



Invasive Plant Education and Outreach for Real Estate Professionals

Matt Nespeca

Regional Sales and Technical Service Manager

Nufarm Americas, Inc.

Opportunities

- Who is impacted by invasive plant problems?
- Situation in the Eastern US
- How can we build better access to invasive plant control problems?
- Examples
- Partnership and cooperative opportunities

Who Is Impacted By Invasive Plant Problems?

- Exploration of Ecosystem Service Values
 - Ecosystem Services are the flow of values that are generated by land for the landowner, as well as communities and economies
 - Invasive plants can be expensive for landowners, but also for society.
 - By quantifying the long-term effects of an invasive plant, we can better identify the beneficiaries of control.

Who Is Impacted By Invasive Plant Problems?

- Exploration of Ecosystem Service Values
 - Many ecosystem services are being quantified
 - Wetlands, water quantity, water quality
 - Where do invasive plants fit in?
 - Who is impacted?
 - Who benefits from control activities?
 - Real estate professionals need to understand these values

Situation in Eastern US

- Over 80% of land is privately owned
- Invasive plant problems continue to grow
- Most invasive plant problems are viewed as fixtures to land, not outcomes of management
- Very few local-level regulatory tools exist to require or incentivize invasive plant management

Situation in Eastern US

- Fragmentation of private lands is a major factor for invasive plant spread.
- The only certainty about private lands in the East is that they will be sold/transferred over time.

Situation in Eastern US

- Real estate trends in rural land
 - Timber companies have exited land business
 - Timber Investment Management Organizations (TIMOs) have become a major holder of land
 - Manage for institutional investors
 - Timber management as driver for investment returns
 - Highest and Best Use as driver for investment returns

How Can We Build Better Access To Invasive Plant Problems?

- Exploration of Real Estate Values
 - Private lands will continue to transfer
 - Opportunities for treatment could increase if real estate professionals were aware of the costs associated with invasive plants
 - Rural appraisers
 - Developers
 - Landscape architects/planners
 - Environmental Consultants (Phase I Assessments)
 - REIT/TIMO asset managers

How Can We Build Better Access To Invasive Plant Problems?

- Examples of real estate value loss due to invasives
 - In the west, leafy spurge was found to reduce range individual property values by as much as 83% (Weiser, 1997)
 - In aquatics, hydrilla infestations = lower lake property values
 - With kudzu on rural forest lands, control costs can exceed net present value of land (Miller)

How Can We Build Better Access To Invasive Plant Problems?

- When can outreach to real estate professionals be successful?
 - The invasive plant needs to have the potential to cause instrumental damage to property
 - utility, management, aesthetics
 - Kudzu: YES
 - Cogongrass: YES
 - Chinese Tallow: Maybe?
 - Microstegium: ???

- Real Estate Values

- Example: Appraisal and Environmental Issues

- A client is purchasing a 100 acre forested property as a long-term investment.
 - 20 acres has kudzu
 - The client is under contract to purchase for \$3000/acre, or \$300,000, with contingencies.
 - An appraiser is contracted by the client to determine the value of the property.
 - Based on the comparable land sales, the tract is worth \$300,000.
 - None of the comparable sales had kudzu patches



- Real Estate Values

- Example: Appraisal and Environmental Issues

- Based on the infestation, it will likely cost a total of \$1500/acre over 4 years to control the kudzu.
 - The rural appraiser does not account for the kudzu losses or costs in his appraisal.



- Real Estate Values

- Example: Appraisal and Environmental Issues

- If the appraiser was aware of the kudzu costs and lost values:
 - He could call a professional to get an estimate on the cost of treatment.
 - He could make the buyer aware of the problem.
 - If the contract allows, the buyer could respond with an adjusted price (in this case, \$270,000), or ask the seller to pay for the treatment.



- Real Estate Values

- Example: Appraisal and Environmental Issues (cont.)

- The buyer also contracted with an environmental consultant to perform a Phase I Environmental Assessment.
 - The consultant visually inspects the property for contaminants and environmental issues.
 - She has a difficult time accessing the entire kudzu patch.



- Real Estate Values

- Example: Appraisal and Environmental Issues (cont.)

- What do we know about kudzu patches?
 - Commonly growing on ravines
 - Historically, ravines were common dumping sites for refuse, old equipment, etc.
 - What is under the kudzu patch?
 - With knowledge of the costs and issues associated with kudzu, could the consultant provide value-added services and information to the buyer?



- Real Estate Values

- Example: Forest asset management

- Cogongrass
- Already severely impacted the Gulf states.
- Largest existing invasive plant threat
- EDRR is in full swing to combat new spot infestations
- What is it about cogongrass that makes it such a large threat?
 - The Southeast represents the largest timber supply in the US (60% of our national supply).
 - Cogongrass threatens the most important land use in the region.
 - Forests and cogongrass are not compatible.



- Real Estate Values

- Example: Forest asset management

- Many TIMOs own land across the Southeast

- South Carolina situation

- Many large TIMOs have tracts in Hampton and Allendale.
 - The same TIMOs have tracts in cogongrass infested areas (they should be aware of the problem).
 - Many forestry contractors that work these properties may be overlapping in cogongrass infested areas.
 - Many hunt club leases in Hampton/Allendale go to Florida hunting groups.
 - There is a value proposition to sell to TIMO managers concerning cogongrass risk.



- Real Estate Values

- Example: Forest asset management

- Are TIMO asset managers aware of the increased management costs that they face?
 - Are TIMO asset managers aware of the decreased real estate values?
 - How much are they willing to invest to keep cogongrass from infesting their property?
 - Matching funding for EDRR
 - Matching funding for eradication



Partnership Opportunities

- Accessing invasive plant infestations through real estate professionals will require:
 - Conviction to uncover needs of new influencers
 - Disciplined application professionals
 - New tools for analyzing invasive plant impacts
 - Investment from public and NGO community
 - Matching investment from the private real estate investment community

A dark, semi-transparent background image showing a person standing in a field with trees and a house in the distance. The text is overlaid on this image.

Questions?

Thank You

Matt Nespeca

630-418-6039

matt.nespeca@us.nufarm.com