

SmartMoney Magazine

Fertile Ground

By [Chris Taylor](#)

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You've done everything humanly possible to boost the value of your home:

put a trendy island in the kitchen, laid fresh carpeting to replace that dusty '70s shag, constructed a spa-quality bathroom bigger than most studio apartments. And now you're scratching your head, wondering how to jack up your resale price even more.

Look outside, silly.

After all, when well-heeled buyers pull up to your home, it's not the luxury faucets or the gorgeous granite counter they see first. It's the landscaping. And if your lawn is patchy, your trees are on their deathbed and your plants are a poor excuse for flora, it isn't going to matter what kind of magic you've worked indoors. Those buyers may keep on driving. "When people ask me how they can get strong interest in their property, I always tell them to fix up their landscaping," says Walt McDonald, president-elect of the National Association of Realtors. "If a homeowner is reluctant to do it, I tell them they won't get top dollar."

That's the payoff. You will not only attract more buyers and get a quicker sale but also probably get a welcome boost in your sale price. "If you spend 5% of the value of your home on landscaping, and do it wisely, you might get 150% or more of your money back," says Massachusetts Realtor Gill Woods. And sometimes that number can go even higher. If your home's landscaping is on the low end for the area and you're putting it on par with your neighbors, you could be looking at a 15% rise.

Just ask Chuck Mitton of Cherry Hills Village, Colo. He and wife Jean went to town on the nondescript backyard of their ranch home a few years ago. A tangled mass of overgrown plants became a three-level wonderland, complete with ponds, waterfalls, dwarf conifer trees and fresh flowerbeds with roses and azaleas. Oh, and don't forget the new "hardscapes," such as a

winding brick walkway, a backyard hot tub, and a barbecue pit and dining area, where the couple eat "almost every day" during warm weather. "If you're going to do some landscaping, I'd say do quite a bit," suggests the semiretired bookkeeper and investor, who spent \$60,000 on his additions. "Then you can enjoy it yourself — and the value of your home will go up too."

The proof: When Mitton refinanced in 2001, the originally \$250,000 home was reappraised at \$750,000 — roughly \$150,000 to \$200,000 of which he attributes to the landscaping. "Landscapes take time to mature," says the 59-year-old, "but I'd say people might be able to make 200% of whatever they put in."

Plus, it can be fun. Gardening is one of the most popular hobbies in America: In 2001 homeowners spent \$37.7 billion taking care of their yards, up from \$22.5 billion five years earlier, according to the National Gardening Association. While the increase has been fueled by a maturing boomer population and a spike in homebuying, people are also clueing in to the fact that it can add dollars to their home's value. And academic studies are proving it. A study by Clemson University and the University of Michigan found that consumers value a landscaped home up to 11.3% higher than its base price. And one Quebec survey found that hedges raised property values by 3.6%, a landscaped curb by 4.4% and a landscaped patio by a staggering 12.4%.

In fact, you're going to have to do what you can to make your property stand out, now that the housing market is cooling. Most real estate watchers, such as home-price research firm Fiserv CSW, are predicting slower price increases in the coming years; other market bears are warning of a steep drop-off. "Six months ago anything on the market had people clamoring," says Woods. "In a cooling market, it's going to be more difficult to get a buyer into a piece of property. The key thing now is 'curb appeal.'"

Such appeal isn't just about your lawn, trees, shrubs and flowering plants, though — these days you'll want to consider

popular hardscapes such as gorgeous walkways, sweeping arches, full kitchen areas and barbecue pits, elongated patios and decks, elaborate backyard retreats and gazebos, and more. The stakes have been raised.

To put it into perspective: For a \$500,000 home, on which you spend \$25,000 to spruce it up, even a modest gain of 7.5% would put \$12,500 of straight profit in your pocket. Though the result — a perfect yard — may look beautifully simple, a thousand factors contribute to it, from dealing with contractors and knowing what to plant to hiring landscape architects and designers, and making sure your costs don't spiral out of control. To sort out the complexities, we've broken down the four big trends du jour: curb appeal, the year-round yard, the sanctuary and bringing the indoors outdoors. And we've got insider tips for every stage of the process.

Project 1: Curb Appeal

First impressions, as anyone in the dating game will tell you, are key. So before you start designing that luxurious backyard koi pond, get the front of your house in order: mowing, weeding, trimming shrubs, putting in fresh sod if you need to. "If you have a budget, it's important to focus your landscaping around key areas," says Kevin Selger, a landscape architect at Philadelphia firm Kling. "Something that's going to be viewed a lot — like the front of the house."

