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For Some Americans, Buying Land Is Like Collecting Art and Autos

By **Thaddeus Herrick**

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In 2001, Kentucky native Brad Kelley sold his cigarette manufacturing company Commonwealth Brands Inc. for some \$1 billion and promptly went on a shopping spree. He didn't go to Rodeo Drive or Fifth Avenue -- he set his sights on the range.

Mr. Kelley bought hundreds of thousands of acres of West Texas ranchland. In Florida, he snapped up some 60,000 acres near Sarasota, where he breeds animals such as antelope and anoa, a miniature water buffalo native to Indonesia. Today he is the seventh-largest landowner in the U.S., according to the debut issue of The Land Report, a publication that bills itself as the magazine of the American landowner.

The rich are accumulating open spaces across the U.S. much as they have with vacation homes, automobiles and paintings in the past. As urban areas have grown, some well-off city dwellers have purchased spreads in remote places, thousands of miles from the typical playgrounds of the wealthy.

"It's like rare art," says Jim Taylor, president of Hall & Hall, a Billings, Mont., real-estate firm, that has worked with CNN founder Ted Turner, among other land buyers.

In West Texas, for example, Amazon.com Inc. founder Jeff Bezos has acquired several ranches in recent years totaling about 300,000 acres, making him No. 23 on The Land Report's list of the nation's top 100 landowners (Mr. Bezos declined comment for this story).

The push to amass acreage among the rich is part of a broader boom in which Americans outside the agricultural sector have been pouring money into land, pushing up prices. Farm real estate rose 15% in 2006 from 2005 to \$1,900 per acre, according to the U.S. Department of Agriculture.

The wealth accumulated in the last decade by aging baby boomers has left them looking for places to put their money.

At the same time, in the agricultural stretches of America, the population is aging and the economy is in many cases unable to sustain ranches and farms.

A study published in the journal Society and Natural Resources said between 1990 and 2001 only about a quarter of those who bought parcels of 400 acres or larger in 10 Montana and Wyoming counties were traditional ranchers.

More recently, real-estate brokers say, buyers have been scouring the Great Plains for spreads that offer hunting and fishing, wooed by brokerage outfits spearheaded by retailers such as Orvis Co. and Cabela's Inc.

While the typical land buyer these days is looking for a remote piece of wilderness or ranchland for outdoor sporting activities, or simply to admire the beauty of the landscape, the top landowners tend to be driven by more varied interests.

Mr. Bezos, for example, used his parched land in the far reaches of West Texas last year to test a developmental vehicle for his space-flight company, Blue Origin LLC, while Roxanne Quimby, co-founder of cosmetics and candle company Burt's Bees, has acquired acreage in the northwoods of Maine for conservation.

To be sure, the nation's rich have long owned large tracts of land. But population growth and urban development have made far-flung property more desirable, while advances in transportation and communication have made it more accessible. That, combined with the sort of wealth made by Mr. Bezos of Amazon.com (\$4.3 billion, according to Forbes Magazine's 2006 estimate) and the woes of the agricultural economy, has sustained the land boom for the very wealthy.

The owners of the Dallas-based Land Report LLC, publisher of the magazine, believe the phenomenon merits monthly coverage. With a circulation of 40,000, The Land Report is distributed free to 30,000 of the nation's largest landowners and to some 10,000 industry professionals, such as real-estate brokers.

"There is an enormous niche that was completely underserved," says Eric O'Keefe, the magazine's editor.

But the concentration of land in the hands of a privileged few could yield a backlash. Ms. Quimby, who sold Burt's Bees in 2002 to private equity firm AEA Investors LLC for \$177 million (she retained 20% ownership in the company), wants to assemble about 100,000 acres to help realize a decade-old dream among Maine conservationists to create a national park. She says she has

amassed 80,000 acres so far.

But some locals in the town of Millinocket were outraged when Ms. Quimby proclaimed that her land would be off-limits to logging, hunting and motorized vehicles, including snowmobiles. Now they sport "Ban Roxanne" T-shirts.

"Our way of life is being threatened," says Jimmy Busque, a member of the Millinocket town council and a steam plant operator at the local paper mill.

No. 100 on The Land Report list, Ms. Quimby agreed to allow a year of hunting and motorized access on her latest purchase, the 25,000-acre Sand Stream Sanctuary, which came last September. But she is unapologetic about her plans for her newly acquired property, much of which she has purchased from logging companies. "I don't have to argue the environmental merits of anything," says Ms. Quimby. "I own it."

The nation's largest private landowner is Ted Turner, whose portfolio includes 15 ranches in seven Western states and a total of about two million acres. Long intrigued by bison and how close the animal came to extinction, Mr. Turner acquired his land over the past 30 years in large part to raise livestock. Today his herd of about 45,000 bison allows most of his ranches to pay for themselves in part through sales of steaks and burgers around the country and Mr. Turner's restaurant chain, Ted's Montana Grill.

Mr. Turner's latest acquisition came in 2005 in Nebraska, where he bought almost 65,000 acres for about \$19 million. Russ Miller, general manager of Turner Enterprises Inc., which manages Mr. Turner's land, says the profound economic and demographic change under way in the Great Plains have enabled Mr. Turner to assemble such a large swath.

Why so much? "It's the only thing that lasts," says Mr. Miller. It's a declaration Mr. Turner has made in the past, echoing the famous line from "Gone With the Wind."

Mr. Kelley, who was raised on a farm, says he amassed about half of his landholdings before selling his cigarette manufacturing company. (The Land Report says he has 789,851 acres, but he puts the total at about 1.2 million acres.) Since 2001 he has redoubled his efforts to build a ranching empire, acquiring cattle operations across the country and breeding hoofstock in conjunction with zoos.

One place of particular interest for Mr. Kelley has been the Big Bend region of Texas, a vast expanse in the state's western corner. In Brewster County, the size of Rhode Island and Connecticut combined, Mr. Kelley owns a total of 429,366 acres, according to the county appraisal office.

"I have an appreciation for land," says Mr. Kelley. "That's sort of where my heart's at."

But Mr. Kelley dismisses the notion that he is a land collector, albeit No. 7 on the list of the nation's top 100. "It's not a hobby," he says. "If you're a hedge fund you buy stocks. If you're a rancher, you buy land."

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