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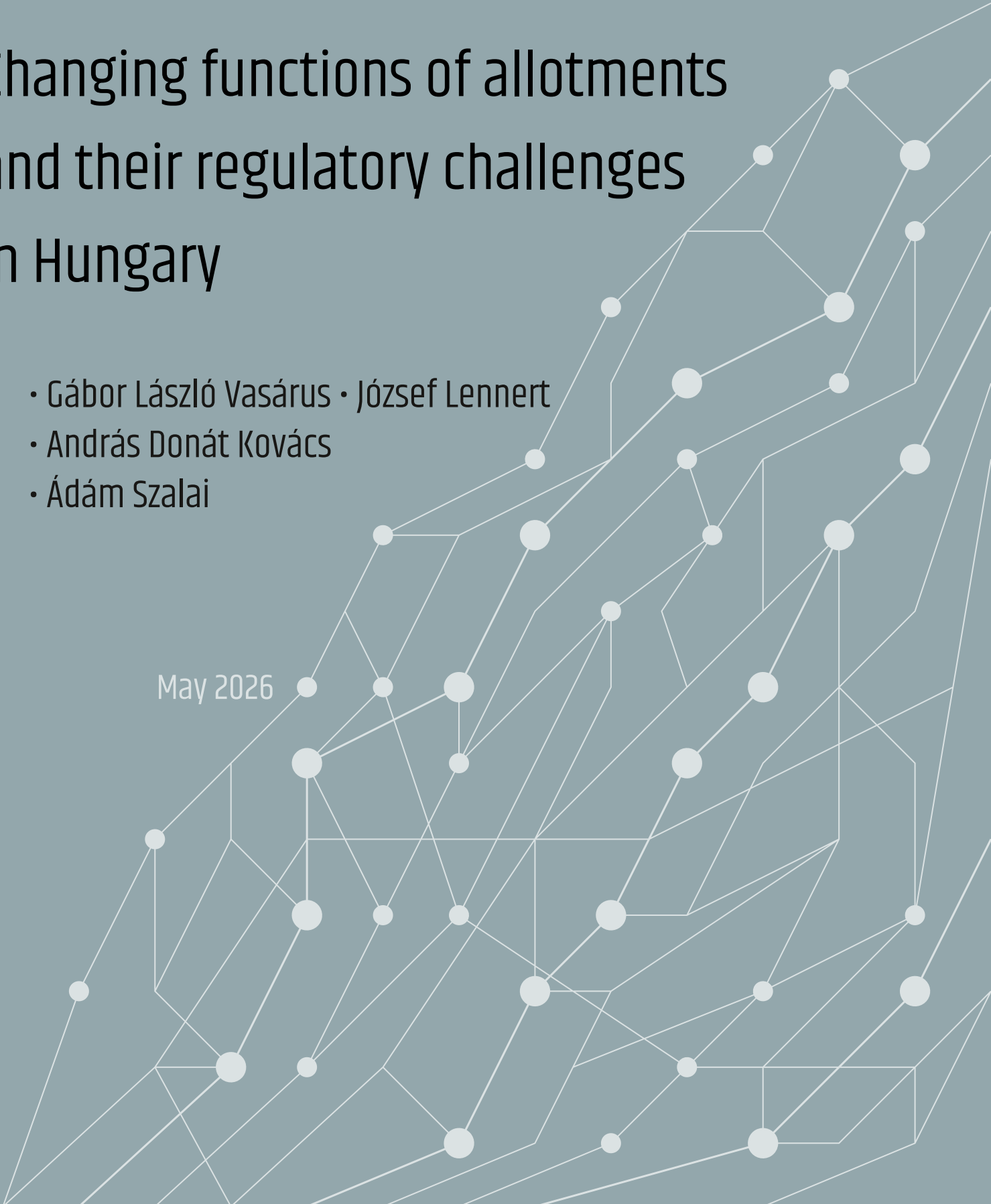
POLICY  
BRIEF

N°8

# Changing functions of allotments and their regulatory challenges in Hungary

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## EXECUTIVE SUMMARY



Special, mixed-function agricultural areas have been part of Hungary's cultural landscape for centuries. The organization of Hungarian allotments (zártkertek) in the 1960s partly built on these areas, when lands less valuable for large-scale agriculture were subdivided for small-scale cultivation and recreational use. Today, this land-use form is present in 66% of settlements, covers 2.1% of the country's territory, and its population is growing very dynamically. Despite their location in the outskirts, they have thus become indispensable elements of settlement structure.

