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EFFECTS OF RELANDSCAPING ON THE PERCEIVED MARKET VALUE OF SINGLE FAMILY RESIDENTIAL PROPERTY

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Abstract. **Professional nurserymen selected four single-family residences in the greater Orlando area that needed relandscaping. Local landscape architects worked with resident owners of the four properties to develop designs that were adapted to each microenvironment and each homeowners' needs and preferences. Each homesite was photographed from the front (street) exposure prior to relandscaping and again after plant material had been established for two months. "Before" and "after" photographs of each of the four properties were shown to a random sample of 104 licensed real estate professionals in the greater Orlando area. The photos were shown interspersed throughout a portfolio of 27 photos of other single-family residences of varying ages in the central Florida area. The real estate professionals were asked to view each photo for 30 seconds and give an estimate of the current market value and number of days to sale. The average perceived market values of all four properties were greater after relandscaping, but these increases only covered the costs of relandscaping in two of the four properties.**

Introduction

This study was sponsored by the Action Chapter (Orlando area) of the Florida Nurserymen and Growers Association (FNGA) to determine if relandscaping could be a viable market development option for the central Florida woody ornamental plant industry. Many industry leaders believe that relandscaping will beautify many residential areas as well as improve net returns to producers of outdoor landscaping plant materials. Observation of residential landscapes in Florida reveals that many are overgrown and in need of rejuvenation or relandscaping. Many also show the results of poor initial design and plant selection.

Nurseries in other areas of the U.S. have successfully used visual presentations of proposed relandscaping to increase revenues (Fenn, 1994). However, the effects of relandscaping on market values and marketability of residential real estate have received little attention.

The primary objective of this study was to measure the impact of relandscaping on the perceived market value of single-family residences. It was hypothesized that professionally designed and installed relandscaping would have a positive effect on the perceived market values of single-family residential real estate. A secondary objective was to measure changes in "marketability" by comparing estimates of the time required to sell selected properties prior to and after relandscaping.

The ultimate goal of this study was to provide Florida nurserymen, landscapers and homeowners with objective information that could be used to evaluate the value of relandscaping. Confirmation of the study's hypotheses could serve as a powerful sales tool: relandscaping could not only serve to enhance properties' aesthetics and homeowners' satisfaction while residing on the property, but also increase resale values.

Materials and Methods

Professional nurserymen and landscapers selected four single family residences in the greater Orlando area that needed relandscaping. These residences ranged from five to approximately 45 years old. The property selection process began with an "Ugly Yard" contest sponsored by the Action Chapter of FNGA and publicized in the garden section of the *Orlando Sentinel.* Participants in the contest were required to submit a minimum of two color photographs of their properties. Out of 300 entries, a group of 10 finalists was selected by a committee from the Action Chapter. The committee conducted on-site inspections of all finalist properties and interviewed the prospective homeowner participants. The committee was specifically looking for single family residences in middle or upper middle income areas with relandscaping potential. Examination of tax assessment records revealed estimated market values of subject properties ranging from approximately $80,000 to $125,000.

Homes in this price range were selected because they represent a very large potential relandscaping market, based on sheer numbers and owners' likely discretionary income levels. Homeowner cooperation with contractual conditions was also a consideration in the final selection process. Each homeowner was required to sign a cooperative agreement that specified each party's responsibilities. Homeowners were not permitted to make any changes in the structure of their home for the duration of the project. They also agreed to remove vehicles, garbage cans, and other unsightly items from front-street view to facilitate photography, and they agreed to allow several photography sessions at different times of the day if necessary. In return for their cooperation, homeowners received free design services. They also received plant material, automatic irrigation systems and installation at cost.

Local landscape architects worked with the to develop designs that were adapted to each microenvironment and each homeowners' needs and preferences. Each homesite was photographed from the front (street) exposure prior to relandscaping and again after plant material had been established for two months. The "before" and "after" photographs

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of each property were carefully controlled for uniformity of exposure and viewpoint.

The "before" and "after" photographs were shown to a sample of 104 licensed real estate professionals which had been randomly selected from the membership list of the Greater Orlando Association of Realtors. Respondents were sent an official University of Florida letter to legitimize the study, but they were not told the exact purpose. Trained interviewers made appointments by telephone with the selected realtors, and conducted face-to-face interviews in respondents' offices.

The eight photos of subject properties ("before" and "after" photos of four properties) were included in a portfolio of 35 5 × 7 in. color photos of single family residences of varying ages in the central Florida area. Thus, there were eight subject photos and 27 photos of other properties. The eight photos of subject properties were placed within the portfolio so that none attracted attention due to primacy. Further, the subject properties were strategically interspersed throughout the portfolio so that "before" and "after" photos of a given property were separated by 15 photos of other properties. The order in which the portfolio was shown to respondents was rotated to reduce order bias. Thus, half of the respondents were initially exposed to "after" photos of each property and half saw "before" photos first. The real estate professionals were allowed to view each photo for 30 seconds and asked to estimate the current market value and estimated days to sale for each property shown in the portfolio.

