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Backyard boom

Homeowners increasingly are ploughing cash into outside amenities and, when it comes time to sell, are finding that it's money well spent

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Increasingly, it's what's outside a house that sells it.

Buyers are drawn to homes with outdoor improvements, especially a nice patio, according to a 2004 survey by the National Association of Realtors. The survey indicated that an attractive patio was the fourth-most important consideration when shopping for a new home, following central air conditioning, a walk-in closet in the master bedroom and a bedroom on the main level.

In fact, 54% of those surveyed said they'd pay extra for patio space, while 20% of homebuyers said they planned to update their landscaping within two years of home purchase.

Some indoor-outdoor spaces are elaborate creations with all the comforts of a traditional indoor room and are a masterful blend of the best of indoor and outdoor worlds. Others are more modest offerings. But, as with many other trends, the interest in outdoor living spaces began in the most upscale homes and then migrated to almost all price points.

In the upscale new-home market, the sky is the limit for outdoor living areas.

"We've seen an increase in the popularity of outdoor living, particularly in loggias," said Jon David Smith, owner of J.D. Smith Custom Homes, a Dallas company that builds homes costing from \$800,000 up. Loggias are roofed areas built projecting from the side of a building. Trends start in high-priced custom homes and trickle down to mass homebuilders, he said. As a result, even lower-end homes may sport custom outdoor feature such as an outdoor fireplace.

No holds barred

In the custom market, outdoor living space can be as "grand as you'd like," Smith says. That means built-in grills, stereo systems and complete outdoor kitchens with running water and electricity, cooking islands and refrigerators. Enclosed outdoor living rooms often come complete with fabric-covered furniture, rugs and plants. French doors that can be thrown open from the main house are a popular feature.

"In Texas, we don't have the ideal climate -- it's brutally hot in the summer. But when it does cool off, people want to get out and enjoy their yard," he said. And in cooler times, a fireplace allows a family to invite guests over and enjoy the area then as well.

"These spaces have evolved to be full living spaces, both for everyday living and entertaining," Smith said. "The finish out on such a space costs as much or more than on an interior room."

According to the Arlington, Va.-based Hearth, Patio & Barbecue Association, in 2004 homeowners spent \$200 billion -- twice as much as was spent on new home construction -- on remodeling and renovation, a third of which was for outside amenities.

Nationwide, consumers spent \$3.2 billion on new outdoor furniture in 2004, \$40 billion on landscaping and garden upgrades and \$20 billion on pools and spas, the association reports. While installing high-end landscaping, a built-in outside kitchen and an in-ground pool can easily cost upwards of \$100,000, the association says; for those on a tighter budget, a good-quality basic

outdoor room can be put together for about \$2,500.

At the very least, many homeowners want a nice deck or perhaps a large porch area with ceiling fans, said Judy Cunningham, president of Dallas-based JPS Contractor, which handles new construction and renovation projects.

"People want to be outdoors, but they want a more protected area," Cunningham said. Often decks include a bench around the edge to improve seating as well as special places for plants. The quality of the outdoor area generally matches that of the improvements to the indoor rooms, she said.

"They're looking for durability, longevity and well-built details," she said. If there is room, a homeowner may complete a pool and entertainment area with an adjacent pool house, including a full bathroom and wet bar so that it can double as a guest suite.

Improving the outdoor livability of a home pays off when the homeowner sells the property, said Erin Mathews, senior vice president of Briggs-Freeman Real Estate Brokerage in Dallas.

"What you see when you walk up to the house and what you see from the kitchen and den is important," Mathews said. "Outdoor areas are now beautifully done, as with an inside room." Even in a condo, a rooftop garden or balcony is always a positive for a buyer, she added.

In years past, only the largest estate homes had a full array of outdoor living spaces, Mathews said. Now, even entry-level homes have portable fire pits and other amenities.

Upgrading the outdoor environment can be a sound investment. According to a 2002 report from the Society of Real Estate Appraisers, some 99% of its members agreed that landscaping increases property appeal and the speed of home sales, while 95% said it increased property value. According to Money magazine, landscaping investments return between 100% and 200% of their costs.

The key is a good design that connects to the architecture of the house while meeting the constraints of the site and also meets the homeowner's objectives and budget, said John Armstrong, a principal at Dallas-based landscape architecture firm Armstrong Berger. The goal is to "create an indoor-outdoor, user-friendly space," he said. If there's no need for a pool, fountains are popular, as are ceiling fans, specialty lighting and the new mosquito systems that increase enjoyability.

"I've had clients call and tell me that their landscaping and pool area is what sold their house," Armstrong said. "The buyers saw it and said, 'This is it!'"

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