Over recent decades, allotments have turned into a "grey zone" of suburbanization and the housing crisis, where agricultural and recreational functions have gradually been replaced by permanent residential use. In our country, allotments have become permanent housing sites. Data from the 2022 census confirm population growth even in zones where the plot structure, narrow road network, and insufficient utility provision pose fundamental safety and public service constraints.

The effective application of the relevant regulation – Government Decree 280/2024 (IX. 30.) on the Basic Regulations of Urban Planning and Construction Requirements (TÉKA) – may be key to future sustainability. However, inappropriate measures could further worsen the situation on the ground. Crucially, the regulation allows for functional differentiation albeit within a very narrow framework. The key to a solution lies in the integrated development of actually inhabited zones and the strict protection of remaining ecological and landscape values, thereby avoiding both indiscriminate reclassification into inner areas and the long-term risks of the current grey-zone status.

## KEY POLICY MESSAGES

**Functional duality:** The transformation of part of the allotments into permanently inhabited areas is an irreversible process that regulation must accommodate, while protecting the remaining ecological and cultural landscape values.

**Infrastructure deficit:** Fragmented plot structures and narrow road networks hinder access to modern public services and safe mobility.

**Legal framework:** The TÉKA decree and the new Architectural Act (Méptv.) provide an opportunity for more transparent planning, but consideration of local specificities – and, in the long run, a reconsideration of the regulatory framework – will be unavoidable.

## WHY NOW? – THE RELEVANCE OF THE ISSUE

Allotments (zártkertek) were established – based on Act IV of 1967 – primarily through the subdivision of land unsuitable for agricultural production, with the aim of supporting subsistence cultivation and recreation. Today, affecting more than two-thirds of settlements, they cover approximately 200,000 hectares and serve as the place of residence for a significant share of the roughly 300 thousand people living in outskirts areas.

Their function has changed substantially since 1990: due to suburbanization, many have become residential areas, resulting simultaneously in developing holiday or suburban garden zones as well as declining, legally uncertain “grey zones.” The situation is further exacerbated by the fact that regulation has been incomplete since 1987. The current task is therefore to establish a regulatory framework aligned with actual conditions, address infrastructure deficits, resolve problems arising from fragmented plot structures, limit uncontrolled development, and preserve their role as ecological buffer zones.

The timeliness of the issue is driven by three mutually reinforcing factors:

- 1. Changes in the overall regulatory environment.** Act C of 2023 on Hungarian Architecture, together with the introduction of TÉKA, places municipalities at a critical decision point regarding the regulation of outskirts areas. On the one hand, it enables them

to support the free withdrawal of allotment properties from agricultural cultivation, on the other hand, it obliges them to adopt new local architectural regulations.

**2. The results of recent census data.** The newly published results of the 2022 census provide quantifiable evidence of the functional transformation of allotments, highlighting the social and infrastructural risks of spontaneous urbanization.

**3. Increasing housing pressure.** Rising real estate prices and growing demand for rural lifestyles are generating development pressure that calls for immediate policy responses to maintain the balance between landscape protection and sustainable settlement development.

Our NRDI-funded research project running between 2024 and 2027 (FK 146486: Permanent reserve areas? Former allotments, vineyard hills and holiday areas in the pressure of urban development) also reflects the timeliness of the issue. Our policy recommendations are primarily based on the literature reviews, statistical and GIS analyses, and field surveys carried out within this project, complemented by the experience gained from cooperation with several municipalities on the topic of outskirts areas.

