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How to acquire land in Ukraine*

Taking into account the special fertility of Ukrainian land and the climate of Ukraine, for foreigners and persons without citizenship the question of acquiring land in Ukraine was always very actual. As land is, actually, a strategic resource of the state, it is natural, that there are more limited possibilities to acquire it by foreigners than by the citizens of Ukraine. However such possibilities exist. There are two legal options: acquisition through ownership and acquisition through lease.

1. Acquisition of land through ownership

Land, according to the articles 19, 81 of the Land Code can be of any, except for agricultural, use. Namely:

- Land for house-building and public building
- nature-saving setting
- health setting
- recreational setting
- historically-cultural setting
- forestry setting
- water fund
- industry, transport and other settings.

Ownership right to land is acquired in case of:

- acquisition through civil legal agreements (for example purchase-sale, gift, exchange)
- redemption of land on which is located real estate, that belongs to the foreigner
- acceptance of heritage

2. Lease of land lot (temporal use)

The question of lease of land in Ukraine are regulated by The Land code, Civil code, Laws of Ukraine "About the lease of land", "About the lease of state and communal property" and "About the payment for land".

Land with planting, building, with reservoirs or without them can be an object of lease with any setting and form of ownership: private, communal or state. However in relation to the last two there is a special procedure. More comfortable for foreign citizens is conclusion of treaty of lease in relation to land that is in private property.

According to the Articles 13-15 of the Land code of Ukraine the contract of tenancy of land is an agreement after which a lessor is under an obligation for the pay to pass to the tenant land for possession and use for a definite term, and the tenant is under obligation to use the lot of land according to the conditions of the agreement and requirements of the land legislation.

The contract of tenancy of land has a special list of substantial terms. The substantial conditions of the agreement of lease of land are:

- object of lease (location and size of land areas)
- term of action of contract of tenancy
- rent with specifications of its size, indexation, forms of payment, terms of maintenance
- terms of use and setting of land having a special purpose

which is noted in the lease;

- terms of saving of the state of object of lease
- conditions and terms of transfer of the land to the tenant
- terms of returning of the land to the lessor
- existing limitations in relation to the use of land areas
- determination of the party which carries the risk of accidental damage of the land or its part
- responsibilities of both parties

* Information is given according to the Ukrainian legislation valid on the 01. 08. 2006 . In each individual case of foreign citizenship international treaties need to be taken into consideration also.

With consent of both parties the contract can feature other terms, in particular implementation of obligations of the parties, insurance of the object of lease, compensation charges, improvement of object of lease, reconstruction works and also circumstances that can affect the lease agreement.

Inseparable part of the contract is:

- plan or chart of the land
- catastre plan of the land lot with specified limitations (burdens)
- determination of intended use of the land
- transfer of ownership/start and end of lease

The Contract of lease of land must be in written form and is subject to state registration after which it takes effect. The term of lease agreement is set by both parties but cannot be longer than 50 years.

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