Placing a Value on Trees

It is easy to think of reasons why trees in the community are important, but it is more difficult trying to assign a dollar value. This is because trees appeal to emotions as well as having a practical, or functional, side. Through a better understanding of the many ways trees are valued, urban and community forests can be managed more effectively and with greater sensitivity.

When a logger and a poet view the same tree, it is no surprise that they are unlikely to describe its value in quite the same way. Less expected is what happened not too long ago when two foresters were asked about the worth of a street tree. The story goes that a landowner had two large oaks in the way of highway construction. During negotiations about the value, a forester was called in who placed the figure at $300 per tree. This was based on the going price of firewood at $75 per cord. Seeking a second opinion, the landowner found another forester who used an appraisal formula and arrived at a value of $1,000 per tree! As is usually the case, the right tree in the right place had more value as a shade, or landscape, tree than for any products it might yield. A third side to this story is that the owner himself treasured the tree not in terms of dollars at all, but as part of a rich store of pleasant memories.

It is easy to place a value on trees that are grown solely for products. Foresters have done this for centuries. It is simply a matter of measuring wood volume (usually in terms of board feet of lumber or cords of pulpwood or fuelwood), and multiplying by the current market value. Similarly, trees in an orchard are valued based on the bushels of fruit they produce and the market price for that product.

The problems arise with non-commercial values. What is the value of a shady place for an afternoon barbecue? How much is the beauty of trees worth when you want to sell your house, or when a drunken driver destroys your flowering dogwood? How do you place a value on a tree that was planted by a departed parent, or that stood at the crossroads when Civil War soldiers marched past?

In the following pages, trees will be looked at in two ways. First is what trees mean to the heart. To foresters, developers, utility workers and business professionals, this is an aspect often ignored during the math and science of college courses or in the hard-nosed world of work. Yet it can explain why controversies arise over trees and why all workers need to use special care in working around trees. It can also help in building forestry programs that people will support.

The second section explains how an attempt is made to place a dollar value on trees in a way that all parties consider fair.

Through the use of proper appraisal methods, it is often surprising to discover how much trees are worth in the landscape. This, in turn, is a powerful argument on behalf of protecting and providing care for street, park and yard trees. It is also an important step toward putting community forestry on par with other public services.
In 1882, the great landscape architect Frederick Law Olmsted wrote that the “air purifying value” of trees and the “decorative motive” for planting trees should be considered secondary to the importance of trees as a restorative “solace and comfort” to the strained minds of city dwellers!

At the time, such a tribute to trees was the province of romantics, but a century later scientists are finding that there are, indeed, mysterious linkages between trees, the mind and the body.

Here are some values of trees that go far beyond their usefulness in cleansing polluted air, beautifying our avenues, or even saving money on energy bills and adding to the value of real estate.

**Stress Reduction and Health**

Researcher Roger S. Ulrich has repeatedly measured a relationship between human health and viewing trees. In some cases it has been the relaxing effect of tree scenes on students under the stress of final exams. In others he found that urban scenes with vegetation resulted in slower heartbeats, lower blood pressure, and more relaxed brain wave patterns. He even found that hospital patients recovering from surgery and having a view of trees through their windows had fewer complications, required fewer strong pain relievers, and left the hospital sooner than similar patients who had a view of a brick wall.

**Reflection on Change**

Scientists at the USDA Forest Service’s experiment station in Chicago believe that a key element in the psychological tie with trees is the ability of trees to help us reflect positively on life’s changes. Observing the dynamics of seasonal change, tree growth, and even tree death, have been mentioned repeatedly by survey participants in explaining why they find pleasure in visiting the Morton Arboretum.

**Symbols of Human Character**

Trees have deep symbolic meanings, including human traits that we are taught to admire. Trees are seen as representing such virtues as wisdom and steadfastness, even in the face of adversity. Their sheltering nature suggests parental care, and we even equate our heritage with the roots of a tree. We also apply human terms to trees, such as limbs, injuries, suffering, healing, tree doctors and surgery. It is no wonder, then, that many citizens view trees as fragile and innocent, ever in danger and deserving of pity.
Symbols of Continuity

In recent years entire organizations have sprung up around interest in planting the offspring of famous trees. Whether they are from seeds that travelled to the moon or cuttings from a tree planted by George Washington, the trees represent a continuous, living link with the past. Similarly, we plant birthday trees and memorial trees. Mere mortals come and go, but trees are seen as the bridge between generations.