When the no-brainers are done, you can start getting serious. The hot trend at the moment: beautiful pathways, made of brick or concrete pavers, winding from the street to the front door. "You have to eliminate the 'garage walk,'" says Linda Engstrom, president of the Association of Professional Landscape Designers, referring to the typical 3-foot-wide path that routes visitors from the garage to the front door. Contractor Bob Novelli of Selbyville, Del., tackled the project on his own home, ripping up asphalt and concrete and replacing it all with 1,800 square feet of interlocking concrete pavers. After adding lighted retaining walls and a screened back porch — at a total cost of around \$25,000 — he had his home

reappraised at \$325,000 this past October, up from \$225,000 in October 2001. "This project had a lot to do with it," he says.

Make the path slightly staggered or curved to give it some character. Place a wooden "pergola," or archway, over the path to define an entranceway; one can be purchased at a home-improvement store for a few hundred dollars. Flank the path with Mediterranean-style pots featuring flowering container plants.

Next, add some light. Low-wattage ground lighting to sandwich the path is fairly easy to install and will boost the effect immeasurably in the evening hours (do-it-yourself kits are available from around \$100). For showstopper trees, add one higher-wattage lamp beneath. "It gives the whole front yard a soft glow," says Maureen Gilmer, host of the Do It Yourself network's Weekend Gardening and a nationally syndicated columnist based in Palm Springs, Calif.

Redoing the front of your home can have spectacular effects. Anneke Moore of Portland, Ore., tackled the project to get her place ready for sale in 2004, when she and her husband, Dan, plan to retire to Arizona. "I wanted the landscaping to be an asset to the house," says Moore, a manager at a local high-tech firm. "And I wanted it to have enough time to grow into something special."

With guidance from Linda Engstrom, Moore installed a pathway of concrete pavers, wooden pergolas to frame it as the main entranceway and a boundary hedge to give the home some privacy from their busy street. With those changes to the front, along with a similar overhaul of the back — which totaled around \$25,000 — "I should be able to clear \$250,000," predicts Moore, judging from other recent home sales in the neighborhood. Her original buying price for the home 25 years ago: \$70,000. "I was surprised at how much hardscapes became part of the plan," she says. "It was a lot more than somebody just suggesting plants to throw into the ground."

Remember, low-maintenance plant material is best. Buyers want the yard to look great,

but they don't want it to be labor-intensive. "I call it meat-and-potatoes landscaping," says Gilmer. Otherwise, "you may turn off buyers — particularly downsizers." Also keep in mind that these trees and shrubs are going to grow by leaps and bounds, so you want to give them the space to do it. "The biggest single mistake people make is overplanting," says Selger — say, crowding two majestic oaks within 10 feet of each other. "Plants grow. If you want instant impact, be prepared to have maintenance problems in a few years."

Project 2: The Year-Round Yard

The novice gardener might plant once a year, enjoy a single blooming and not think about winter much at all. Not that there's anything wrong with that.

But now it's time to take it up a notch. By smart planting and giving color to the yard year-round, you've instantly set your home apart from most others in the neighborhood, which will likely be leafless and drab in the winter months. At her home, for instance, Anneke Moore has nandina "firepower" shrubs in the front yard, with their brilliant red leaves, along with mock orange trees for some fragrance. "Getting color in winter is not easily done here in the West, so people go to evergreens all the time," Moore says. "But now, in the winter, my yard is full of color."

Other ideas for year-round color, which are good for most areas of the country: flowering shrubs such as viburnums with their colored berries, or trees with colored bark such as coral bark Japanese maples. Ornamental grasses, including fountain grass and maiden grass, are hardy through different seasons — as well as ultra-trendy and easy to maintain. And always remember to match the plants to the home. Pansies and petunias may be perfect for a cottage-style house, but not for one that's sleek and contemporary.

Whatever you plant, insiders say the soil is just as important as what's going in it — maybe more so. "We have an adage around

here: Plant a \$50 plant in a \$100 hole," says Selger. One tip is to contact your local agricultural agency (often on the county level), which can either test your soil or refer you to a local lab. In a couple of weeks, you should have an analysis of your soil, along with tips on how to improve it. A few common problems: Your soil is either too acidic (which requires lime) or too alkaline (which requires sulfur), or there's not enough organic matter, which means it's time for mulching or composting.

Likely your most valuable asset, though, is your trees. They're also the perfect investment. "You buy a tree for \$20 when you first put it in, and immediately it starts to rise in value," says Mayita Dinos, host of the Do It Yourself network's Weekend Landscaping and a garden designer in Los Angeles. "It's one of the few things that appreciates over time; almost everything else depreciates the minute you install it."

