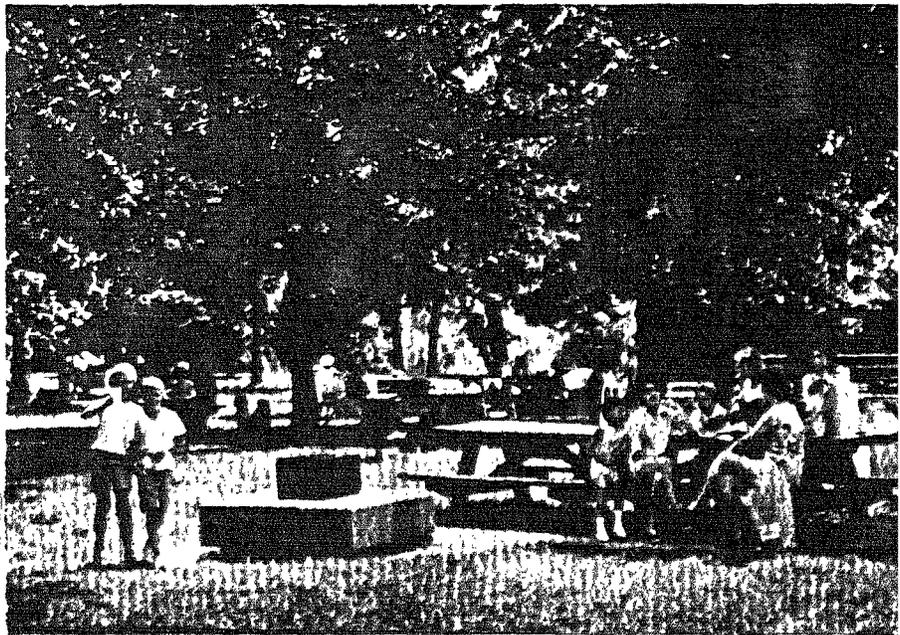


# LAND LEASING

An aid to developing outdoor  
recreation enterprises in  
Indiana, Kentucky, and Ohio

by James C. Whittaker



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## GETTING AROUND THE BARRIER

**O**NE BIG barrier to the development of private outdoor recreation facilities has been the capital investment needed for land. One way to get around this barrier is by leasing the land.

As part of its research efforts to help private woodland owners benefit from the recreation potential on their land, the U. S. Forest Service has made a study of land leasing for recreational purposes in Indiana, Kentucky, and Ohio. The results indicate that leasing has worked out well for most of those who have tried it.

The study was based on a questionnaire survey of 56 individuals and private organizations that lease privately owned land for outdoor recreation. Of the 56, 43 responded. The list of lessees was compiled in cooperation with the Soil Conservation Service.

## RESULTS

### Lessee Characteristics

The 43 lessees were grouped into five classes. Eleven were *hunting-shooting organizations*; they leased land for hunting and target shooting. Nine were *fishing-boating organizations*; they needed land to have access to lakes, ponds, and rivers. Eight were *group-family outing organizations*; they leased land for a variety of outdoor activities. Seven were *outdoor-sport organizations*; they wanted land for a single sport such as archery or golf. The other eight were *individuals or partnerships*; they leased land for a particular exclusive use or to provide recreation for others.

The 35 organizations reported 14,526 members, 84 percent of whom were members of the group-family outing organizations; 8 percent members of fishing-boating organizations; 5 percent hunting-shooting organizations; and 3 percent outdoor-sport organizations. The number of members in the various organizations ranged from 6 to 175 for hunting-fishing, 20 to 400 for fishing-boating, 50 to 4,200 for group-family outing, and 25 to 100 for outdoor-sport groups.

### Area Owned or Leased, and Length of Lease

All together, the 43 lessees owned 1,617 acres and leased 16,972 acres of land, lakes, and ponds throughout the three States. Those from Ohio accounted for 61.6 percent of the leased acreage, those from Kentucky 25.4 percent, and those from Indiana 13.0 percent. Throughout the three States, more than half the leased acreage was forest-covered, over one-third was open land, and most of the rest was ponds or lakes (table 1).

