

Invest in landscape

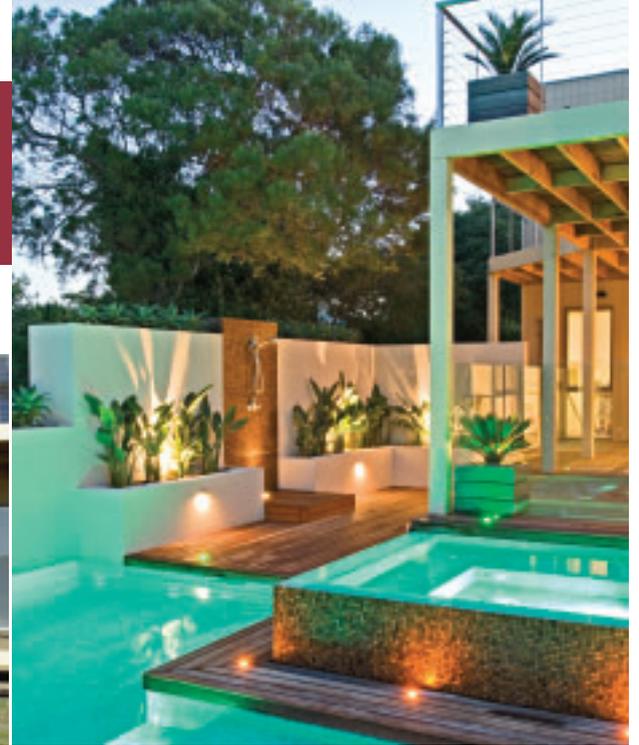
by STEVE TAYLOR

THERE IS SOME DEBATE AS TO WHETHER landscapes can yield financial returns on properties. I believe that they can and I will discuss some basic guidelines, results and key elements we use to ensure that our clients invest the right amount of money in design and construction services to create their dream landscape with their hard earned money.

Our experience has shown that when the right design is created and a garden is built with a focus on detail and sound construction practices along with a budget that allows these processes to occur, the investment return in capital improvement on a property can far outweigh any other form of home improvement project.

We not only focus on the financial returns a landscape can yield, we also recognise the improved lifestyle rewards clients can achieve using professional services. The lifestyle improvement can often hold more weight when investing in the landscape, and we have completed many projects that have overcapitalised on the residence due to the

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client's desire to live their lifestyle dream. It comes back to the individual's expectation of their landscape.

Construction industries are now becoming aware of the importance of outdoor space. In the new home market 90% of homes now feature alfresco areas as a standard feature with a real focus on indoor/outdoor integration. It is this seamless transition from indoor to outdoor spaces that is one of the key elements when trying to achieve a positive return through professional landscaping. In the home renovation market kitchens and bathrooms were once the main focus when trying to improve a property's value but the trend is now moving towards the outdoor zones.

So how much is too much and how much is not enough? This is a question I inevitably have to answer at every initial site consultation but there is no magic answer; every project and property displays its own unique challenges. However there are some general guidelines we use to help understand the potential return on investment that a well-designed and well-constructed garden can yield.

Unlike a residence that requires a 'certificate of occupancy' before the project is complete, a garden can be staged over a number of years. This will ensure the optimum, financially smart result is obtained. Wherever possible we recommend not undercapitalising your property with a substandard landscape.

Over the years we have had before and after valuations on some of our best projects and some of the results have been exciting to say the least. There are many variables that impact these figures such as postcode and the quality of the existing site conditions, but when all the planets align, amazing results can be achieved. We recently completed two

small courtyards, one in Albert Park and the other in Toorak that were overgrown, non-functional and aesthetically uninviting spaces. The Albert Park project's initial outlay of \$40,000 returned an \$80,000 (100%) improved property value and the Toorak project's initial outlay of \$75,000 and returned an improved value of \$180,000 (140% net return). Not every project will yield these returns but it shows a swing towards a focus on the outdoor zones of properties.

THE TABLE ABOVE EXPLAINS THE different levels of investment in landscape along with the relative results that can be obtained. Please note these are generalised figures and are only a rough guide. The figures do not include swimming pools/spas as a part of the landscape costs.

These figures are only a guide and many variables affect these numbers, such as the size of a home in relation to the outdoor landscape space. A larger house on a small block may shift the 20% investment level to the 15% level to achieve the 'amazing result' level and vice versa.

I would also like to highlight the key guidelines we use when trying to maximise the financial returns of the landscape investment:

- Start with a great design.
- Stage the works to ensure the best long-term outcome if short-term

budgets are tight.

- Assess and identify the high impact zones of the property, then focus the main capital expenditure in these regions.
- Ensure the design is a successful combination of aesthetics and functionality. The landscape should be treated as an additional living space of the home.
- Create a seamless transition from the indoor and outdoor spaces with the use of décor palettes/accessories, strong focal points from internal vistas, functional outdoor rooms such as alfresco living areas off the informal living spaces and create well defined, inviting entries to the home (there's nothing worse than walking up a driveway to get to the front door).
- Don't just focus on financial returns, lifestyle rewards are often more important than the money!

Landscaping has come a long way in the past 15 years and it is an exciting and dynamic industry. The combined investment of hard work, continued improvement and innovation, and the overall professionalism of our industry and industry body, the Landscape Industries Association of Victoria, is now paying off in the long term for home owners who invest in landscape. ●

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		% of property value invested in the landscape			
		5%	10%	15%	20%
Potential result	5%	Undercapitalised investment. Very basic garden with no real capital improvement.	A nice garden. Should break even with the initial investment.	Great result with a potential 50% return on investment.	Amazing result with a potential 50-150% return on investment. Be careful, as very close to over capitalising.



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