The Land Bank of Galicia: Innovative Action to Address Land Abandonment and Enhance Land Market Development

Cristina Zolle Fernandez (Spain)

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SUMMARY

Unsustainable land use and abandonment of agricultural land are increasingly becoming the focus of attention in many countries across Europe. Often, the main root causes of inefficient land use and land abandonment lie in farm structures with excessive land fragmentation and small farm sizes.

In Galicia, Spain, about 60% of the population are rural landowners. The average size of owned agricultural land is 1.7 hectare, divided in more than 7 parcels for each owner. The average parcel size is 0.23 ha. Flaws in the land registration system do not contribute to a normal land market functioning, which in general is characterised as weak and with high degree of informality.

In the context of Galicia, increasing land market turnover and farm structure improvement were the main purposes for the establishment of the land bank in 2007. This innovative initiative is based on rental mechanisms instead of purchase and selling - given the shortages in funding and the social value of property.

The Galician Land Bank is thus facilitating lease agreements between landowners and tenants that usually do not know each other, and acting as an intermediary and a guarantor between the parties.

This presentation will provide insights into the land bank model applied in Galicia, and discusses challenges and lessons learned during more than a decade of functioning. One of the key conclusions is that there should be an integrated and project-based approach to address land abandonment, combining land banking (both use and ownership rights) and land consolidation instruments, with investments into re-cultivation of land (e.g. land improvements, cleaning the areas overgrown by bushes and trees, etc.).