The hunting-shooting organizations leased 35 to 5,000 acres (median 400). The fishing-boating organizations leased 2 to 960 acres (median 23). Group-family outing organizations leased 2

**Table 1. — Leased area: percentage of acreage, by type of resource and location**

Resource	Indiana	Kentucky	Ohio	All
Ponds or lakes	9.2	3.5	10.0	8.3
Forest-covered	46.4	55.6	55.9	54.6
Open land	44.4	40.9	29.1	34.1
Other <sup>1</sup>	—	(*)	5.0	3.0
Total	100	100	100	100

\* Less than 0.1 percent.

<sup>1</sup> Brush-covered and swampy land.

to 3,000 acres (median 23). The outdoor-sport organizations leased 10 to 150 acres (median 50). And individuals and partnerships leased 20 to 300 acres (median 36).

More than half the acreage leased by hunting-shooting and boating-fishing organizations was forest-covered. Open land generally comprised most of acreage leased by other organizations, although a nearly equal amount of ponds and lakes was leased by group-family outing organizations. As would be expected, ponds and lakes accounted for the second greatest part of the acreage leased by fishing-boating organizations.

The length of lease varied from 1 to 99 years for all acreage, the median period being 5 years. A lease length of 1 year was most frequently reported. Median length lease values varied from state to state and between specific land resources within states (table 2).

**Table 2. — Typical length of lease found**  
(Median number of years)

Resource	Indiana	Kentucky	Ohio	All
Ponds or lakes	6.5	1.5	14.5	6.5
Forest-covered	7.5	3.0	5.5	5.0
Open land	7.5	5.0	10.0	5.0
Others	—	1.0	1.0	1.0
All resources	7.5	2.0	9.0	5.0

Lease length varied with type of organization. Hunting-shooting organizations leased resources from 1 to 20 years, 1 year being the median period. Fishing-boating organizations, on the other hand, leased resources from 1 to 99 years, with a median of 6.5 years. Length of lease varied from 1 to 99 years for group-family outing organizations, 1 to 10 years for outdoor-sport organizations, and 1 to 15 years for individual or partnership leases; all had a median period of 5 years.

Ten lessees reported that they had leased non-water resources to have access to a body of water. Only 4 of the 10 were classed as fishing-boating organizations. Eight of the 10 reported that they gained access to 400 to 3,000 feet of shoreline by such leases. A comparison of lease rates being paid by these 10 lessees with those being paid by all others indicated that they paid somewhat less per acre for forest-covered land and open land.

#### Rental Rates Paid

Lessees paid an average of \$1.80 per acre for the resources they leased throughout the three States (table 3). Ponds and lakes were leased for the highest average rate (\$4.87) and forest-covered land for the lowest (\$0.51). There were some important differences between States.

Outdoor-sport organizations paid the highest average rates (\$21.78 per acre), fishing-boating and group-family outing organizations the second highest (\$2.38 per acre), individual or partnership lessees the third highest (\$1.69 per acre), and hunting-shooting organizations the least (\$0.53 per acre).

Table 3. — Average lease rate paid by all lessees for each type of resource in each State, weighted by acres leased

*(Dollars per acre annually)*

Resource	Indiana	Kentucky	Ohio	All
Ponds or lakes	3.92	13.17	3.84	4.87
Forest-covered	.32	1.23	.52	.51
Open land	.83	10.00	1.21	2.85
Other	—	25.00	2.93	3.02
Average: all resources	0.88	8.97	1.18	1.80

Structures such as buildings, boat docks, and storage barns were included in slightly more than one-fifth of the leases reported. Their influence upon the lease rates being paid was generally negligible. Where some portion of the lease rate was attributed to structures, however, the figure used to derive an average rate for the resources involved was appropriately reduced.

