The privatization procedure is still widely used by Ukrainian citizens and is the main option for obtaining land plot into private ownership. According to 2014-2015 Land Monitoring Statistical Yearbook, 12 933 783 citizens of Ukraine have already used their right to privatization of land plots.

## Challenges

- limited land resources;
- almost exhausted land resources in city areas;
- constraints of local city authorities to provide land for individual construction, which they deem as inefficient use of land, unlike the multistory buildings that may be built on the same land plot but provide accommodation to significantly larger number of people;
- absence of comprehensive land search mechanism allowing individual to know free land plots;
- incompleteness of land cadaster and errors in cadaster records that complicate land transactions and create extra risks for the ownership rights;
- not finalized demarcation of boundaries between villages, towns, and cities (as of the end of 2015 only 50 localities out of 29 772 have formally registered their boundaries), which undermines the legitimacy of any decisions by local councils related to allocation of land plots.