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# TRENDS AND PROSPECTS IN THE DEVELOPMENT OF THE AGRICULTURAL LAND MARKET IN THE SOUTHEASTERN REGION OF BULGARIA

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## ABSTRACT

The effective use of agricultural land in the Southeastern region of Bulgaria is a current problem in the conditions of ongoing transformation of the agrarian sector. The concentration and specialization of agricultural production also leads to changes in the agricultural land market, as the main production factor.

The purpose of this study is to analyze the trends and outline the prospects for the development of the agricultural land market in the Southeastern region in Bulgaria. In order to achieve this goal, it is necessary to solve the following tasks: to analyze the land market in the Southeastern region; to assess the prospects for the development of the land market, while also assessing the dynamics of lease payments in the Southeastern region.

**Keywords:** land market, trends, prospects, lease payments

## INTRODUCTION

The development of the agricultural land market in Southern Bulgaria—specifically the Southeastern (Yugoiztochen) region—has become a subject of increasing academic, political, and economic interest over the past two decades. This heightened attention is a result of the complex interplay between historical land reforms, post-socialist market transitions, and the evolving influence of European Union (EU) integration policies, most notably the Common Agricultural Policy (CAP). As agriculture continues to represent a critical sector for both local livelihoods and national economic stability, understanding the dynamics of land markets is essential for assessing long-term sustainability, regional equity, and rural resilience in Bulgaria (1).

The Southeastern region, encompassing districts such as Yambol, Burgas, Sliven, and Stara Zagora, offers a particularly illustrative case study for examining these trends. The region's agricultural land is notable for its productive potential, supported by a favorable climate and varied topography conducive to both crop cultivation and livestock farming. However, despite these natural advantages, the region's land market exhibits structural challenges, including land fragmentation, demographic decline, and uneven investment patterns. These factors interact in ways that both reflect and influence broader national processes, including urbanization, capital consolidation, and institutional reform.

From a historical perspective, the land market in Bulgaria has undergone a dramatic transformation since the 1990s (2). The restitution of land to pre-socialist owners initiated a process of re-privatization that reconfigured ownership structures but left a legacy of fragmented plots and unclear property rights. In the Southeast, these legacies continue to affect the efficiency and accessibility of land markets, with implications for both small-scale and large-scale agricultural producers. As a result, land consolidation has become a key trend in the region, often facilitated through informal leasing arrangements and land swaps.
However, the Southeastern region has experienced significant growth in agricultural land prices over the last decade. According to available data (Bulgarian National Institute for Statistics), average land prices in this area have risen rapidly by almost 400% in some sub-regions—bringing them closer to the national

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average and, in some instances, exceeding prices in traditionally more prosperous agricultural zones. This upward trend reflects not only increasing demand from local and foreign investors, and is supported by CAP subsidies, that have enhanced the profitability of land ownership and encouraged capital inflows. At the same time, the rise in land value has created barriers to entry, raising concerns about equity and market accessibility for entrepreneurs.

These trends are further compounded by environmental and demographic pressures. The Southeastern region is particularly vulnerable to climate variability, including droughts, heatwaves, and shifting rainfall patterns (3). Such environmental stressors have direct implications for land use planning and market behavior, especially as more producers seek to adapt by shifting crop types, investing in irrigation, or abandoning marginal lands (4). Simultaneously, rural depopulation and aging farmer populations pose additional constraints on land market dynamism, limiting both supply and demand in certain sub-regions and increasing the risks of land abandonment (5).

Finally, the legal and institutional framework governing the agricultural land market remains a decisive factor in shaping its development (6). Recent legislative reforms, including the new Agricultural Land Act, aim to improve transparency, security of tenure, and the consolidation of fragmented holdings. These measures are particularly relevant in the Southeast, where informal transactions remain common. The Act's provisions—such as maximum lease durations, protections for land users, and mechanisms for youth engagement—are intended to address long-standing inefficiencies and create a more functional and equitable land market system.