Symbols of Religion

Trees play a role in virtually all religions. Some hold certain trees sacred, others refer to trees to help teach tenets, and all, like the story of Buddha receiving enlightenment under the wisdom tree, contain stories associating important people with trees. Also, we often refer to forests, groves of trees, or even a street arched by tree canopies, as cathedrals. In the presence of large trees, people frequently profess feelings of humility, awe and reverence.

The Real Cost of Vandalism

There are some who hate trees, or express hate through what they do to trees. Reasons range from revenge and ignorance to attempts at thwarting the plans for a park or the expenditure of public funds on tree care.

The destruction of old trees touch deeply into human emotions. Whether for road construction, power line clearance or through acts of vandalism, when trees die, people are affected. It may not even be the landowner involved, but others who simply pass by or associate the trees with some significant experience. One of the more poignant examples is told by an Alabama resident, Cathie Steele, who went to visit a giant live oak that had been girdled one night with a chain saw:

I thought the people there might think I was strange, crying over a tree like that. I could not fathom why or how anyone would do such a thing as this.

As I walked around the tree, there was a little girl standing at the base of it, looking at one of the huge limbs that arched down like a swing seat to almost touch the ground.

The girl was about 11 years old and was so quiet I didn’t realize she was crying at first.

I put my hand on her shoulder and said maybe the tree would live, although not convinced of it myself. What this child said to me, I will never forget.

She began to tell me about her father. “He used to bring me here to sit in the tree,” she said.

About a year ago, her father had died from cancer. She said she missed him and it was hard to understand why God took him.

Before he died, he brought her to the tree and told her that the tree was very old, that it had been here for hundreds of years. He told her he would not doubt die, but that this oak tree would always be here. He said that when he died, she could come here to sit in the limbs of this old oak and it would be like he was with her forever.

To this little girl, the probable death of this old oak was like losing her daddy twice.

I walked away and cried. It didn’t matter anymore if anyone thought I was strange.

When trees die, people are affected. The unnecessary clearing of roadside trees, such as these large cottonwoods in a Midwest suburb, evoked comments from residents such as, “I received my inspiration each day driving past that grove.” Another said, “When the trees were gone, so were the song birds and tree frogs I’d hear when jogging. A bit of my daily pleasure vanished with those trees.”

James R. Facio

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Assigning a Dollar Value

In recent years more and more attention has been given to the economic contributions of street and shade trees. These values — which are nearly always estimates based on the best available data — make a strong statement on behalf of planting more trees and taking good care of the ones we have. Here are some examples from the USDA Forest Service.

100 million mature trees in U.S. cities (about 1.5 trees per single family home) can reduce annual energy use by 30 billion kWh, saving consumers $2 billion plus avoided investment in new power plants.

By planting 500,000 trees in Tucson, Arizona, it is projected that airborne particulates will be reduced by 6,500 tons per year. This converts to a “particulate matter control” value of $1.5 million per year, or $4.16 per tree per year.

The tree canopy in an Ohio community reduces by 7 percent storm water runoff and its associated flood damage and water treatment costs. With only a modest increase in tree cover, the potential reduction is 12 percent.

The amount of taxes contributed to community coffers throughout the U.S. due to the value added by privately-owned trees on residential property is conservatively estimated at over $1.5 billion per year. The contribution of street and nearby park trees to property values would probably double or triple this figure.

Trees and Your Home

Tree values translate to dollars most visibly when looking at the costs of residential property. Numerous studies have shown that trees increase the value of property from 3.5 to 27 percent. Here are examples that help underscore the value of trees.

An analysis of 844 single family homes that sold in Athens, Georgia, revealed that houses with an average of five trees (regardless of species) in the front yard sold for 3.5 to 4.5 percent more than comparable houses without trees.

A developer in Columbia, South Carolina, found that bare house lots sold much faster after he transplanted 2- to 3-inch diameter pines to the lots. He more than paid for his efforts by increasing the selling price by over $1,500 per acre.

A researcher showed photos of house lots to both professional appraisers and recent home buyers. By increasing the amount of tree cover in the photos, estimates of value rose 7 to 27 percent.

In a classic study of 14 variables that might influence the price of suburban houses in Manchester, Connecticut, and Greece, New York, trees ranked sixth in importance in influencing the selling price of homes. They increased sale prices 5 to 15 percent.