## BACKGROUND AND PROBLEM STATEMENT – KEY FINDINGS

### 1. Population dynamics

- Data from the 2022 census confirm that the resident population of allotments is continuously increasing.
- However, this growth is accompanied by high social vulnerability, as a significant proportion of those moving in do so out of necessity, escaping high housing prices in inner areas and opting for a formally non-residential zone.

### 2. Side effects of regulatory easing

- Selective increases in permitted building coverage introduced in previous years (from 3% to 10%) have encouraged denser development without providing municipalities with the tools to mandate the necessary development of utilities and road infrastructure.

- As a result, residential areas with inner-area density have emerged under outskirts-level infrastructure provision.

### 3. Infrastructural and transport legacy

- The road network established at the time of foundation of allotments – often only 3–4 meters wide – is now inadequate for modern vehicle traffic, waste collection, and emergency services (ambulance, fire engines).
- This represents a persistent public safety risk in areas that have become residential, particularly in allotments originating from vineyard hillsides.

### 4. Environmental degradation and landscape scars

- The abandonment of traditional cultivation and the spread of residential use have, in some areas, led to a critical increase in impervious surfaces, worsening stormwater drainage and increasing the risk of inland excess water.
- In addition, illegal waste dumping and incompatible architectural solutions severely damage natural habitats and the visual character of historic regions.
- These areas also accelerate the spread of invasive plant species.

### 5. Economic unsustainability at the municipal level

- Reclassifying allotments into parts of main built-up areas or providing the necessary infrastructure would impose costs on municipalities that are not covered by current tax revenues.
- This creates ongoing conflicts of interest between municipalities and residents advocating for developments in outskirts areas.

### 6. Differentiation

- The post-socialist development trajectory of allotments is strongly shaped by their municipality's position in urban competition.
- Allotments in major provincial cities have undergone drastic transformation; depending on their characteristics, they may attract either affluent newcomers or deprived populations pushed out from central inner areas.
- In the agglomeration belt, allotments are often purchased by commuters relocating from the central settlement, weakening the former connection between allotments and their host settlement.

- In peripheral settlements, the key challenge is not incoming population pressure but demographic decline, along with environmental degradation following the abandonment of previously cultivated plots.