In this context, the trends and prospects of the agricultural land market in Southern Bulgaria represent more than a set of economic indicators. They are embedded within a broader matrix of historical legacies, institutional reforms, socio-demographic shifts, and environmental challenges.

## DISCUSSION

Data collected from the statistics' sources (National Statistical Institute) reflects the trends in the agricultural land transactions prices both on the territory of the whole country and specifically in the Southeast region of Bulgaria. The period from 2017 to 2024 marks a steady and significant increase in the prices of agricultural land transactions across Bulgaria. Agricultural land prices have nearly doubled on national level, rising from 870 BGN in 2017 to 1697 BGN in 2024 as evident in **Table 1.** The only year marking a price decrease is 2020 when the price of the agricultural land decreases to 98% over last year's price. This might be a result of the COVID-19 pandemic which was a turning point for the whole economic world. The uncertainties caused led to slight declines in average land prices nationally. However, the data shows that the land market recovered quickly. In fact, it turned out that the agricultural land became increasingly attractive as a precautionary measure against economic instability.

***Table 1.*** *Agricultural land transactions prices (BGN / decare)*

| | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** |
|---|---|---|---|---|---|---|---|---|
| **Total for the country** | 870 | 980 | 1053 | 1033 | 1174 | 1428 | 1602 | 1697 |
| Southeast Region | 804 | 809 | 861 | 887 | 937 | 1096 | 1189 | 1341 |
| Regional Price Ratio (Sales) | 92.41% | 82.55% | 81.77% | 85.87% | 79.81% | 76.75% | 74.22% | 79.02% |

Source: Own calculations based on data from National Statistical Institute

From 2021 onwards, land prices resumed a strong upward trend, coinciding with the initial implementation phases of the European Union's Recovery and Resilience Plan and the continuation of Bulgaria's National Rural Development Program. These macroeconomic interventions contributed directly to the rising average price of agricultural land. On national level, land prices rose by 13% in 2021 and over 21% in 2022—some of the most substantial increases during the entire period.

The Southeast Region, despite relatively lower prices, also demonstrated acceleration. While the average land prices in the country rose by 95 %, the region accounted for an increase of just 66%, showing the lower demand for land purchases during the studied period. It is important to know here that in 2020 the average

land prices in the region kept the upwards trend unlike the national averages. The unstable geopolitical situation in 2022 has led to the highest increase in both regional and national average land prices – a surge of 22 % on national level and 17 % in Southeast region.
After this period the trends for price increase are shifting on national and local level with higher surge as in 2023 in the national average and in 2024 for the regional. This market fluctuation might be a result of shifting demand trends on regional land markets.

An important part of the land market in Bulgaria is also land leasing (7). During the studied period land lease prices have increased on the average by 28 %. Although the same trend is evident in Southeast region it is exceeding the countrywide values by 20 %, shown in **Table 2.** This higher evaluation of land in Southeast region creates the opportunity for further investment in land improvements as well as demanding higher levels of mechanization and economic efficiency of farms.

***Table 2.*** *Leasing Prices of agricultural land (BGN / decare)*

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| **Total for the country** | 47 | 50 | 49 | 44 | 52 | 63 | 62 | 60 |
| Southeast Region | 34 | 35 | 37 | 35 | 40 | 52 | 51 | 50 |
| Regional Price Ratio (Lending) | 72.34% | 70.00% | 75.51% | 79.55% | 76.92% | 82.54% | 82.26% | 83.33% |

Source: Own calculations based on data from National Statistical Institute

The average land leasing prices in Bulgaria had first increased in 2018 before rapidly declining in 2019 and 2020, luckily this trend has been broken in 2021 and the prices continued to increase in 2022. By the end of the period land rental prices have decreased slightly – by 5 %. This same dynamic has been followed by Southeast region with the difference of relative price sustention from 2017 to 2020. The increase of land lease prices in the region was more significant compared to the national averages in 2023 as it rose by almost one-third. As this variance is substantial it is important to note that it allowed for the land lease prices in the region to just reach the national average for the previous year.