Annual Costs and Benefits

To help ‘Trees for Tucson’ plan a 500,000-tree planting project, Dr. E. Gregory McPherson, formerly of the University of Arizona, constructed a computer model to weigh the project’s costs and benefits. Using velvet mesquite, a popular native species, for the study, McPherson included planting, annual water costs (about $2 per tree — less than used by one person indoors in two weeks!), pruning and removal as cost items. Benefits included such things as energy savings, dust control and storm runoff management. As can be seen in the chart, only during the first five years did costs exceed benefits. Removals near the end of the trees’ expected life spans account for the convergence of costs and benefits as the trees age. Overall, projected total benefits exceed costs by $236.8 million over a 40-year period.
Two houses built at approximately the same time, on two sides of the same street, show a marked difference in less than 10 years. By planting trees, the owners of the house above have an opportunity to increase the value of their property and significantly reduce their winter heating bills and summer air conditioning costs.

6 Ways to Economically Use Trees to Increase Your Property Value

1. Protect existing trees during construction. See Bulletins No. 7 and No. 20.
2. Transplant trees from elsewhere on the property to the front lawn area or other spots where trees are fewer.
3. Plant seedlings on property now that is to be a building site in the future.
4. Strategically place a few large trees from a nursery to enhance aesthetics or increase energy efficiency. See Bulletin No. 21
5. Encourage the planting of street trees in newly developed areas and proper pruning in older areas.
6. Prune off any dead or dying branches in yard trees.
How Much is a Tree Worth?

The Formula Method

It sometimes is necessary to place a specific dollar value on a landscape tree. Typically, this helps settle legal claims for the damage or death of a tree, assists with insurance payments, contributes to real estate assessments, and proves loss for income tax purposes. Placing a dollar value on public trees can also be used to help justify city expenditures for tree care.

There are several ways to establish value, and a key point is to have it done by a professional. Only appraisals that reflect experience and good judgement will be able to stand up in court or before a claims examiner. To obtain the services of an appraiser, contact the Council of Tree & Landscape Appraisers (CTLA) referenced on page 8.

The most widely accepted formula method is one developed by CTLA and published by the International Society of Arboriculture. The following is not intended as a do-it-yourself guide, but it should serve to illustrate the components of landscape tree appraisal.

Factors Considered in Determining a Tree’s Value

Size: Trunks are measured for diameter. The point of measurement depends on the size of the tree. Diameter is then converted to square inches of trunk area.

- Trees 4” or less
- Transplantable sizes larger than 4”
- Larger than transplantable size

Species: A rating is assigned to every species within a geographical region. The rating is expressed as a percent of “ideal” (5-100%) for that area and is based on the tree’s suitability to climate and soils, and generally how well it grows there. Aesthetics and functional attributes are also considered. State foresters can usually supply this list.

Condition: A tree in good health is assigned a higher condition rating than one plagued by disease, insects or physical damage. The range is:

- 0% dead or dying
- 5-49% poor
- 50-69% fair
- 70-89% good
- 90-100% excellent

Site: (10-100%) This is a highly subjective rating of the general surroundings, with emphasis on quality and design. A well-kept industrial park may be rated 90, whereas a run-down residential area could be 30. But trees in areas of intensive tree care, such as along a residential street, are usually rated higher than trees in industrial zones or that occur naturally in woods along a roadside.

Location: Location value is the average of the ratings for these three factors

Contribution: (10-100%) The tree’s functional (shade, privacy, safety barrier) and aesthetic attributes (flowers, shape, purposeful place in landscape design, wildlife value, etc.) are in this judgment. Historic values can be considered here, but personal sentimental values are not taken into account in any formula method.

Placement: (10-100%) The tree’s placement affects its function and aesthetic value. A specimen tree in the middle of the lawn would have more value than a single, beautiful tree within a grove. A tree that is large at maturity and has been planted under utility wires or too close to the house will result in a low placement value.
Appraisal Method #1: Replacement Cost

Trees up to 8 inches in diameter (4 in some localities and higher in others) are usually considered transplantable. Value can then be determined by obtaining price quotes from three local nurseries for the same or comparable species of the same size. Transportation and planting costs at the same site should be added.