**How Lease Rates Were Determined**

Over half the lessees indicated that the lease rate being paid was determined by the landowner asking what they deemed a reasonable rent (table 4). More than one-third indicated a reason other than one of the four choices on the questionnaire. Being able to lease for a non-monetary compensation or for a strictly nominal fee were among the other reasons most frequently given. It is interesting to note that outdoor-sport organizations, who

Table 4. — How lease rates were determined; number of each kind of lessee and reason for the rate

Reason	Kind of respondent					
	Hunting-shooting	Fishing-boating	Group-family outing	Outdoor-sport	Individual or partnership	All respondents
A rate being paid by other persons or organizations for such use.	1	0	1	0	0	2
An amount equal to what the landowner could earn in some other use.	0	0	0	1	0	1
An amount derived by considering expected income and costs.	0	1	1	1	0	3
Landowner asked what seemed reasonable.	5	6	3	1	6	21
Other reasons: provided by member, provided for non-monetary remuneration, suggested by lessee, etc.	4	2	2	4	2	14
Total	10	9	7	7	8	41

paid the highest average rates, considered reasonable requests by the landowner less important than other lessees.

#### Reasons for Leasing

Besides asking how lease rates were determined, we asked lessees why they leased the resources they controlled. The pattern of responses to this question was much the same as that for the question about lease rates. Nearly half the lessees gave two reasons for leasing the resources presently controlled: a favorable location and a reasonable rate (fig. 1). Two other similar reasons were frequently chosen: already having adjacent land and being near a good road. Hence location characteristics influence individuals and organizations seeking land to lease for outdoor recreation.

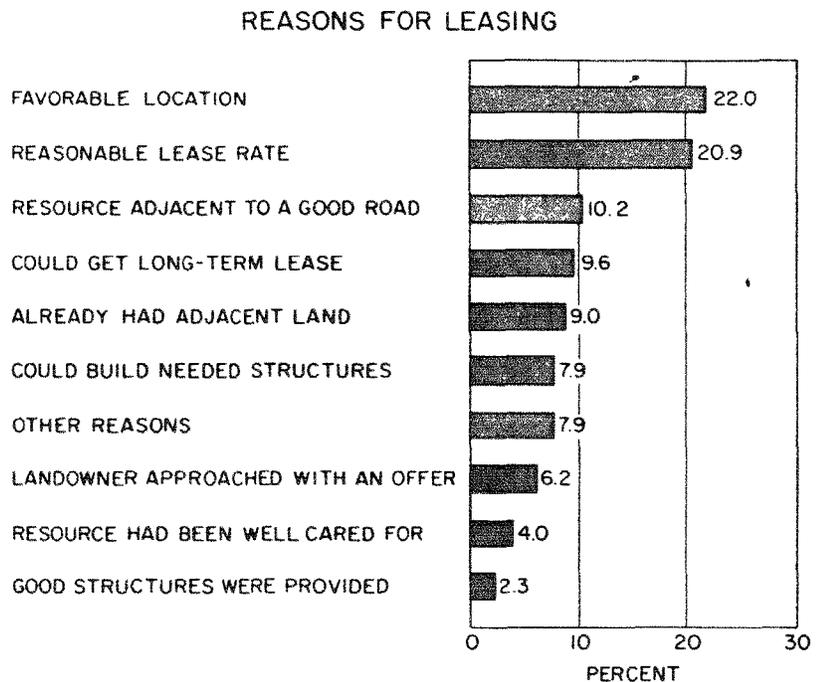


Figure 1. — Reasons for leasing land, by percentage. Lessees were encouraged to indicate more than one reason, and all 43 lessees made a total of 177 indications. The percentages were based on the total reasons that each category received.

