

Landowners Find Hidden Value in Their Own Backyards

By Karen Brasher

Some housing prices may be sagging, but Mississippi landowners may need to look no further than their backyards to find hidden property value, according to a recent Mississippi State University study.

The study found that properties throughout the state with outdoor recreational opportunities increased in value, particularly in the Mississippi Delta. In fact, the results indicated that recreational uses increased land prices by an average of \$333 per acre or 36 percent of the property value.

Scientists in MSU's Forest and Wildlife Research Center worked on the study with members of the Mississippi Chapter of the American Society of Farm Managers and Rural Appraisers.

"We surveyed appraisers representing 100 properties totaling about 33,000 acres," said Daryl Jones, assistant Extension professor in the Department of Wildlife and Fisheries.

Total sales value of the properties with recreational opportunities was more than \$41 million. Appraisers reported that the sales value of the same properties without recreational uses would have been about \$31 million, Jones added.

"Recreational opportunities like hunting, fishing, camping and bird watching brought an additional \$10 million to the state's economy in 2006," Jones said.

The most desired characteristics were bottomland hardwood forests, mixed pine-hardwood forests and wildlife supplemental food plots.

"The findings indicate that land buyers are seeking these forest types and are willing to pay higher property prices to acquire them for wildlife-related recreation," Jones said. "Also, properties that included specific management for wildlife produced higher sales revenue."

Important recreational uses on these lands included hunting, off-road vehicle access, horseback riding and wildlife watching, Jones added. Ninety-three percent of properties were bought by those wanting to hunt white-tailed deer or with the intention of leasing the property to deer hunters. Populations of rabbits, wild turkey, waterfowl, squirrels, mourning dove and bobwhite quail were also selling points.

The survey looked at lands purchased for recreational use from 2002 to 2005. Appraisers were asked to report on characteristics of the property, to estimate the value of the properties with-



Daryl Jones, left, and Doug Herring discuss wildlife recreation options at Herring's Oktibbeha County farm.

out recreational uses and to report the selling price of the property.

"Seventy percent of the properties were in the Delta," Jones said. "Revenues from hunting leases are usually greater in this region compared to other regions of the state."

The next phase of the study will include examining regional differences in property valuation, Jones added. Scientists also plan to offer formal training for rural land appraisers and financial lenders in property valuation related to potential recreational uses.

"This will include the value of game species present, wildlife habitat types and quality, and other indicators that compose quality outdoor recreation," Jones said.

While timber value was not analyzed in this study, other forestry studies have found that practices that increase timber quality and yield also benefit wildlife populations and enhance recreational opportunities.

"Landowners who are interested in increasing their potential land sales values might consider conserving native forest types and implementing habitat management practices to increase wildlife populations, thereby enhancing outdoor recreational opportunities on their lands," said Ian Munn, forestry professor and expert in forest economics and management. "The information collected during this study emphasizes the importance of management of hardwood forests for long-term recreational and timber use."

The study results are also valuable for local and state decision makers.

"The data from the study will help with impact assessment and planning of most development projects, such as urban expansion, public works projects and highway construction," Munn said. "Authorities must weigh economic benefits to local economies from proposed projects against the loss in ecological functions and values in economic terms. Before this study, little empirical information existed addressing this issue, which complicates regulatory decision making."

Economic data used in conjunction with ecological data from the study can help produce sustainable land use and development, especially in hurricane-impacted coastal zones and the state's active floodplains, Munn added.