This formula is then used:

\[
\text{Value} = \frac{\text{Installed Cost} \times \text{Condition} \times (\text{Site} + \text{Contribution} + \text{Placement})}{3}
\]

**Note:** In the case of a casualty to be replaced, site is assigned 100%.

**Step 1. Basic Value**

\[
\text{Basic Value} = \text{Replacement Cost of largest normally available tree locally} + \text{Basic Price (i.e. cost per square inch of trunk area of the replacement tree)} \times (\text{TA}_R - \text{TA}_A) \times \text{Species Rating}
\]

**Step 2. Appraised Value**

\[
\text{Appraised Value} = \text{Basic Value} \times \text{Condition} \times \text{Location Rating}
\]

Appraisal Method #2: Trunk Formula Method

Trees too large for practical replacement by transplanting are appraised by determining a basic value, then adjusting by condition and location ratings. A two-step process is followed in making the determination:

**The Bottom Line**

Using the above Trunk Formula Method, a 20-inch diameter Marshall ash was valued by the Council of Tree & Landscape Appraisers at $6,500. This was based on a $1,343 installed, replacement cost for a 6-inch balled and burlapped tree, and species and condition ratings of 70 percent and 80 percent, respectively. Site, contribution and placement ratings for location were found to be 60, 85 and 80 percent, respectively.

Government officials in Monroe County, New York, were able to place tree loss at a staggering $97.1 million when a disastrous ice storm struck in March 1991. Estimating tree values during street and park tree inventories can be useful when trees are subsequently damaged or destroyed.
Other Sources of Information

Tree City USA Bulletin will inform readers about helpful, up-to-date publications that provide more depth, serve as good models, or are readily available for community distribution. The editor welcomes sample copies to consider for inclusion in revised editions of this and other Bulletins.

More Reading About Values


An excellent summary of the environmental and social values of community trees. Twenty-seven references provide additional sources of information.


This article is “must reading” and makes a strong case for knowing the value of public trees before they are damaged or removed. Often, this is enough to cause the rethinking or relocation of projects, because it puts trees on par with other engineering costs. The system described has proven to be an important way to save trees and accrue funds when trees are destroyed. It offers a lesson applicable in any community.


“Values of Urban Vegetation” is a chapter in this excellent textbook. It reviews costs, benefits and values associated with community trees and includes a discussion of Internal Revenue Service rules and the $500 per tree limit used by most insurance companies.

Technical Guide

  - International Society of Arboriculture
  - P.O. Box GG
  - Savoy, IL 61874.

This 103-page book is the essential reference for anyone planning to learn how to conduct appraisals of trees, shrubs or other landscape vegetation. Methods are covered in detail, with additional sections on professional matters such as liability protection and how to testify in court as an expert witness.

Appraisal Assistance

Council of Tree & Landscape Appraisers
1250 Eye St., NW, Suite 500
Washington, DC 20005

The Council is made up of representatives of five professional tree and landscape organizations. Brochures for public distribution, technical publications, appraisal forms, audio-visual programs and a list of landscape appraisers are available.

To order additional Bulletin copies... Friends of Tree City USA members may obtain a single copy of this or any of the preceding Tree City USA Bulletins free of cost. Quantities of any issue are available at 25 for $6.25 or 500 for $100. To order: specify the issue number and quantity, and make your check payable to “The National Arbor Day Foundation,” 100 Arbor Ave., Nebraska City, NE 68410.

- No. 1 How to Prune Young Shade Trees
- No. 2 When a Storm Strikes
- No. 3 Resolving Tree-Sidewalk Conflicts
- No. 4 The Right Tree for the Right Place
- No. 5 Living With Urban Soils
- No. 6 How to Hire an Arborist
- No. 7 How to Save Trees During Construction
- No. 8 Don't Top Trees!
- No. 9 How to Write a Municipal Tree Ordinance
- No. 10 Plant Trees for America!
- No. 11 How to Prevent Tree/Sign Conflicts
- No. 12 What City Foresters Do
- No. 13 Trees for Wildlife
- No. 14 How to Kill a Tree
- No. 15 How to Recognize—and Prevent—Hazard Trees
- No. 16 How to Recycle Shade Tree Materials
- No. 17 How to Landscape to Save Water
- No. 18 Tree City USA Growth Award
- No. 19 How to Select and Plant a Tree
- No. 20 A Systematic Approach to Building With Trees
- No. 21 How Trees Can Save Energy
- No. 22 Tree City USA: Foundation for Better Tree Management
- No. 23 How to Conduct a Street Tree Inventory
- No. 24 Trees and Parking Lots
- No. 25 Tree Line USA
- — 1992 Annual Report and Directory
- No. 26 Understanding Landscape Cultivars
- No. 27 How to Manage Community Natural Areas
- No. 28 Placing a Value on Trees

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