

Council of Agriculture to Amend the Law Preventing Market Speculations on Farmlands

Min-Hsien Yang, Professor, Feng Chia University, Taiwan

I Han, Assistant Professor, Feng Chia University, Taiwan

The current real estate market in Taiwan has turned its spotlight to the farmland sector. Expected superior return encourages more and more speculated investment in farmlands and farmhouses everywhere in Taiwan. Unfortunately, many of so called “farmhouses” are actually luxury holiday houses, which are supposedly illegal if examined by a real functional farmhouse built for farming activities. Thus, Minister of Council of Agriculture (COA), Bao-ji Chen, said that COA would jointly amend the Regulations Governing Agricultural Dwelling Houses with Ministry of Interior. The goal is to require a more rigorous qualification with regard to applying for a farmhouse construction, including a real working status of farming activities and an active cover by farmer insurance.

When Economic Committee at Legislative Yuan discussed whether to release the budget-freezing proposal, some legislators questioned the increasing number of illegal use of farmhouses. Minister Chen responded that COA would amend the Regulations Governing Agricultural Dwelling Houses by this June in order to deal with the serious problem of market speculations on farmhouses all around Taiwan. Such illegal farmhouse problem has already cannibalized agricultural use for farming activities. Without further regulations, this problem will seriously damage the agriculture sector in Taiwan.

Minister Chen said that COA spent a year-and-half to investigate 16,338 farmhouses built during 2008 and 2013 for statistic analysis. Unfortunately there were only 5, 848 farmhouses, or 35.8% of all, built by real farmers, qualifying for farmer insurance and doing farm businesses. In other words, more than 60% of farmhouse builders during this period were not qualified as farmers, which was really a major obstacle.

Minister Chen pointed out that farmhouses should be obviously built for farmers. However, real-estate market booming already turned spotlights on farmhouse market for speculations in luxury farmhouses, bed and breakfast accommodations, hotels, and many other non-farming use, which are illegal and are considered serious problems. The direct impact cannibalizes farming space and, more seriously, discourages new generations of farmers because of unaffordable high prices of farmlands and farmhouses.

Minister Chen said that the worst region of illegal farmhouses is in Yilan. The investigation of COA found that 64% of farmhouses built during the past three years are already sold for next owners, whose identifications were still under investigations. Chen admitted that after the law amendment, shrinking profitability of farmlands and farmhouse investments would be definitely expected, but only just to affirm with farming activities.

Date submitted: April 14, 2015

Reviewed, edited and uploaded: April 14, 2015