A paired t-test was conducted for each subject property using the difference between the "before" and "after" relandscaping value estimates to determine if the difference in value was statistically significant (Snedecor, 1967). The same statistical procedure was used to evaluate the difference after the costs were added to the "before" value estimates. Days to sale were similarly evaluated.

Results and Discussion

The average perceived values for each property (n = 104), before and after relandscaping, are depicted in Fig. 1.

The difference between the value of each property before and after relandscaping is compared to the cost of relandscaping each property in Fig. 2.

All four properties showed an increase in value after relandscaping. However, only properties A and D showed a net increase in value after the cost of relandscaping was subtracted (Table 1).

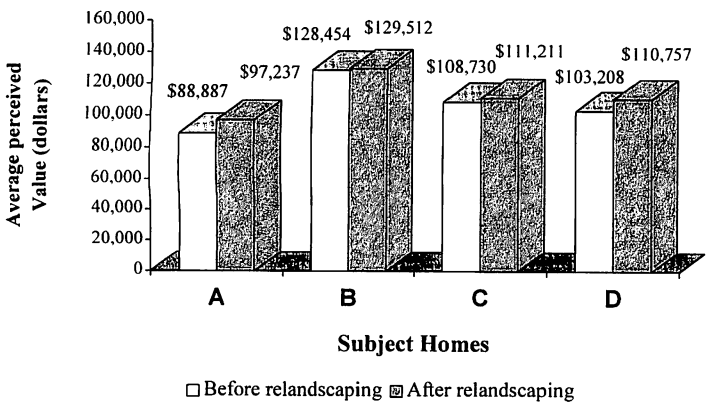

Figure 1. Real estate professionals' perceived value of homes before and after relandscaping.

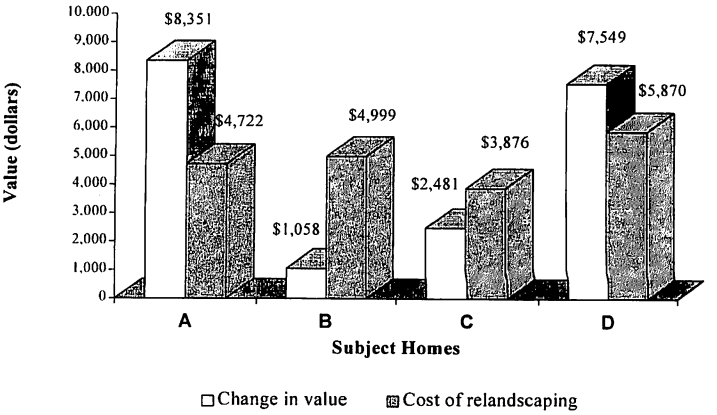

Figure 2. Change in home values vs. relandscaping costs.

The estimated number of days to sale, before and after relandscaping, are depicted in Fig. 3. Estimates for properties C and D were virtually unchanged, indicating three more days to sale and two fewer days to sale, respectively. Properties A and B showed 15 and 10 fewer days to sale after relandscaping, respectively.

On average, relandscaping improved perceived value and reduced days to sale. However, realtors' informal "appraisals" proved to be quite variable, thereby reducing the incidence of statistical significance (Table 1).

Table 1 shows that perceived values of properties A and D were high enough after relandscaping to cover the costs of relandscaping. However, only the value property A was significantly higher (from a statistical perspective) after relandscaping costs were added. The perceived values of properties B and C after relandscaping were not great enough to cover relandscaping costs. Properties A and B were both estimated to sell faster after relandscaping, but properties C and D showed no statistically significant change in days to sale.

Conclusions

In conclusion, this study indicates that relandscaping can have a positive effect on real estate professionals' perceived values and marketability of single family residences. Although the increase in perceived values was sufficient to cover relandscaping costs for only two of the four properties, relandscaping increased the perceived value of all four and reduced the estimated "time-to-sale" for three of the four properties. This

Table 1. Changes in perceived market value, both before and after costs, change in days to sale, and statistical results of paired t-tests for four residential properties.

	Property			
	A	B	C	D
Difference in value before cost	$8,351	$1,058	$2,481	$7,549
t-value	4.622**	0.499 N.S.	0.125 N.S.	3.386**
Cost of relandscaping	$4,722	$4,999	$3,876	$5,870
Difference in value after cost	$3,629	$-3,941	$-1,394	$1,679
t-value	2.008*	-1.859 N.S.	-0.869 N.S.	0.753 N.S.
Difference in days to sale	-15	-10	+3	-2
t-value	3.217**	2.140*	-0.952 N.S.	0.556 N.S.

