

# DO CLIENTS KNOW A GARDEN'S WORTH?

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## HUSQVARNA GLOBAL GARDEN REPORT 2011

What is a garden worth? Homeowners consider the overall value of their property to be important, and base this value on location, internal details and features and so on. To what extent though do they include their garden – if at all? When considering improvements to increase the value of their property, the interior and exterior of the building top the list - a new kitchen or bathroom are guaranteed value-enhancers we're constantly told. But a garden is rarely spoken of as an 'investment'. In the light of findings in the *Husqvarna Global Garden Report 2011*, homeowners and landscapers should reconsider!

Based on this report's findings, excellent landscaping is not only a continuing joy and benefit to the owner. The report says it can pay for itself many times over in added resale value, sometimes years after the initial, larger, investment. How many landscapers are aware of this, and promote it to 'reluctant' prospective clients? "I just want a nice garden, not the Taj or the Tuilleries" they exclaim in horror when they receive the estimate. But they need to consider the investment factors, and this report states them clearly and independently.

The Husqvarna Group is the world's largest producer of outdoor power products, for consumers and professionals. It is the European leader in consumer irrigation equipment through the Gardena brand, and also in cutting equipment and diamond tools for the construction and stone industries. In their Global Garden Report

## AUSTRALIAN RESULTS SUMMARY

63% consider the garden an investment

Garden Effect = 12% which translates to an average of \$65,000

Each dollar spent to design and maintain a well-kept garden raises the perceived property value by \$3.60

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### TOP 5 GARDEN ELEMENTS IN AUSTRALIA:

1. Well maintained lawn;
2. Inviting social area;
3. Stone paths and walkways;
4. Decorative trees;
5. Decorative bushes and shrubs.

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### TOP 5 MOST POPULAR WAYS TO USE A GARDEN IN AUSTRALIA WITH GLOBAL RESULTS IN BRACKETS:

1. Appeal-increaser (2);
2. Relaxation (1);
3. Privacy from neighbours (5);
4. Outlet for gardening interest (7);
5. To be close to nature (3).

2011 (GGR), Husqvarna asks homeowners to value a garden's worth, including the payback figure on garden investment.

To achieve this, they surveyed 5,000 homeowners across nine countries. Their aim was to estimate the monetary value of a beautiful garden. The GGR calls this the Garden Effect. The Garden Effect is based on two different approaches - striking a balance between the most conservative estimates (Rational Garden Effect) and most optimistic estimates (Emotional Garden Effect). Using an average of these two estimates yields a value for the Garden Effect.

Participants in the survey were asked to estimate the market value of three properties – one group being shown 'photos' of properties with well maintained and beautiful gardens, the second group being shown exactly the same properties but with plain-looking gardens. On average, the first group provided a 26% higher market value globally than the second group. The result obtained using this method is called the 'Emotional Garden Effect'. In Australia, participants estimated a house with a beautiful garden using this method at a value 20% higher than the same house with a plain garden.

Not to rate the emotional effect too highly, the GGR used a second method. They asked participants how much they thought the property value would increase if it had a beautiful garden. This is called the Rational Garden Effect. It focuses attention solely on the practical and rational qualities of the garden - how much would it cost to buy a similar house without a garden and then upgrade it? Participants estimated the rise in property value using the same 'photos'. The average was 7%, which, as expected, is much lower than the emotional valuation. The Australian figure is 4%. That is, a house with a plain garden will increase in value by 4% if the garden is upgraded.

But the real 'worth' of a garden probably lies somewhere between the two. So the GGR provides an overall estimate called the Garden Effect – which is the average of the two. The Garden Effect in Australia is 12% which equates to an average of 65,000 Australian dollars. Less than the 16% global average, but considerable all the same!

This means that an attractive and well-maintained garden raises the perceived market value of properties in Australia by 12%. The GGR used another measure to act as a complement to the Garden Effect and take into account the cost of acquiring and maintaining the garden. This measure factors in the return-on-investment and is called 'Payback-If-Sold' (PIS). It is calculated by dividing the Garden Effect by the garden makeover costs plus garden tools. According to the study results, \$1 invested in creating and maintaining a well-designed garden yields a \$3.10 global average return when the property is sold. Surprisingly, in Australia the PIS figure is higher at a \$3.60 return for every dollar spent!

In the 'Australian' section of the GGR, it reports we have a strong belief in the garden as an investment, stating that gardening interest has surged all over Australia in the past few years. Apparently Australians have awakened to the enormous possibilities afforded by their gardens – they are not followers of a trend, but are increasingly

aware that there are many ways to value a well-designed garden. In this year's report Australian respondents rated the highest in regard to time and effort spent in their gardens as an investment in their property. Australians also reported using these gardens to make the house more attractive.

Australia rated highest in their awareness of the value of 'curb appeal' – call it 'first impressions' if you like. 63% of our homeowners consider time and resources spent on gardening as an investment, regardless of any other pleasures and benefits, and this is reflected in our higher-than average Payback-If-Sold figure.

On a global note, there are other interesting outcomes. 40% worldwide say they don't have as much time to tend their garden as they'd like, and 32% consider gardening a chore. This indicates that the demand for smart and convenient ways to maintain gardens will increase – including outside help. Top of the list globally for 'desirable' garden elements is a well-maintained lawn, while an automatic watering system tops the global product 'wish list'. This is reflected in the Australian results with a good lawn being top-rated. To see what else made the list and to see what Aussies like using their gardens for, have a good look at the Australian Results Summary.

This report is 'gold' for landscaper designers, installers and garden maintenance professionals. **LD**



## WHAT PAYS OFF THE MOST?

Property Value Enhancers – Global

1. Well maintained lawn
2. Inviting social area
3. Stone paths and walkways
4. Decorative trees
5. Decorative bushes and shrubs
6. Well-kept hedges
7. Nicely designed flowerbeds
8. Aquatic elements
9. A practical garden shed
10. Fruit trees