

THIS IS THE SUMMARY OF THE QUARTELY LAND REVIEW REPORT. THE FULL REPORT IS [AVAILABLE VIA THE LINK](#)

1. KEY MARKET INDICATORS (AS OF Q3 2024):

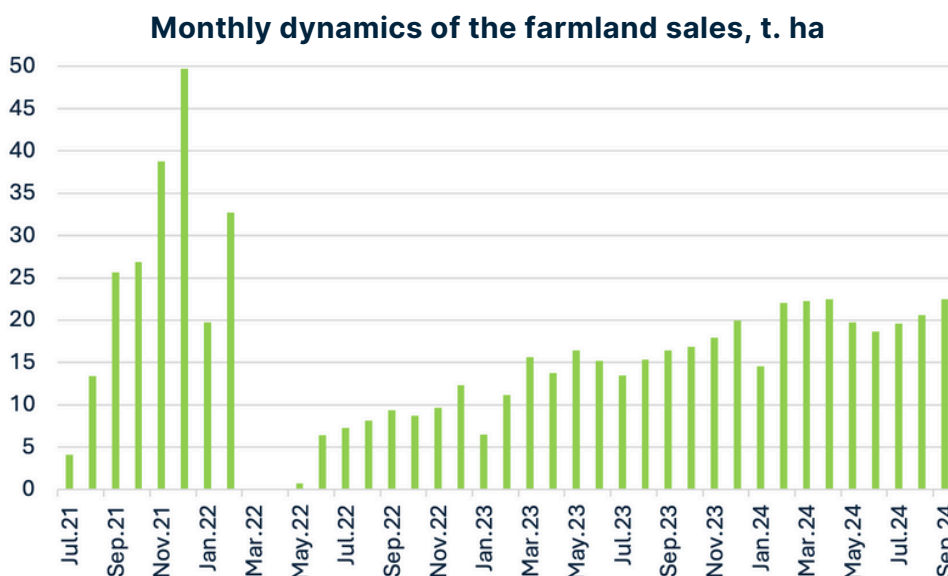
- Total registered land in the national cadastre: 44.9 million hectares (74.4% of the total land area).
- Registered agricultural land in the cadastre: 33.0 million hectares (77.2% of the total agricultural land).
- Average normative land valuation (arable land): 28,924 UAH/ha.
- Weighted average rent for public farmland (via auctions): 8,458 UAH/ha.
- Weighted average sale price of agricultural land: 45,128 UAH/ha.
- Total sale transactions in 2024 (up to Sept 30): 283,096, covering 634,576 hectares.

2. MARKET RECOVERY AND GROWTH:

In the third quarter of 2024, Ukraine's agricultural land market continued to recover, showing mild growth in transaction volume and land area sold. A total of 28.4 thousand transactions were completed, covering 62.7 thousand hectares. This represents a 3% increase in both the number of deals and land area exchanged compared to Q2 2024, and a significant rise when compared to the same period in 2023 (up 29% in deals and 39% in land area).

April 2024 saw a peak of 10.3 thousand transactions over 22.5 thousand hectares, but this was followed by a slowdown in May (9.0 thousand transactions) and June (8.0 thousand transactions). However, the third quarter exhibited steady month-on-month growth:

- **July 2024:** 8.9 thousand transactions (19.6 thousand hectares).
- **August 2024:** 9.4 thousand transactions (20.6 thousand hectares).
- **September 2024:** 9.8 thousand transactions (22.5 thousand hectares).



3. CHALLENGES AND MARKET TRENDS:

Despite the overall recovery, the market has yet to reach pre-invasion levels. Average monthly transaction volumes for 2024 (20.3 thousand hectares) are 37% below those seen before the full-scale invasion, when monthly volumes averaged 32.2 thousand hectares. Moreover, the market remains restricted in regions near active combat zones (e.g., Kherson, Zaporizhzhia, Donetsk, and Luhans), where land transactions are almost nonexistent due to ongoing security risks.

Market growth in the third quarter might be attributed to factors such as increased liquidity following the harvest season. Looking forward, the fourth quarter typically experiences a surge in market activity, with past trends showing transaction volume in Q4 increases of 9-11% compared to Q3. December has historically been the most active month for transactions.

4. PRICE TRENDS:

Agricultural land prices have been steadily rising since the market was opened to legal entities in 2024. The average price per hectare in Q3 2024 was 45.4 t. UAH, representing:

- **A 4.0% increase** from Q2 2024.
- **A 20.0% increase** from Q4 2023.

The highest average prices were recorded in the following regions:

- **Ivano-Frankivsk:** 75,300 UAH/ha.
- **Poltava:** 61,200 UAH/ha.
- **Lviv:** 52,400 UAH/ha.
- **Ternopil:** 57,800 UAH/ha.

Conversely, prices were lower in regions affected by the war:

- **Zaporizhzhia:** 37,400 UAH/ha.
- **Sumska:** 34,700 UAH/ha.
- **Mykolaiv:** 33,000 UAH/ha.
- **Donetsk:** 33,400 UAH/ha.

The continued involvement of legal entities is expected to drive further price increases, as the profitability of agricultural production is improving, potentially leading to increases in the rental prices which translate into higher farmland sale prices.

5. SEASONAL EFFECTS:

Seasonal liquidity fluctuations might have influenced the market, with lower transaction volumes in June-July potentially linked to agricultural production cycles. The market saw a noticeable slowdown in June 2024, which was likely due to reduced liquidity following planting season and before harvest income came in. Similar trends were observed in previous year.