Table 5. — Necessity of leased resources: number of times each kind of lessee indicated each necessity category<sup>1</sup>

	Absolutely unnecessary	Desirable but unnecessary	Generally necessary	Absolutely necessary
Hunting-shooting	3	2	7	8
Fishing-boating	0	4	4	4
Group-family outing	0	0	2	7
Outdoor-sport	0	2	2	5
Individual or partnership	0	1	9	3
All lessees	3	9	24	27

<sup>1</sup> Since each lessee could indicate a necessity category for each type of resource being leased, a total of 63 indications were made by the 43 respondents.

### Relative Importance of Resources

Most lessees indicated that the resources they leased were necessary to meet their members' or users' needs (table 5). Overall, fewer than 5 percent indicated that any of the resources being leased was absolutely unnecessary for members' or users' satisfaction. Fishing-boating organizations reported that they had to lease land resources they really did not need more often than any of the other classes of respondents. However, hunting-shooting and outdoor-sport organizations ranked a close second and third, the former being the only group to indicate that any leased resources were absolutely unnecessary for members' satisfaction.

### Use of Leased Resources

Of the 43 lessees, 29 reported 110,335 user-days<sup>1</sup> for all activities on land owned and leased in 1965. Boating, fishing, swimming, and water-skiing accounted for well over half the user-days reported (fig. 2). Camping, fishing, hunting, picknicking, and swimming were available at one or more of the sites leased by all but the outdoor-sport organizations (fig. 3 and fig. 4).<sup>2</sup> Not every lessee made all five activities available, but taken all together, at least one in each category except the outdoor-sport group provided all five of them.

<sup>1</sup> As used here, 1 user-day equals 1 person using 1 facility part of or an entire day.

An indication of how much the four kinds of organizations used their leased resources was obtained by calculating user-days per member during 1965 (based on responses from 25 organizations). Fishing-boating organizations averaged 59 user-days per member in 1965, 7 groups reporting. Hunting-shooting organizations ranked next with about 10 user-days per member, 7 groups reporting. Third were the outdoor-sport organizations

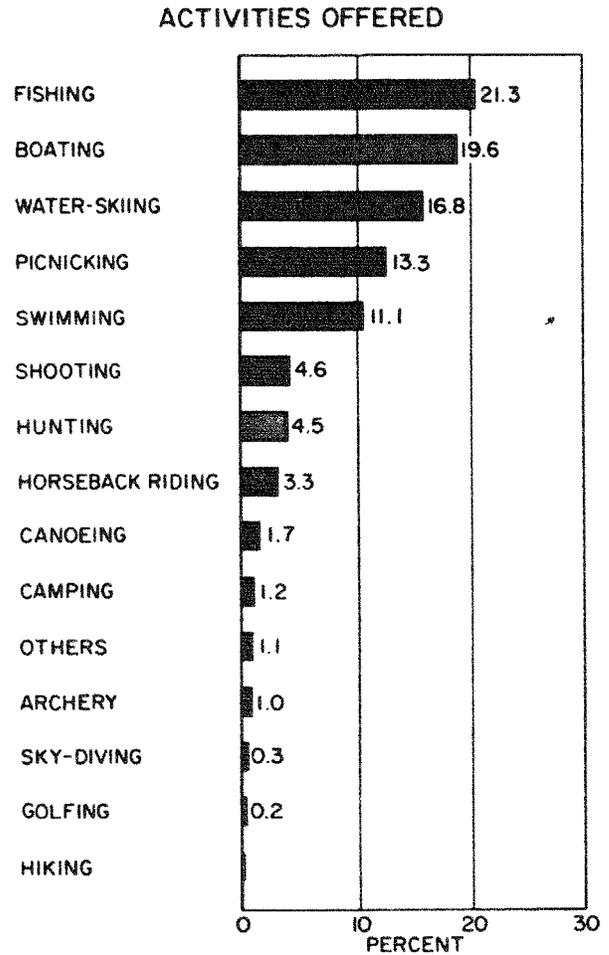


Figure 2. — Percentage of user-days in each category of activities, based on a total of 110,335 user-days reported by 29 lessees.

