

REAL ESTATE

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Big Deal

By JULIE SATOW

Most New Yorkers would barely know what to do with 1,000 square feet of space, let alone 1,000 acres. But what's to stop us from trying to figure it out.

Buying a ranch is the stuff of childhood cowboy fantasy — riding horseback past herds of bison or standing knee-deep in a rushing stream filled with trout.

And while foreign investors and tech billionaires drive the New York market, in places like [Colorado](#) and Montana, it is cattle shortages and the price of grain that hold sway.

If you are in the market for ranch land and the ultimate anti-Hamptons getaway, there are three types of purchases you can make: farmland, where crops are plowed to yield a harvest; working ranches with large cattle herds that convert grass into beef; and recreational ranches, also called executive ranches or retreats, according to James H. Taylor, who is a principal of Hall and Hall, a real estate company based in Billings, Mont., that specializes in the sale, management and financing of rural property.

Eric O'Keefe, the editor of *The Land Report*, a quarterly magazine based in Dallas, said: "Recreational ranches don't have any income streams associated with them. Think of it like buying a Chateau Margaux or a Picasso, just something to enjoy."



The main house on Chimney Rock Farm on the Kentucky-Tennessee border. The 1,000-acre property is on the market for \$3.9 million. Shawn Poynter for The New York Times



[Chimney Rock Farm](#) includes a historic log cabin that is thought to be the oldest continually occupied log cabin in Kentucky. Shawn Poynter for The New York Times

Prices for recreational ranches soared during the last real estate cycle, but plummeted when the recession hit. So a few million dollars now can buy you acres and acres with panoramic views. Take [Chimney Rock Farm](#) on the Tennessee-Kentucky border. The 1,000-acre property includes a historic log cabin that is thought to be the oldest continually occupied log cabin in Kentucky, and was once occupied by President Harry S. Truman's grandparents.

"When he was a child, President Truman would spend the summers with his grandparents at the cabin," said Earl Tally, Chimney Rock Farm's owner. And at \$3.9 million, it's a relative bargain.

If you want to spend a bit more, \$24.25 million can buy you [Elk River Ranch](#), an 800-acre property in Colorado that overlooks the Rocky Mountains and is close to big-game hunting, fly-fishing and skiing at Steamboat Resort a few miles down the road. It is owned by John Q. Adams Sr., the man responsible for bringing the cold medication Mucinex to market.

While they may be beautiful, these recreational ranches have failed to return the same level of investment as farmland and working ranches in recent years. Farms have benefited from several years of skyrocketing prices for corn and wheat, although prices for these commodities have dropped over the last year.

The prices of working cattle ranches, meanwhile, have also gone up because of several droughts that have caused a nationwide beef cattle shortage.

"The U.S. cow herd is at a historic low right now, the last time it was at this level was 1952," Mr. Taylor said. "When coupled with the increased demand by growing worldwide populations for high quality protein, such as beef, it has caused the price of beef, and therefore, the demand for ranch land, to go through the ceiling."

Prices for recreational ranches, on the other hand, have fallen 35 percent to 50 percent since the market peak, Mr. Taylor said, and there are now several properties available at steep discounts.



The 800-acre Elk River Ranch in Colorado overlooks the Rocky Mountains and is close to big-game hunting, fly-fishing and skiing.

Morgan Rachel Levy for The New York Times

The [Crazy French Ranch](#) (owned by, you guessed it, a French couple), recently slashed its asking price by nearly 25 percent to \$59 million. The ranch is 62 square miles, or nearly triple the size of [Manhattan](#), and offers 4,000 feet of elevation change.

“There are a whole bunch of different biospheres, from meadow planes to juniper trees and forests,” said Henry S. Field, the broker who is representing the property. “It is a wild place. On my first trip up there I saw four bears, and I wasn’t even looking for them.”

The singer Carole King put her ranch in Stanley, Idaho, near Sun Valley on the market back in 2007 for \$19 million. The 128-acre [Robinson Bar Ranch](#), which Ms. King has owned for more than three decades, is now priced at \$9.9 million. Adjacent to the Salmon River, it includes a 7,000-square-foot lodge, guest cabins, and of course, a professional recording studio.

While the market for these ranches remains soft, there are compelling reasons to buy them, including the possibility of creating conservation easements. In these instances, a ranch owner sells or donates the development rights on the property to a land trust in exchange for a tax deduction.

“One of the most notable trends we’ve been following is the increasing appeal of conservation properties to high-net-worth individuals,” Mr. O’Keefe said.

The tax benefits are the main draw, he said, but many are also compelled by “the social component to preserving open spaces.”

Consider Louis Bacon of Moore Capital, a New York City hedge fund honcho who broke a record in 2007 when he paid \$175 million for a ranch in Colorado owned by the Forbes family. In 2012, Mr. Bacon placed 167,000 acres of the 171,400-acre [Trinchera Blanca Ranch](#) into a conservation easement with the [United States Fish and Wildlife Service](#). It was the largest single conservation easement in the agency’s history, and the largest conservation easement in Colorado, Mr. O’Keefe said.



Elk River Ranch is on the market for \$24.25 million.
Morgan Rachel Levy for The New York Times

Buying large tracts also can provide an opportunity for the very wealthy to diversify their investments. In an economy where interest rates are low and bonds provide little return, parking cash in land can be a useful strategy.

“We are seeing more cash buyers in the market right now,” said Mike Swan of the Swan Land Company, a real estate brokerage firm.

“Because the stock market won’t stay where it is forever, people are pulling up their investments and putting the money into land where there is not the same amount of volatility.”

Mr. Swan is marketing [Forked Lightning Ranch](#) in [New Mexico](#), which belongs to the Oscar-winning actress Jane Fonda, for \$19.5 million. Ms. Fonda is also selling separately her personal collection of antiques, artwork and even her literary collection.

Speaking of Ms. Fonda, no column on ranches would be complete without mentioning her ex-husband, Ted Turner, the country’s second-largest landholder with two million acres. (The media mogul John C. Malone surpassed him in 2011 when he bought one million acres of timberland in Maine, putting his total acreage at 2.2 million, according to the Land Report.)

“Ted Turner was the first to spend a significant amount of money for a ranch — the first big ranch he bought was for \$21 million,” said Mr. Taylor, who worked with Mr. Turner on many of his ranch purchases, including his first in 1987. “Before that, a \$6 million sale was considered a large transaction.”

While owning thousands of acres out West may be a dream-come-true, there are a number of complications to consider, such as ancillary costs. If you have a large ranch of a few hundred thousand acres, for example, you’ll need to hire a ranch manager to help you run the property, with a base salary of up to \$250,000 a year, according to Mr. Taylor.

And pay attention to things like water rights, mineral rights, deed encumbrances, county zoning, soil profiles and property access, Mr. Swan added.

“After the recent recession,” he said, “buyers have become more cautious and are doing extensive research on properties before they engage.”

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