

How much are the woodlands of the South East worth?

For every man, woman and child in the south east there are forty trees - in woodland, along roads and railways, in gardens, in hedgerows. Indeed there are few places in the region where trees are not part of our everyday lives. So how on earth can one begin to put a value on such a resource - isn't it like trying to value the sea or the sky? Yet trees and woodlands have often been valued in the past by their timber value alone and sometimes this has led to a lack of appreciation about their true worth to society. This note provides some information about the value of woods in this region and in others.



Valuing our woodlands

A number of woodland valuation studies have recently been completed and while their methodologies differ and many aspects of the valuations will appear subjective, their message is the same. Our conventional view of the worth of woodland is too limited and it needs to be revised to embrace a wider understanding.

In our own region, for example, we know that tourism is worth about £150 million annually in the New Forest and we can guess that some proportion of this must relate to the drawing power of the forest and its trees. The difficulty comes in saying what that proportion is. Other benefits are even more difficult to value - for example the heart attacks avoided through taking exercise in woodland must be worth something - but again, how much?

Drawing upon the information and methodologies set out in a range of valuation studies (see over-leaf) we have believe that the woodlands of the South East are worth **£1,000,000,000** a year to this region.

Of this the value of timber (at £20 million), its processing (at £70 million) and sporting (at £10

million) are dwarfed by estimates of landscape and biodiversity values (£300 million), recreation and tourism (£400 million) and other factors such as their influence on property prices, health and well-being and inward investment (at £200 million).

This figure is simply a comparative one to make the point that 'seeing the wood for the trees' is a critical step in recognising and realising the full potential of trees and woodlands in our region. No one can truly tell us the worth of our woodlands - no more than we can value the sea by counting the number of fish in it. If, however, valuation exercises are useful in expanding our views about the value of woodlands, then they will have achieved a useful purpose.

Regional Forestry Framework
Background information/research summary
No. 2
Forestry Commission
South East England Conservancy
Alice Holt, Farnham, Surrey, GU10 4LF
Tel: 01420 23337
fc.seeng.cons@forestry.gsi.gov.uk

Valuation studies from around the country

Whilst we can never hope to place a value on, for example, the beauty of a tree, we can at least look at some of the wider economic benefits that are derived from woodland. A number of recent studies have been carried out and the methodologies employed in these studies have helped us to derive our estimate of the value of woods in the South East.



1. 'Valuing the social and environmental benefits of forestry'. July 2003.

www.forestry.gov.uk/statistics

A major study carried for out the Forestry Commission by a group of environmental economists, led by Professor Ken Willis of Newcastle University. This study seeks to ascribe a value to a range of non-market benefits, i.e. benefits which do not produce a financial return but which are perceived by the public as 'benefits'. The table below emphasises the extraordinary profile of the South East, albeit that London is included within the region for this purpose. It appears that the social and environmental benefits provided by the South East's woodlands are worth some £277 million, far more than in any other region and indeed twice as much as those in Scotland and Wales combined.

Region £millions	Recreation	Landscape	Biodiversity	Carbon storage	Total
South East	91	34	140	12	277
Average for other English regions	38	13	32	4	87
England	354	124	363	43	885
Scotland	25	19	19	41	104
Wales	13	7	4	9	34
Great Britain	393	150	386	94	1023

2. South West England: Woodland and Forestry Strategic Economic Study, June 2003

This summarised the economic benefits of woodland and forestry to the South West region at £500-575 million annually. This figure comprises

- timber production at £17 million
- timber processing and associated jobs at £184 million
- tourism and recreation at £300-375 million.

3. West Midlands: A growing resource

April 2003

This estimated the value of woodlands at up to £718 million a year: Timber processing contributed a major share at £230 million, with the other major contributors being

- Recreation and tourism at £144 - £195 million
- Landscape at £42 million
- Biodiversity at £65 million.

4. East England: Woodland for life - The Wood Bank. June 2003.

www.woodlandforlife.net

This report estimates that the woods of East England are worth £680 million per year to the region. An interesting component of this total is the £26 million that woodlands contribute as they improve aesthetics, hence increase property prices—and revenue from property taxes.

What does valuation tell us?

In the south east, with woodlands providing such a significant backcloth to the lives of so many, the value of our woods is so obvious that we don't really need an economic valuation exercise to prove their worth.

The interesting part comes from looking at the constituent parts of the valuation. It is striking that, compared to the overall value of woodlands, these studies show us that the value of timber and sporting is quite small—some 10% of the total value. These values are so low that they are virtually ignored by society. A recent survey of the public's attitude towards woodland showed that wildlife, landscape and access are valued to the exclusion of almost any other attributes including the production of timber.

Nevertheless the conundrum exists that owners of woodland in the region, many of whom are struggling to finance the care and protection of their woods, are providing benefits worth at least ten times more to society than the potential revenues they can derive from their woodlands.