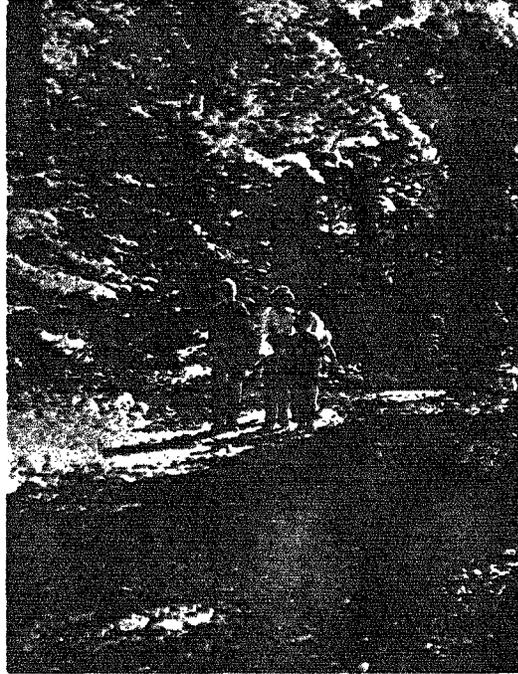
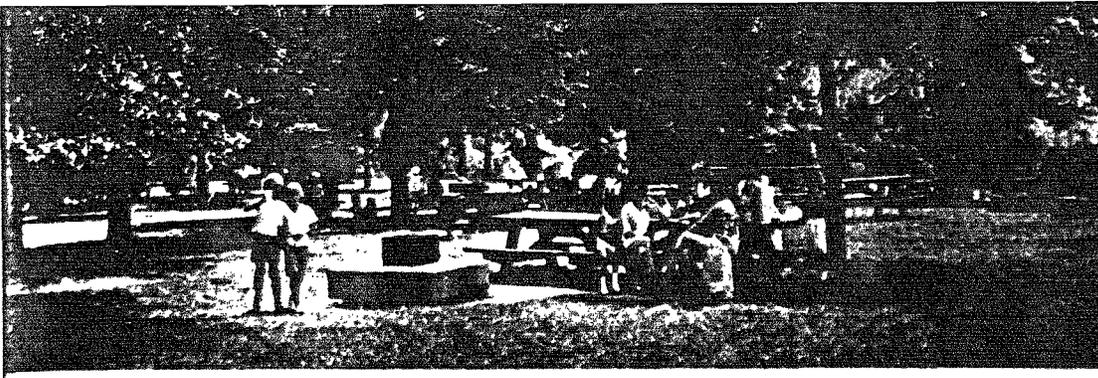


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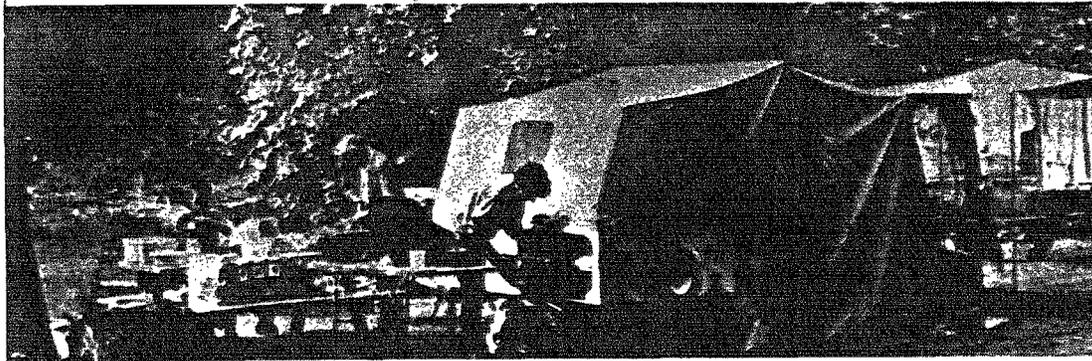


Figure 3. — Leased lands are used for a wide variety of outdoor recreation activities.

