

Selling Houses By the Yard

June Fletcher

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Selling Houses by the Yard
Worried Owners Hope
Landscaping Adds Value;
Trucking In Mature Oaks
By JUNE FLETCHER
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Most homeowners know that replacing the roof or upgrading siding can enhance a house's curb appeal and boost its sales price. Now, as the housing market continues to weaken, some people are considering what the payback will be if they invest in things that appraisers routinely overlook: flowers, shrubs and trees.

Real-estate agents say a nicely landscaped property can have a pronounced effect on the asking price of a home, depending on the region and the condition of the neighbors' yards. Doreen Drew recently sold a house in Anthem, Ariz., that had sculpted hedges, a lush lawn and a backyard waterfall for \$1.1 million, nearly twice the asking price of a similar home nearby with a plainer yard. Bill Good, a broker in Colorado Springs, Colo., says he just sold a house with newly planted mature bushes and fresh sod in the front yard for \$1.225 million; previously it had languished on the market for more than a year at \$1.175 million. In Palm Beach County, Fla., homes with colorful flowers and tall palms typically sell for 10% to 15% more than those without these features, according to agent Nancy Macaluso. That's why she'll often lug huge potted plants to the homes of clients whose greenery needs a boost. "It makes a difference," she says.

Kathleen Wolf, a researcher at the University of Washington in Seattle, recently reviewed several regional studies that used appraisals or sales data to analyze the impact of trees on single-family home prices. She found that, overall, a lot with trees adds about 7% to a home's price. Nearly 20% of buyers say they consider landscaping to be a "very important" factor in their decision to buy a house, according to a new study by the National Association of Realtors.

No Unanimity

Still, it isn't easy to establish the worth of a living thing. And home appraisers generally don't take green amenities into account. Ronald Napier, a Stickney, Ill., appraiser, says there's nothing on his assessment forms that addresses landscaping, and he rarely even mentions it in his comments unless a yard is completely torn up or plantings are unusually extensive. Elizabeth Sawyer, assessor for the town of South Portland, Maine, says her office never figures in landscaping when it values properties for tax purposes: "The worth may be impossible to prove."

Tom Barnhart, director of appraisals for Palm Beach County, Fla., uses a mass appraisal system to keep tabs on the more than 248,000 single-family properties in his area. His office assigns a certain dollar amount to the value of landscaping in individual neighborhoods -- there are 650 in his county -- and then applies that number to each house within the neighborhood. That means that homes

whose owners have spent thousands on their landscaping are judged exactly the same as those with withering trees and skimpy shrubs. "We're using a broad brush here," Mr. Barnhart says.

Homeowners who need a professional opinion for insurance or tax purposes typically turn to an arborist or other landscape expert, as do insurance companies investigating claims. But even here, not all specialists are uniformly trained. And there's no unanimity of opinion or law as to how to judge the value of a plant. Some people use size, trunk diameter and condition to determine the value of a planting, while others figure the cost to replace it with the same or similar nursery specimen. Although a guide for appraising plants has been established by the Council of Tree and Landscape Appraisers, a consortium of industry groups, "there are no official standards that are published as such," says Russell Carlson, an arborist in Bear, Del.

Even professionals with years of field experience are sometimes confused, according to Logan Nelson, an arborist in Dane County, Wis. She says a fellow arborist once told her that he calculated the worth of a diseased ash tree by figuring what he would charge to treat it for five years and then remove it when it died (which he thought was likely) -- a method that isn't mentioned in the council's guidelines. Homeowners need to ask arborists what sort of experience they've had in appraising trees before hiring them, Ms. Nelson says.

Perplexing standards aren't the only problem. Three-year-old Horticultural Asset Management of Raleigh, N.C., also known as HMI (the company's motto is "Money Grows On Trees"), has found a niche assessing the worth of trees as they grow; it says sales have jumped 30% in the first six months of 2007 over the same period last year. For an average cost of \$500, their appraisal of a yard notes the condition of each plant and what it will be worth in five years. Among their customers: Dan Sharp, an information-technology executive in Stamford, Conn., who's shopping for insurance for the more than 100 trees and shrubs in his acre-and-a-half yard. He's worried by forecasted spikes in hurricanes and nor'easters, which could wipe out the leafy canopy of ornamental cherries, Japanese maples and other foliage that he's been nurturing for decades. "Right now, I'm unprotected," he says. HMI recently assessed the plantings at \$600,000.

