

# Who Owns the Rural Land in Oregon?

- In the Valley region, a greater percent of nonresident owners hold cropland (32 percent) than do resident owners (22 percent).
- Residents are more likely to have a building site on their land (65 percent of the owners) compared to nonresidents (47 percent of the owners).

## CONCERN:

“Special use assessment is a tax break going to landowners, particularly nonresident landowners.”

## FACTS:

- The majority of rural landowners (65 percent) do not receive special use assessment.
- Forty percent of the resident landowners and 25 percent of the nonresident owners receive special use assessment.
- Among residents, owners participate in the program to a greater extent in the Northcentral, Southcentral, and Eastern regions.
- Among nonresidents, more owners participate in the Valley and Northcentral regions.

## CONCERN:

“Special use assessment is necessary to keep land in farm or forest use.”

## FACTS:

- Of the landowners receiving special use assessment, 59 percent indicated that it would not have been necessary to take their land out of its farm or forest use if they did not receive special use assessment.
- Fifteen percent of the owners said it would have been necessary for them to change the use of their land.
- About one-fourth of the owners indicated that they would have sold their land if they did not receive special use assessment.

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There is growing concern about land use, rights of landowners, and ownership characteristics. Statewide land use legislation, and interest in income distribution and equity, foreign ownership, and absentee landlords exemplify these concerns.

A recent study conducted at Oregon State University<sup>1</sup> addresses concerns about land use and landownership in Oregon. The study deals only with privately owned rural lands. To reflect the diversity in Oregon, the state was divided into six regions: 1. Coast (Clatsop, Columbia, Coos, Curry, Lincoln, Tillamook); 2. Valley (Benton, Clackamas, Lane, Linn, Marion, Multnomah, Polk, Washington, Yamhill); 3. Southwestern (Douglas, Jackson, Josephine); 4. Northcentral (Gilliam, Hood River, Morrow, Sherman, Umatilla, Wasco); 5. Southcentral (Crook, Deschutes, Grant, Harney, Jefferson, Klamath, Lake, Wheeler); and 6. Eastern (Baker, Malheur, Union, Wallowa).

<sup>1</sup>The study was funded by the Oregon Agricultural Experiment Station. A comprehensive report can be found in Shirack, R. and L. M. Eisgruber, *Landowners and Landownership in Oregon*, OAES Station Bulletin No. 638, Oregon State University, June 1979. The sampling scheme and data base are fully discussed in this report.



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This publication states some common concerns regarding landowners and land use and follows with a concise summary of results from the study.

**CONCERN:**

“Most of the land is owned by people who do not live on it or anywhere near it.”

**FACTS:**

- For the state as a whole, two-thirds of the landowners are residents (in the county in which their landholdings are located) and they own 55 percent of the land.
- About half of the nonresidents (or 18 percent of all landowners) are residents of another state and own one-third of the land.
- Less than 1 percent of land was found to be held by owners living outside the United States. Most of these are U.S. citizens living abroad.
- The percent of land owned by residents is highest in the Eastern region (87 percent) and lowest in the Coast region (28 percent). However, the percent of resident owners is highest in the Valley (83 percent) and lowest in the Southcentral region (41 percent).

**CONCERN:**

“A few individuals own most of the land.”

**FACTS:**

- Three percent of the owners hold 77 percent of the land in holdings of over 5,000 acres. Conversely, about 55 percent of all landowners own tracts of 25 acres or less, which represent less than 1 percent of the land.
- There are regional differences in the size of holdings distribution. In the Coast, Valley, and Southwestern regions, two-thirds to three-fourths of the owners own 25 acres or less, whereas less than half of the owners own 25 acres or less in the other regions.

**CONCERN:**

“Most landowners are not farmers.”\*

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\* Information on farmers may be underestimated, while information on nonfamily corporations may be overestimated, because of bias in the survey response.

**FACTS:**

- Farmers represent 14 percent of the landowners and own 29 percent of the land.
- Nonfamily corporations, with timber or agricultural interests, represent 4 percent of the landowners and own 51 percent of the land.
- All other occupations represent 56 percent of the landowners who own 10 percent of the land.
- Retirees represent 23 percent of the landowners and own 10 percent of the land.
- Resident landowners are more likely than nonresident landowners to be farmers. Nearly 20 percent of the residents are farmers who hold more than 60 percent of the resident-owned land. Five percent of the nonresidents are farmers who hold 3 percent of the nonresident-owned land.
- The largest landowners among nonresidents are nonfamily corporations who hold 90 percent of the nonresident-owned land.

**CONCERN:**

“Only the rich can afford to own land.”

**FACTS:**

- Two-thirds of the Oregon landowners surveyed had annual, before-tax incomes of less than \$20,000. However, they owned only 40 percent of the land. Eight percent of the landowners had incomes of \$50,000 or more and owned 38 percent of the land.
- A greater percentage of nonresidents (42 percent) than residents (28 percent) are found in the highest income classes.
- Sixty percent of the landowners have a net worth of less than \$200,000 and these landowners hold 32 percent of the land.
- A higher proportion of owners are at the lower net worth levels (less than \$50,000) in the Coast, Valley, and Southwestern regions than are owners in other regions.

**CONCERN:**

“The only way to landownership is through inheritance.”

**FACTS:**

- The dominant means of land acquisition is purchase, with 86 percent of the owners in the survey acquiring their land in this way. Only 7 percent indicated land acquisition through inheritance.

**CONCERN:**

“Young people do not own land.”

**FACTS:**

- For Oregon as a whole, the largest percent of rural landowners is in the 55-64 age group. Twenty-seven percent of the owners fall into this age category and hold 43 percent of the land. In contrast, 28 percent of the owners are less than 45 years of age, but own only about 12 percent of the land.

**CONCERN:**

“Most landowners hold land for speculation.”

**FACTS:**

- The majority of the landowners (54 percent) do not expect any development in the area of their landholdings.
- In the Southwestern region, owners are more likely to expect development in the next five years than in other regions.
- The majority of landowners (71 percent) have no plans to sell.
- Resident landowners are more likely to have no plans to sell their land compared to nonresidents (73 percent compared to 66 percent). Nonresidents are more likely to plan to sell their land in the next five years (24 percent compared to 15 percent).

**CONCERN:**

“Most nonresident landowners hold land for nonagricultural purposes.”

**FACTS:**

- Twenty-three percent of nonresident landowners have their land in crop and pasture. By comparison, 51 percent of resident land-owners have their land in crop and pasture. About half of these owners have their land in irrigated crop and pasture.