N.S., *, **, results are not significant, significant at P = 0.005 and P = 0.005, respectively.

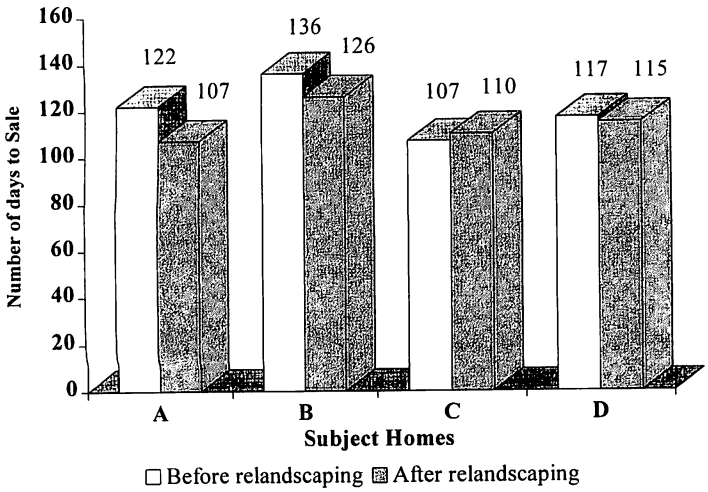

Figure 3. Number of days to sale, before and after relandscaping.

finding is significant for homeowners contemplating relandscaping, because real estate professionals can influence listing prices and potential homebuyers' perception of value as well. Further, the "Ugly Yard" contest used to select the subject properties for this study revealed considerable interest in relandscaping among central Florida residents. This interest may indicate an unmet need among homeowners for professional assistance with relandscaping. Experience among nursery operators in other areas has shown that homeowners willingly pay for relandscaping when dramatic "before" and "after" results can be demonstrated. The advent of digital photography has made customized "before" and "after" demonstrations practical and feasible for homeowners' specific properties. This technique has been used as a very effective sales tool (Fenn, 1994). The results of the present study, coupled with appropriate relandscaping planning and digital photography, could be used as effective market development tools for the Florida nursery industry.

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BEDDING PLANT SELECTION, ESTABLISHMENT AND MAINTENANCE

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Additional index words. Site selection, bed design, bed preparation, nematode control, weed management, pest control, salt tolerance.

Abstract. **The variety of color and plant form make bedding plants the most versatile plants in the landscape. They can be used in beds and borders to provide that necessary touch of color to an often drab landscape. They can be grown in containers to add a splash of color to a porch, deck or patio. They can also be enjoyed as fresh-and dry-cut flowers. Most bedding plants will grow and flower best on well-drained sites which have exposure to full sunlight or partial shade. Because Florida's sandy soils have low nutrient and water -holding capacities, it is essential to incorporate organic matter and fertilizer into beds several weeks before planting. Bedding plants should be watered immediately after planting and daily until they become established. After establishment, they should be watered on an "as needed" basis. Weeds can be controlled either by mulching, applying preemergence herbicides and/or hand weeding. Insect and disease problems can be reduced by keeping the plants growing vigorously and free from stress.**

Bedding plants, with their seemingly infinite variety of flower color and plant form, fit into almost any landscape. These plants may be grown in containers to add a splash of color to a porch, deck or patio area. They can be enjoyed as fresh- and dry-cut flowers and can be a very rewarding hobby.

Bedding plants can be annuals, biennials or perennials. Annuals are plants which are grown from seed, produce flowers and seed, and die in one growing season. Biennials complete their life span within 2 years, and perennials last for 3 years or longer. However, certain plants can be annuals, biennials or perennials depending on the locality or purpose for which they are grown.

Bedding plants are especially versatile in Florida. Many of them bloom during winter months, contributing splendidly to a colorful landscape and producing flowers for home decorations. Others grow and flower during the trying months of June, July, Aug. and Sep., persistently blooming through the heat and heavy rains of summer.

Cultivation of bedding plants in Florida is different from that in most states because Florida has three climatic regimes. During winter, nights are cool with an occasional freeze in central and south Florida and frequent freezes in north Florida. In early spring and late fall, nights are cool, whereas high night temperatures, heavy rains, and high relative humidity are typical during summer and early fall. Careful attention must be given to these climatic conditions if bedding plants are to be grown successfully in Florida. Petunias, pansies and snapdragons that grow well and flower under cool night temperatures (45-65°F) should be planted in the fall, winter and early spring. Bedding plants such as marigold, gazania, amaranthus, celosia, crossandra, impatiens, vinca and coleus that can tolerate high temperatures and humidity should be planted in late spring or early summer. Some plants such as wax begonias and salvias grow relatively well during both hot and cool seasons and can be planted year round in central and south Florida.