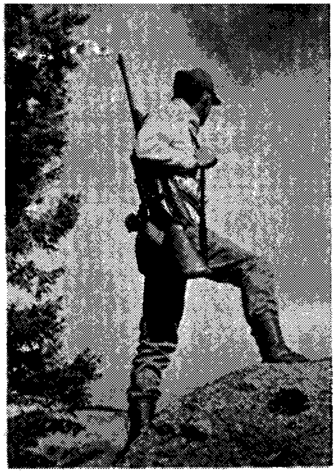

LAND for RECREATION:

a look at LEASING in New York

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LEASING MAY BE THE ANSWER

WOULD YOU LIKE to have a place in the country, though you can't afford the price of the real estate? Would your club like some land to develop facilities for recreational outings, though your club treasury isn't big enough to buy the land? Do you want to develop a campground business or perhaps a shooting preserve, but find that interest rates on the investment are prohibitive?

Leasing may be the answer to your problem. Many individuals and groups have bypassed land-ownership requirements by leasing suitable land from private landowners.

As part of its research to help woodland owners benefit from the recreation potential of their land, the USDA Forest Service recently conducted a survey of individuals and groups in New York State who lease private land for recreation purposes. Similar studies have been conducted in other Northeastern States (*1, 2, 3*).

In November 1968, 343 questionnaires were sent out to groups and individuals believed to be leasing private land for recreation. Of the 124 lessees who responded to the survey, the majority (102) were hunting or shooting organizations with an average membership of 47 people. Eight of the lessees represented organizations interested in group or family outing activities; average membership in these groups was 67 people. The remaining 14 lessees were individuals or partnerships who leased lands for personal use or to operate a commercial recreation enterprise.

Who Leases What?

All together, the 124 respondents owned and leased a total of 313,484 acres of land and water; about 72 percent of the total was leased. Of the leased land, about 72 percent was forest-covered, 21 percent was open land, 5 percent was in ponds and lakes, and 2 percent was in other types of land use (table 1).

Hunting and shooting organizations leased about 83 percent of the total leased area, group and family outing organizations leased about 14 percent, and the individual or partnership leases accounted for 3 percent.

Most of the leases were for less than 500 acres, but leased acreage ranged from 2 to 20,000 acres. Hunting and shooting organizations tended to lease more land per organization than the other types of lessees.

The duration of the leases varied from 1 to 99 years, but 54 percent renewed on a yearly basis. Areas leased for more than 1 year often contained buildings constructed by the lessee.

Table 1.—*Type and acreages of resources leased, by type of lessee*

Resource	Type of lessee			
	Hunting-shooting organizations	Group or family outing organizations	Individuals or partners	Total
Ponds or lakes[1]	685	[2] 10,002	5	10,692
Forest covered[3]	140,365	20,559	3,197	164,121
Open land[4]	43,809	150	3,890	47,849
Other[5]	3,750	—	200	3,950
Total	188,609	30,711	7,292	226,612

[1] Surface acres of ponds or lakes as reported by lessees.
[2] One lessee reported that half of the 20,000 acres his club leased consisted of ponds and lakes.
[3] Acres of land that are forest covered as reported by lessees.
[4] Acres of land considered by lessees to be open land.
[5] Generally land with buildings and other man-made structures.

Figure 1.—A little water and a lot of land, both open and forested, describes the resources leased from New York State landowners.

How Do They Use It?

The lessees offered every form of activity listed on the questionnaire, plus several that were not listed, such as snowmobiling and trapping. The user-days reported in each of the 13 listed activities were as follows:

Activity	*Percent*
Hunting, small game	38.5
Hunting, big game	22.7
Fishing	13.4
Shooting	9.8
Hiking	4.8
Camping	3.3
Swimming	1.9
Boating	1.7
Picnicking	1.1
Archery	.7
Canoeing	.4
Riding	.2
Other	1.5

Hunting, fishing, and shooting accounted for 84 percent of the total user-days spent on these activities (fig. 2).

Of the 124 lessees who responded, 110 were representatives of various organizations. The organizations reported a total membership of 5,376 people, who participated in 107,577 user-days, or about 20 user-days per member. (One user-day equals one person

Figure 2.—Hunting for small and big game, fishing, and target shooting accounted for more than four-fifths of the user-days reported by lessees.

using leased land for any part of a day.) The hunting and shooting organizations reported an average of 16 user-days per member. The group and family outing organizations reported 57 user-days per member.

The 110 organizations owned and leased 304,486 acres, or about 57 acres per member. Hunting-shooting organizations made available 40 acres per member.

How Much Do They Pay?

Respondents indicated that their annual leasing costs ranged from zero to $10 per acre. There were 47 lessees who did not pay anything for their leased land. They generally reimbursed the lessor with some other kind of payment such as practicing conservation measures or allowing the lessor free use of the developed recreational facilities.