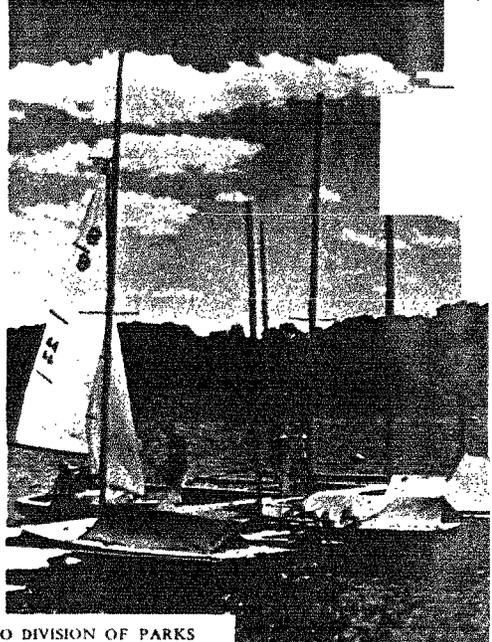
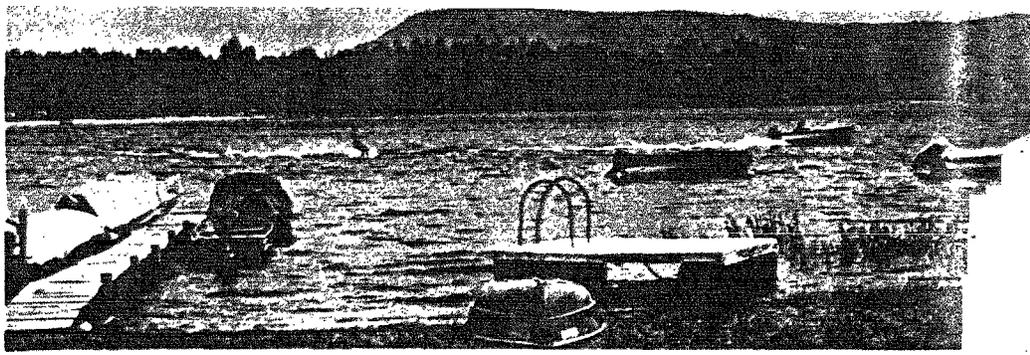


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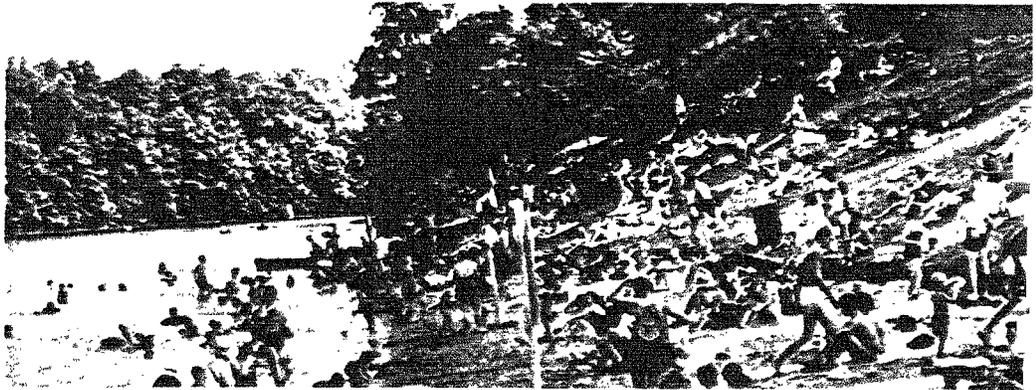


Figure 4. — Water-oriented activities are very popular on many leased areas.

with 5½ user-days per member, 5 groups reporting. Though largest in number of members, group-family outing organizations ranked last with slightly over 2 user-days per member, 6 groups reporting.

Twelve additional lessees reported activities available to members or users, but did not estimate user-days for 1965. When their information was combined with that of the 29 who estimated user-days, another indication of the popularity of certain activities was possible: percent of all lessees making each activity available (fig. 5).