When deciding which tree to plant, look around your neighborhood to see which tree the municipality plants in public areas. It's always very carefully picked, in terms of hardiness in local weather conditions, susceptibility to disease and structure that's not prone to falling branches. Depending on your region, you might opt for oak, maple or ginkgo biloba (which all do well in colder climes), crepe myrtle (flourishing from the D.C. area south to Florida), or magnolias and liquid ambers (best in areas with milder winters), to name a few.

The payoff: You might get a buyer like Jane Billish of Naperville, Ill., who owns a scaffolding business. Billish and her husband, Scott, bought a property with a modest home three years ago, attracted almost solely by the three-fourths-acre wooded lot. "We'd all but given up," she recalls. "Then I saw this place one Sunday morning, and by the next weekend, we'd bought it."

But Billish figured there was even more value to be plucked, so she brought in arbor specialists The Care of Trees. They removed some diseased elms, which were crowding out higher-value trees. They also did some pruning and fertilizing, and now

Billish has a property full of healthy oak, maple, ironwood and hickory. In conjunction with renovation projects Billish did on the house itself, the property was recently reappraised at close to triple what she paid. "We've made 200%," Billish marvels. "These trees are such an asset, it's hard to adequately express their value."

Most experts say that younger is usually better when it comes to planting trees, but if you're selling within three to five years, you'll need some size to get the full effect. Maureen Gilmer's favorite size is 15-gallon — maybe 1 or 2 inches in diameter, around 8 feet tall — which will set you back around \$50 to \$150. "The numbers I've heard are that trees can enhance your property value as high as 5 to 20%," says The Care of Trees President Scott Jamieson.

Depending on where you live, going ultra-native with your trees and surrounding landscaping can be downright trendy. In the drought-prone Southwest, for instance, it's known as xeriscaping, in which gardeners opt for a truly desert look: sand, cactus and boulders, as well as a variety of native plant materials such as mesquite, or acacia trees; cassia, or "Texas Ranger" shrubs; sage; and more. Projects might start at \$2,000 without any existing turf, or at around \$3,000 if you need to take up your current landscape, according to Robin Jablonski, a construction division manager for The Groundskeeper in Tucson, Ariz. But talk about easy to maintain.

Project 3: The Sanctuary

Once you're done with the front of your house, your next point of attack is the backyard "sanctuary." More and more, people are valuing a private place they can retreat to — away from work, from plummeting 401(k)s, from those heart-attack-inducing news tickers on CNN.

And the key feature of any sanctuary is water: fountains or small ponds that bring motion to an otherwise static environment. "Water gardens are hot right now, and the trend is only growing," says Nancy Jacks Montgomery, spokeswoman for the American Nursery & Landscape Association.

For \$500 to \$1,500 you can buy a simple fountain, says Gilmer (to have a contractor install it, it could cost \$1,000 more). Stick with classical forms, nothing overly elaborate or tacky, and try calming colors such as a subtle bronze or a moss green. For an even more budget-conscious option, take a large terra-cotta pot, add a small recirculating pump from a hardware store, and you can have "a small water feature for under \$50," says Linda Engstrom. Or just have those pots collect rainwater, creating a mirrored effect around the garden.

A more elaborate project is a small pond. Confident do-it-yourselfers can tackle this for a few hundred dollars, with preformed plastic liners from Home Depot or Lowe's. You'll need a pump to keep the water moving (you might need to call in an electrician to install an outdoor electrical circuit) and the right chemical balance to prevent algae buildup. Jazz up the effect with miniwaterfalls, smooth river stones or colorful fish such as koi (although be warned, that may attract some unwanted wildlife into your yard). To have it professionally done might cost around \$2,000 for a basic pond and upward of \$8,000 for an elaborate setup, according to contractor Bob Novelli.

To have the water effect without the actual water, try a dry riverbed, as Anneke Moore did. It not only looks terrific, as a curving trench with artfully placed rocks, but also has improved a drainage problem she'd had for 20-odd years that had left her with a soggy basement. With the right design, it almost becomes like a Japanese rock garden. "We're seven minutes from downtown, and it's a real haven when we come home," she says.

The crucial part of any sanctuary, however, is a seating area where you can drink it all in and enjoy the fruits of your labor. Get some

additional privacy with tasteful wooden screens, install a couple of wrought-iron benches, and make sure you're not blocking your sight lines to the foliage or water features.