Throughout the studied period the land prices in Southeast region are below the national averages due to other regions in the country having a much higher land evaluation (for example the Northeast region). The high demand on land markets in other regions of the country have led to a rapid increase in prices per decare. This trend has intensified from 2020 as the relative price of land in the Southeast region has rapidly declined by 11 % from 2020 to 2023. Some of the positions were recovered in 2024 but were still a far cry from the 2017 levels, as on the average land in the region was evaluated as only 79 % of the national average **(Figure 1).**

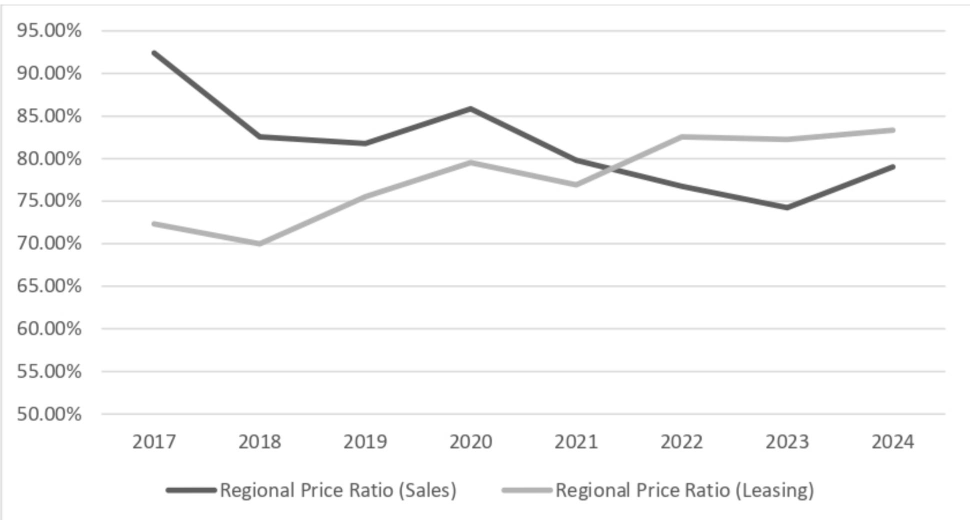


**Figure 1.** Dynamics of regional price ratio for Southeast Region
Source: Own calculations based on date from National Statistical Institute=

Land leasing prices in the Southeast region are lower than the national average by more than a quarter for most of the studied period. Although that shows a lower evaluation of land in the region throughout the period an upward trend is present. Local farmers have increased the remuneration of land and are investing more in land improvement which led to 11 % increase in the ratio between regional and national prices. These two evaluations of regional land recourses have shown two very different trends from 2018, the upward trend of land lease price ratio and the downward trend of land sales ratio. This can be only justified by a lower market demand of land in the region, as other investment opportunities have been favored by the population and the business. All of these processes are complex and require further research.

## CONCLUSION

The land market in the Southeast region experiences significant fluctuations due to economic, institutional and demographic changes during the studied period (8).

As a result from the analysis we have concluded that the local sale prices grow substantially but at a slower pace compared to the national average prices. While national land prices nearly doubled during the period, the Southeast region exhibits an increase of 66 %. In contrast, the region experiences a greater surge in lease prices, outpacing national trends. This reveals growing demand for land use during the studied period rather than long-term investments in land ownership.

These two opposite trends suggest that the land market in the Southeast region is evolving and is still undergoing through a transitional period. However, the lease prices may motivate the farmers to invest in land improvements, focus on economic efficiency and to secure long-term contracts with land owners.

The current dynamics of land lease and land sales market in Southeast region will continue to challenge farm managers in the coming years. The CAP of EU supported by the Recovery and Development Plan will probably lead to further increase in land lease price hikes, as land owners increase its perceived value. This process will probably impact the land market and turn around current trends of price slowdowns. The complex relationship of land lease and land sales market in Southeast region will require further research in the future.

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