Since a quantitative value cannot be assigned to this kind of payment, lessees paying zero rental rates were not included in our calculations. Other lessees made partial payments for the land they leased and allowed the landowner free or reduced-price use of the developed facilities. Lessees making partial payments were included in the calculations presented below.

Open land provided lessors with the best annual rate of return, $0.74 per acre (table 2); but half of this open land was intermixed with forests, ponds, and lakes. Forest-covered land provided the second highest annual rate of return to lessors—$0.36 per acre.

The lease rate paid per acre was related inversely to the amount of land leased; that is, the greater amount of land leased, the less the average rate of return to the lessor. In addition, those lessees who already owned property usually were willing to lease small tracts of adjacent land and pay a higher-than-average price. Nearly half of the lessees who leased under 500 acres owned property adjacent to their leased land, whereas only 9 percent of the lessees who leased over 5,000 acres owned adjacent land.

These two factors—low price per acre for large tracts, and high price per acre for small and often adjacent tracts—tend to bias to some extent the computed average lease rate per acre. For instance, more than half of the under-500-acre leases exceeded $0.40 per acre, but only 18 percent of the over-500-acre leases exceeded $0.40 per acre.

Two organizations in the group and family outing category leased lands that contained ponds or lakes. One lease was for 10,000 acres and cost $0.04 per acre. Another lease was for 2 acres but cost $0.33 per acre.

Remember that 47 respondents, or 38 percent of the lessees, did

Table 2.—Average annual lease rate paid per acre by each type of lessee for each type of resource, expressed as the ratio: total cost/total acreage

Kind of Resource	Type of lessee			
	Hunting-shooting organizations	Group or family outing organizations	Individuals or partners	All
Ponds or lakes	$0.38	$0.04**	$1.66*	$0.06
Forest covered	.37	.17	1.64	.36
Open land	.62	.43*	1.66	.74
Other	1.00*	—	—	1.00*
All	$0.53	$0.34	$1.65	$0.40

* Represents 1 respondent.
** Represents 2 respondents.

Figure 3.—POSTED and NO TRESPASSING signs are often put up by dues-paying members of private organizations who lease land from farmers and other landowners.

not pay anything for the land they leased. This large number of non-paying lessees suggests that not all landowners are interested in monetary returns from land they lease to outdoor recreationists. However, landowners do have better control over who uses their lands if those lands are leased to an organization. Furthermore, public relations between the landowner and surrounding communities are likely to be less strained when outdoor enthusiasts are confronted by fences and NO TRESPASSING signs erected by a club rather than by the landowner. (fig. 3).

Lease Rate Determination

Each lessee was asked what factors were important in determining the rate he was paying. The amount the landowner requested was mentioned most often as the most important factor that influenced the rate. But in some cases the landowner and prospective lessee negotiated until a rate was established that was acceptable to both parties. In these cases, lessees felt that landowners had a good idea what a fair price should be.

If the landowner was already a club member or wanted to become a member, an arrangement usually was made whereby the club leased the land for a nominal rate, and the landowner was given full and free membership privileges.

Another consideration that sometimes affected lease rates involved the intensity and kinds of conservation practices that the club intended to carry out on the leased land.

Reason for Leasing

When asked why they leased the specific area described in their contracts, 60 percent of the lessees gave these three reasons: ease of access; ownership of adjacent property; and abudance of the resources available for recreation opportunities on the leased land. Only 16 percent of the lessees mentioned monetary considerations as a reason for leasing. We have no way of telling how many potential lessees did *not* lease because the rates were too high.

Future Demand for Leased Land

Twenty-five lessees indicated that they would like to lease additional rural land—ranging from 5 to 20,000 acres and including individual tracts of 1 to 1,600 acres. They preferred lease durations from 1 to 20 years; the median was 5 years.

In aggregate, these 25 lessees represent a demand for 50,000 to 60,000 additional acres of rural land in New York State. If our survey contacted half the total number of lessees in New York, the potential demand for leasing could be more than 100,000 acres.

The land being sought for leasing need not be at the edge of metropolitan areas. The excellent road systems in New York and most other Northeastern States put virtually every major metropolitan center within a 2-hour drive of rural lands that might be leased for recreational purposes. These same roads put almost every landowner within easy reach of potential users.

Several other lessees indicated that they would like to lease additional land, but did not specify how many acres.

Increased overcrowding on public recreation areas in New York State will probably cause more individuals and organizations such as those represented in this survey to seek land for their own private recreation use. But the price of real estate and high interest rates today prohibit purchase of needed resources. At the same time, landowners are feeling the pinch of increased taxes.

Land leasing would appear to be a possible alternative for recreationists and rural landowners to consider. Leasing can provide recreationists with private recreation facilities, while at the same time it can compensate landowners to help cover the costs of taxes and needed conservation improvements on their lands.

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