

## Navigating Landscape & Grounds Complexities In Real Estate Purchases

### Audience:

Home buyers, real estate agents, home inspectors

### Summary

The purchase and ownership of residential real estate is becoming an increasingly complex task. As technology, data and services designed to assist in the home-buying process become readily available, home buyers are arming themselves with the best information available. One of the most important pieces of residential property is the land itself and the features built into it. The value of the landscape and grounds is often significant, but the condition of the landscape, as well as the inputs and costs associated with maintaining it, are not always easily understood. Buyers of residential real estate in today's market need a resource to better understand the condition of the landscape, grounds requirements of their potential purchase, and how the landscape features contribute to overall value.

### Problem

Real estate buyers have different tools at their disposal to evaluate the condition of the subject property, but few exist that offer a comprehensive assessment of the landscape and grounds. Real estate marketing, buyer criteria, and home inspections often focus heavily on the dwelling structure and features. However, no service currently exists to provide an unbiased, in-depth evaluation of the landscape. Consequently, the land and landscape features often get only a cursory look and are poorly understood.

Problems in the landscape occur for similar reasons as problems with the dwelling structure: neglect, inadequate do-it-yourself jobs or shoddy contractor workmanship, and typical wear and tear. Harm to plants and trees occur for more complicated reasons too, such as environmental issues, poor cultural practices, and improper planning.

Buyers who purchase without a comprehensive evaluation of the landscape may too late discover a multitude of problems, such as: poor drainage which affects plant health and property use, a faulty irrigation or lighting system, retaining wall or hardscape issues due to improper installation, loss of valuable specimen plantings due to prior neglect or a lack of proper maintenance. When buyers inherit these problems post-sale, they inherit the costs as well. By this point, the opportunity to consider landscape deficiencies and factor problems into price negotiation is lost.

## Background / Research

Land itself and landscape improvements represent a substantial portion of overall property value.

- The value that landscape improvements add to residential properties is often estimated between 5-15% of the total market value. In regions where median home values are \$400,000, the landscape may represent as much as \$60,000 of the market price.
- Over time, some property tax assessments have placed more weight on the land (vs. improvement) value.

Evidenced by increased sales of outdoor landscape projects and property maintenance contracts, it is clear that residential owners are investing in and expanding the appearance, utility and function of their land.

- Creating outdoor “rooms” is an increasingly popular lifestyle trend among home owners of all ages, and is backed up by growing sales of outdoor furnishings, décor, and grilling appliances and accessories. Sales of hardscape products such as concrete pavers, retaining wall block, pond and water feature products, fire pits and outdoor fireplaces have also been steadily increasing.
- Many home buyers today seek properties that reflect newer priorities and tastes, which include: technology and “connected” homes, safety and security features, accommodations for children and pets, indoor and outdoor entertainment spaces and built-in modern conveniences. For the landscape, this translates to wi-fi controlled irrigation and lighting systems, lighting for safety, security and aesthetics, fences, pet containment systems, outdoor A/V installations, enlarged patio and lawn spaces, etc.

As landscape installations become more complex, installers need a deeper knowledge base and skill set for proper and successful installations. However, participation in training and certificate courses for installers is still low. Many green industry associations exist to boost professionalism, but only a small percentage of service providers have memberships. As a result, many landscape projects are completed with a “get it done” attitude rather than a “do it right” one. When problems lie within the landscape, real estate agents, home inspectors, and laypersons do not have the training or expertise to identify and evaluate these various deficiencies.

## Solution

Residential landscape inspections help home buyers make well informed purchase decisions and provide evidence for price negotiation or concessions. The advantage of independent landscape inspections is that they are fact-based and performed objectively, with the aim of providing the best information possible - rather than selling design or installation services. A landscape inspection supplements the typical home inspection by providing a wealth of additional information about the current state and condition of the grounds itself, plantings, and built-in features.

## Conclusion

As residential landscapes become more intricate, deeper investigations of this critical piece of real estate are necessary. Residential landscape improvements represent a significant percentage of property value, but may contain unknown or overlooked liabilities. A landscape inspection reveals deficiencies that can be addressed pre-sale and educates buyers on how best to maintain the value of their landscape. Home buyers can prepare themselves for a purchase and successful transition to ownership by engaging the services of a landscape inspector.