6. LEGAL ENTITIES ON THE LAND MARKET:

Legal entities were allowed to enter the market on January 1, 2024, leading to a substantial impact on the market dynamics. In the first nine months of 2024, legal entities accounted for 20.5% of transactions, acquiring 37.4 thousand hectares across 12.8 thousand transactions. In Q3 alone, legal entities purchased 15.9 thousand hectares, marking a 22% increase from Q2. Their share of the market has grown consistently, reaching 25.4% by Q3, and spiking to 27.9% in September.

Poltava remains the most active region for legal entity transactions, with 22% of all land acquired by legal entities located in this oblast. Other notable regions include Dnipropetrovsk (12%), Khmelnytskyi (7%), and Sumska (6%).

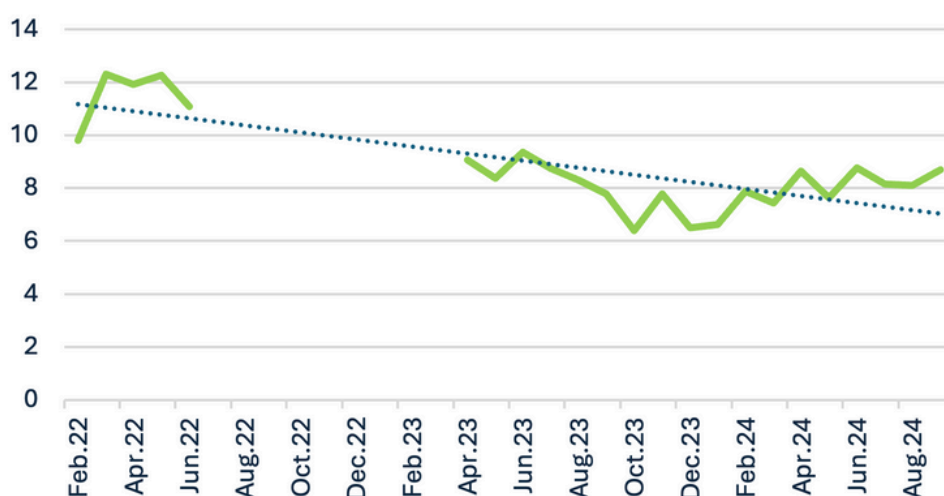
7. FARMLAND AUCTIONS FOR COMMUNAL FARMLAND LEASES

Auctions remain a primary mechanism for renting out farmland. Since October 2021, agricultural land auctions on the "Prozorro.Sale" platform have facilitated the lease of 9,621 communal agricultural land plots, covering 82.5 thousand hectares. The average auction lease price in 2024 was 8,458 UAH/ha, more than twice of the rental price for private lands.

However, the volatility in auction activity is notable. After a peak in Q4 2023, auction volumes have fluctuated throughout 2024, with Q3 showing a decline in the number of successful auctions compared to Q2. In Q3 2024, 1,312 auctions were completed, covering 11.6 thousand hectares, a 16.9% decrease in the number of auctions compared to Q2.

The prices on farmland auctions are well lower than the pre-invasion levels and are lower in Q3 2024, compared to previous quarters of 2024.

Price dynamics on land auctions for communal land, t. UAH/ha



At the same time, farmland auctions for communal lands are substantial source of farmland for private farmers, accounting for 6% of all leases in 2024.

8. SPECIAL TOPIC 1: THE IMPACT OF OPENING THE LAND MARKET TO LEGAL ENTITIES ON LAND PRICES

Legal entities pay more for agricultural land compared to individuals. If we consider all land transactions, legal entities pay 47% more than private individuals. However, since many transactions occur at prices equal to the normative monetary valuation (NMV, minimum prices for lands that were under moratorium), there are suspicions that the prices in such deals may be artificially lowered. Thus, we also examine a subset of plots sold at prices more than 2% above the NMV. Based on this sample, it turns out that legal entities pay 17% more for agricultural land than individuals, accounting for all other factors.

Other significant factors influencing land prices include:

- **Normative Monetary Valuation (NMV):** A 1% increase in the NHA leads to a 0.52% increase in land prices.
- **Land rent value:** A 1% rise in rent prices leads to a 0.21% increase in land prices.

Additionally, the analysis shows that the opening of the land market to legal entities correlates with a 9-10% increase in transaction prices for parcels bought by individuals, thereby raising overall land prices.

9. SPECIAL TOPIC 2: THE IMPACT OF PRE-EMPTIVE RIGHT ON THE LAND MARKET

The pre-emptive right to purchase land allows the seller of a land plot to receive offers from anyone on the market but obligates the seller to offer the rightholder the opportunity to buy the plot under the same conditions as in the received offer. Our analysis finds that pre-emptive right increase the likelihood that a tenant (who holds the preemptive right) will purchase the land. However, the right negatively impact land price, leads to an inefficient allocation of land resources, and generates a loss of overall welfare.

10. SPECIAL TOPIC 3: OVERVIEW OF THE LAND LEGISLATION CHANGES SINCE THE FULL-SCALE INVASION

Between February 24, 2024, and October 1, 2024, Ukraine's land legislation was significantly impacted by war-time needs, with a focus on national security, economic stability, and efficient land use. Key changes include centralizing land management decisions, limiting local authority powers, and improving land rights (such as permanent use and lease) to encourage long-term investment in agriculture and energy. Reforms also simplified land transfer processes, supported displaced businesses, and tightened control over protected and state lands. New conservation rules aim to prevent land degradation. These changes help Ukraine address wartime challenges while fostering sustainable land management and economic recovery.