## POLICY RECOMMENDATIONS

### I. RECOMMENDATIONS FOR MUNICIPALITIES

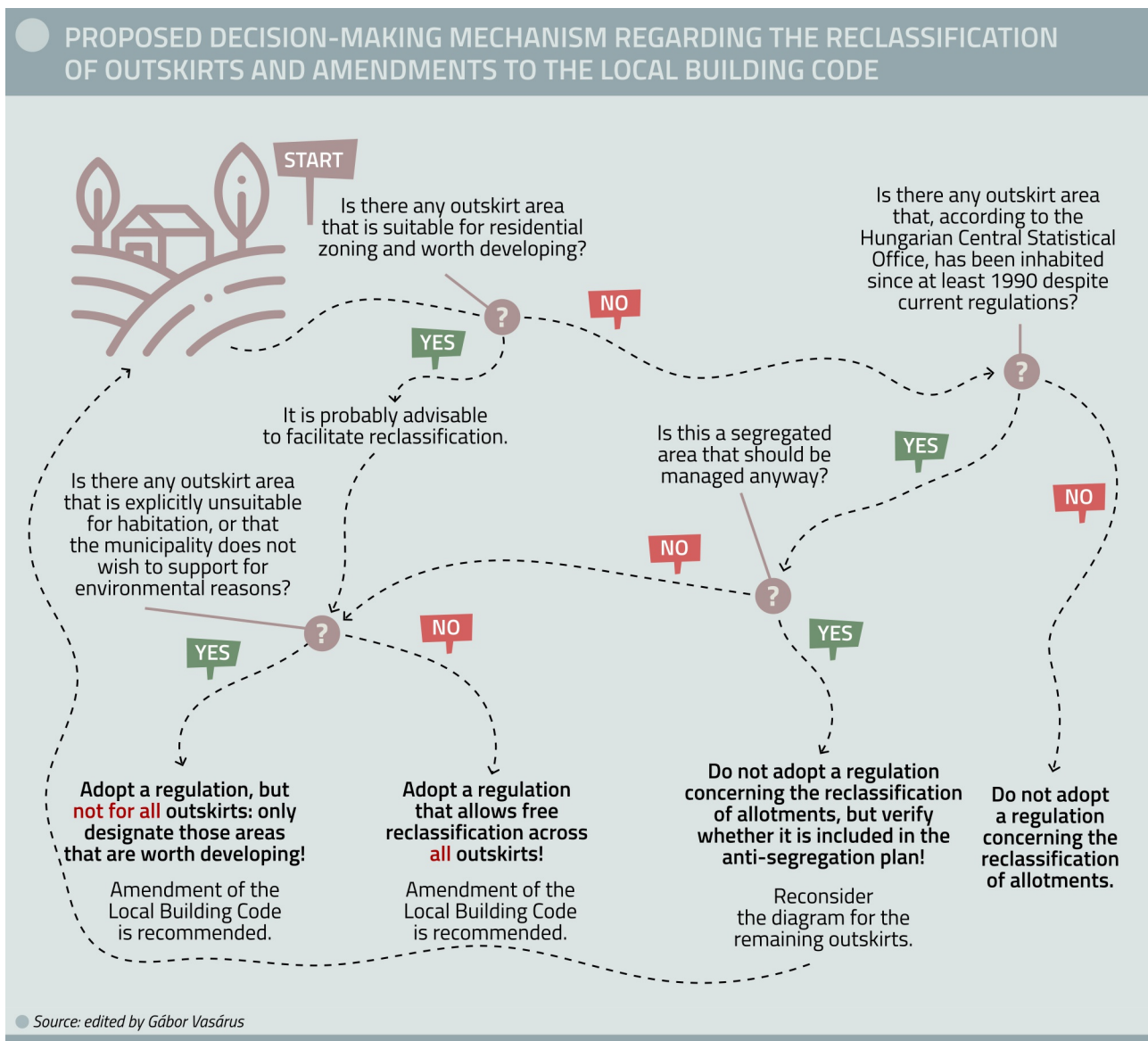
#### 1. Communication and the establishment of legal certainty

- The primary task of municipalities is to inform residents about the actual content of regulatory changes. The withdrawal from agricultural cultivation enabled by Government Decree 332/2025 (X. 30.) does not imply automatic reclassification into 'area intended for development' or less rigorous building norms. It must be clearly communicated that such change of classification serves only to ease land transaction constraints, while construction remains subject to TÉKA and amendments to local building regulations.
- This reduces legal uncertainty and prevents unrealistic expectations among residents, as well as property speculation that may further exacerbate settlement-geographical risks. In many cases, residents do not understand the difference between the categories of 'area intended for development', 'outskirt', and 'allotment'. However, a change in one classification does not entail a change in the others.
- The strict building constraints of TÉKA (e.g. the prohibition of construction on plots smaller than 720 m<sup>2</sup>) remain in force; therefore, the amendment of the Local Building Code (HÉSZ) and its clear communication should be treated as a priority.
- It is recommended to install information boards in outskirts areas with regularly updated content, including relevant news, funding opportunities, and municipal or legal changes.

#### 2. Morphology-based differentiated regulation

- To avoid fragmentation and chaotic land use, municipalities should refrain from uniform, one-size-fits-all regulation. Instead, differentiation at the level of streets, vineyard lanes, or blocks is advisable, taking into account accessibility, utility provision, and environmental sensitivity.
- One possible approach is to support regularization by allowing free withdrawal from cultivation in gardens that were already inhabited in 1990. Exceptions should apply where environmental risks (e.g. inland excess water or flood hazard) or damage to ecological networks would occur.