One kind of water feature that may not be the smart way to go is a monster backyard pool. If you're in a warm climate and it's the norm for your neighborhood, then fine. But if you're looking to make big money on the project, forget it. "People tell me, 'I've got \$75,000 in this pool — retaining walls, cabanas, dressing rooms,'" says real estate agent Gill Woods. "But are you going to find someone willing to pay extra for those improvements? The answer, normally, is no."

The reasons: One, it's a relatively high-maintenance project; two, it might turn off safety-conscious buyers. "If I have a small child, that's a danger for me," says Mayita Dinos, noting that big ponds can give people pause as well. "In this economy you don't want to be eliminating people like that."

But get your sanctuary right and buyers like Robin Whitesides might come knocking. When she was hunting around Newport Beach, Calif., for a new home, the choice was clear. She could opt for a property with awful landscaping and then invest another \$50,000 or so to get it up to par, or she could buy a place with everything already in place. Guess which one she chose?

It wasn't just the basics, either. Her backyard retreat features year-round color shifting among the azaleas, gardenias, camellias, lilacs and hibiscus ("something's always blooming," she says), mature trees that screen out the neighbors' yards and a wall fountain that's lit up at night. She and her husband, Glen Esnard, have added their own touches in the past year, such as flowing vines (passionflower and scarlet trumpet creeper) and banana plants and dwarf lemon trees, in keeping with the "tropical" theme. The happy ending: They bought at over \$800,000 and had their home reappraised at about 15% higher in less than a year.

Project 4: Bring the Inside Out

In this recently white-hot housing market, some buyers have had to settle for less space than they would've liked. The magic solution to the problem: Extend your living space outdoors, especially in sunnier areas of the country. In one shot you've increased your usable space. "It's almost as if the wall between the indoors and the outdoors has come down," says Bruce Butterfield, research director for the National Gardening Association. "You're seeing outdoor rooms and living spaces that have all the features of indoor kitchens or family rooms."

That means cooking areas, such as a barbecue fire pit or even professional-grade kitchen setups; elongated patios and decks; or high-end gazebos. Just talk to Robin Whitesides. In the top-of-the-line backyard that attracted her to the property, she has a curved bar with seating for six, a cooking area with a built-in barbecue and a refrigerator, and a hot tub. "People are spending more these days on their outdoor cooking rooms than their indoor kitchens," marvels Linda Engstrom. "Elaborate stone fireplaces, full kitchens right on the patio. It's amazing."

Deck and patio additions are the natural way to extend one's living space outside, and decks bring one of the highest cost recoupings of any home project (76%), according to Remodeling Magazine's "2001 Cost vs. Value Report." (An indoor sunroom, by contrast, gets you only 60% of your dollars back.) Redwood or cedar is still a high-end choice, although more recycled plastics that look like wood are being used for long life, according to Kling's Kevin Selger. Redwood is a popular option for gazebos, too, and you can even buy premanufactured versions that are dropped on-site. A 10-foot-wide model might cost between \$4,000 and \$5,000, says Selger.

If you're putting in significant hardscapes, make sure of a few things. Don't damage the root systems of major trees in your yard, which could potentially cost you thousands of dollars. The Care of Trees' Jamieson even recommends roping off areas around

trees to the furthest reach of their branches, at the very least. Also, find out whether you might be about to dig into any utilities. Hit a gas line or TV cables and you could be liable for repair costs — if you don't check with the local public service commission. Once your property is marked by the proper local authorities, "if you do hit, you've covered yourself," says Bob Novelli.

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Huge hardscapes are often the most expensive projects you can undertake, so if you want to know up front what kind of return your landscaping investment might get, "it wouldn't hurt to talk to an appraiser," suggests Jim Park, director of research for the Appraisal Foundation in Washington, D.C. "They'll tell you whether what you're about to do is too much — or too little." Check with the [Appraisal Institute](#) or the [National Association of Independent Fee Appraisers](#) for member listings.

Some folks, however, just follow their gut. Michael Wessels of Salisbury, Md., recently went to town on his waterfront backyard, so he could maximize the use of an area that had been underutilized for years. Using Novelli's firm, Hardscapes, he installed a patio of brick pavers, brick retaining walls to shore up areas that sloped down to the river and the piece de resistance: a hot tub recessed into the patio. Wessels splashed \$55,000 into the project on a \$450,000 home — more than many would spend, especially if you're looking to flip. But he's planning to stay and enjoy the work, and along the way he "without a doubt increased the value of the house," says Wessels. "We live on the Eastern Shore of Maryland, with blue herons, bald eagles and ospreys all around, and this whole project helped to open up more of the outdoors to our home. I can't say enough about it."