Chris Pieper hired HMI to prepare a similar assessment, not for insurance purposes but as a marketing tool to highlight the \$100,000 of dogwoods, gardenias and other ornamentals that he recently planted in his two-acre yard in Cary, N.C.; the property is on the market for \$1.7 million. Mr. Pieper says he isn't a "plant person" -- he can't even identify most of the greenery in his own yard. Still, he felt mature trees and bushes would give his 10-year-old home a more "settled" look and an edge in a slow market. He says of potential buyers, "I think it will sway them."

Builders and developers are trying to sway buyers with beefed-up landscaping, too. Taylor Woodrow, the American division of Taylor Wimpey headquartered in Solihull, England, has raised its per-lot spending on landscaping in new subdivisions by 5% to 10% since 2005, according to Tom Spence, a vice president for land development for the company's Florida division. Mr. Spence says that he can't always build around existing trees -- in fact, in most of his projects he must remove all of them to satisfy building regulations. But whenever possible, he tries to move plantings to a nursery, keep them alive and then replant them once construction is complete.

Winthrop, a new 60-acre project in Riverview, is being built on what was once a cow pasture. Now it's being turned into an Old Florida-style landscape, complete with mature live oaks, pines and crape myrtles, plus a 30-acre wetland. (The community will eventually have 400 homes ranging from \$300,000 to \$500,000.)

Greening the site will add \$1 million to development costs, Mr. Spence says, but he estimates that each dollar spent on landscaping adds about five more to the price of the home. "People like a community to have an aged look," he says.

Tree Swipes House

Real "aged" landscaping has its drawbacks, however. A little over a year ago, Gina Congrave, a retired investment banker, bought a brand-new, \$2.13 million home in Westport, Conn., that was built on the site of a house that had been torn down. Although the builder had cleared most of the half-acre lot, he left six towering pine trees that helped the new home blend into the existing neighborhood. Ms. Congrave admired the trees for a few months -- until a windstorm blew down several huge branches and one of them "swiped" her house. An arborist told her that her big trees had been held up by smaller ones when the lot was heavily wooded; now they were unsupported, and more vulnerable during storms.

Afraid that the trees might topple onto and damage her roof, Ms. Congrave spent \$6,000 to have them removed. "That's a big chunk of change," she says. Since then, she's spent \$80,000 to bring in more manageable 15- to 20-foot-tall arborvitae, hollies, pears and dogwoods to restore her yard's established look. (She made sure to have them planted far away from the house.)

Poorly maintained lots can also be as big a turnoff to buyers as bare ones, says Joy Brillante, an Austin, Texas, real-estate agent, even reducing the perceived value of the property. And upkeep isn't the only issue. Ms. Brillante recently represented a buyer who paid \$249,000 for a home with a tangle of brush and trees. When the new owner trimmed them back, she discovered a lake view. If the seller had cleared out the yard, Ms. Brillante estimates that he might have gotten as much as \$10,000 more for the house. "Nobody knew the view was there," she says.

For some people, the value of trees can't be measured in dollars and cents. Tab Bottoms, a businessman, and his wife, Leigh Bielenberg, a designer, have spent a total of \$24,000 in legal fees and appraisal costs to protect a 200-year-old red oak, valued at \$25,000, that towers over their yard in Atlanta. They've spent three years in an ultimately futile legal battle to get a developer to re-site the house he plans to build on the lot next door, so that construction won't hurt the tree. So far, the builder's bulldozers haven't shown up, but if the tree does die, the couple plan to move. It's old trees, rather than architecture, that make a property distinctive, says Mr. Bottoms. "Money can't replace them."