- Development support should primarily target allotments that were already inhabited before 1989 and can be integrated into the settlement structure. By contrast, poorly accessible, flood-prone, or ecologically sensitive areas should not be supported for change in classification.
- This approach is consistent with the legal principle that restoring consistency between registry and actual use is a normative task, but should not encourage unregulated development.



### 3. Infrastructure development and regulatory coherence

- Legal regularization of residential use alone is not sufficient: sustainable settlement development requires parallel investment in basic infrastructure (roads, water supply, wastewater management, waste collection).

- A common feature of successful interventions, both domestically and internationally, is the involvement of residents. Participation—whether through physical work (e.g. gravel spreading, bench painting) or financial contribution (e.g. symbolic co-financing of road upgrades)—strengthens local ownership and maintenance.
- Residents should also be involved in planning according to the principles of participatory planning, as even small but well-targeted interventions (e.g. strategically placed lighting instead of full public lighting coverage) can significantly improve satisfaction.
- Since access to settlement centres is often difficult for residents, municipalities should periodically provide on-site administrative services in outskirts areas, and elected representatives should hold local office hours there.

#### 4. Control of property speculation and environmental risks

- Municipalities must act proactively against property speculation resulting from misinterpretation of withdrawal opportunities.
- It is advisable to establish municipal pre-emption rights in strategically important areas, especially in waterside or ecologically sensitive zones.
- The use of time-limited lease schemes in newly designated allotment areas should also be considered to mitigate speculative land acquisition and unregulated development. This aligns with sustainability and settlement-structure objectives.

#### 5. Amendment of the Local Building Code (HÉSZ)

- In accordance with Méptv. and related regulations (TÉKA), local building codes and settlement-level plans must be aligned with the new framework. During revision, differentiation of outskirts residential areas is necessary: densely inhabited zones must be distinguished from areas of actual agricultural production.
- As a second step, integrated settlement development strategies should ensure a balance between green infrastructure and residential use, and this balance must be enforced through building regulations and the structure plan.
- The current regulatory framework cannot fully manage dynamic changes at micro scales. Within the framework of TÉKA, the HÉSZ should designate areas suitable for residential use in advance, preserving landscape character and climate adaptation functions for a future stage of development.

- It is important to emphasize that allotments should be developed as outskirts areas; successful examples can be found in well-functioning scattered farm districts.

## II. RECOMMENDATIONS FOR THE GOVERNMENT

### 1. Amendment of building regulations

- In the long term, at the national level, amendments to the Architectural Act (Méptv.) and TÉKA are necessary, particularly through a more detailed structuring of Section 34 of TÉKA. A new Section 34/A should establish a regulatory framework for permanently inhabited allotments that harmonizes residential use with agricultural interests, resulting in a sustainable land-use structure, building on the provisions of Section 36.
- Improving readability through clearer language and fewer provisions is essential; regulations should function as a framework rather than a detailed rulebook.
- General and abstract rules are preferable to highly detailed prescriptions, as excessive specificity reduces local adaptability and system flexibility.

### 2. Amendment of land legislation

- In practice, allotments today primarily serve hobby cultivation, recreation, and increasingly residential purposes, while significant commercial agricultural production has been rare for at least two decades.
- It is therefore recommended that allotments be exempted from Section 1(7) of Act CXXIX of 2007 on the protection of agricultural land, except for vineyard-origin areas included in the wine cadastre.
- It is further proposed to amend Section 2 of Act CXXII of 2013 on the transfer of agricultural and forestry land so that only allotments listed in the wine cadastre fall under its scope, in alignment with Section 2(6).

**CONCLUSION**

The future of allotments is not merely a real estate or agricultural issue, but a matter of national strategic importance.

The key to effective policy lies in balancing housing needs, ecological values, and sustainable infrastructure development.

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