This tells us more about planned or potential use of leased resources than the user-days summary. It indicates that activities

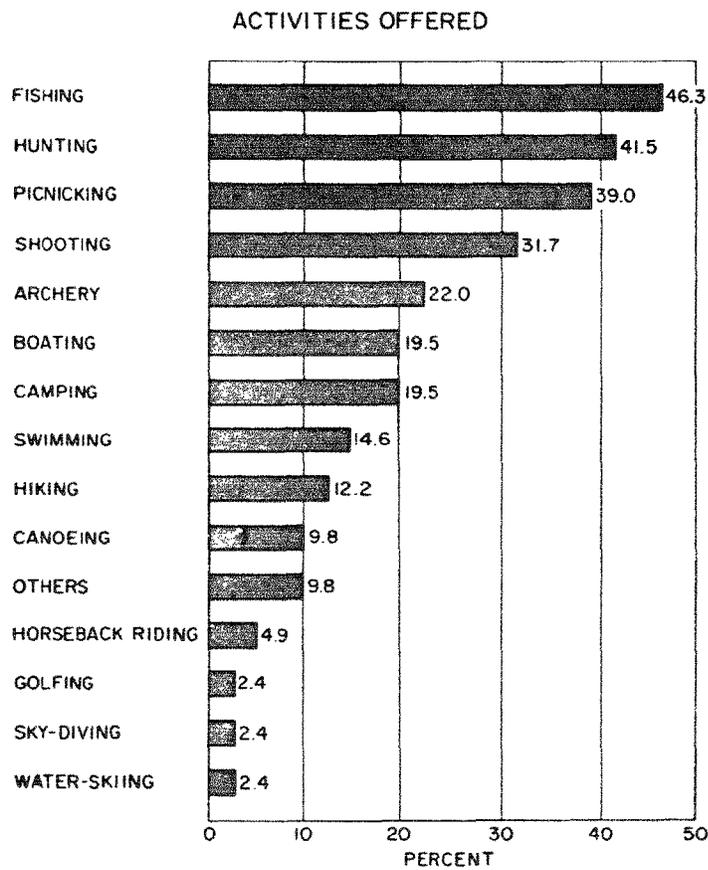


Figure 5.—Percentage of activities offered, based on responses from 41 lessees.

such as archery, camping, canoeing, hunting, and shooting account for a greater share of those made available than they do of the user-days estimated for 1965. Conversely, it is apparent that activities such as boating, fishing, swimming, and water skiing account for a lesser share of activities available than they do of estimated user-days. The importance of this is that even though an available activity may realize few user-days annually, it must often be made available. Perhaps this emphasizes the fact that user minorities are just as important in outdoor recreation as user majorities.

#### **Future Requirements**

Ten lessees indicated that they would like to lease more land in the future; only eight indicated how much. The amounts these reported varied from 5 to 3,000 acres, with a median of 25 acres. The minimum acceptable acreage varied from 1 to 1,000, with a median of 10 acres. Length of lease preferred varied from 1 to 99 years, with 5 as a median. Forest-covered land made up 88.9 percent of the acreage wanted by the eight respondents, ponds or lakes 2.4 percent, and open land 8.7 percent.

## **CONCLUSIONS**

Almost any kind of land, lake, or pond can be leased by individuals seeking space for outdoor recreation. Factors of location and the extent to which rental rates are reasonable are among the more important considerations.

Hunting and fishing are two significant uses of leased land in the three States. Together, they accounted for just over 25 percent of the total user-days on leased lands each year. Organizations that were oriented around hunting and fishing as major activities accounted for almost 65 percent of the total acreage leased; annually these organizations paid nearly 30 percent of the aggregate annual lease rental to private landowners in the three States.

Study respondents did not appear to want much more land. However, there no doubt are many other individuals and organizations that could use leased lands if they knew where to find them. The information summarized in this report may help them obtain what they want.