

12

Wind Farms & Land Values

In Australia, a number of wind farms have been built on or close to private land. There is often debate as to whether the value of those properties has been affected.

Factors impacting land values include :

- Changes in income earning potential of property
- Aesthetic appearance - impact on scenic views
- Changes in fencing and on site access roads
- Changes in natural vegetation and ecology
- Noise
- General trends in property prices in the area independent of wind farming.

Although no formal studies have yet been carried out in Australia, we can learn from information and studies from overseas.

What Are The Potential Effects On Land?

The most contentious and subjective issue relating to wind farms tends to be the impact on the landscape and whether the wind farm constitutes an enhancement or a negative impact on visual amenity. From a property value perspective, the greatest actual impact will be if a revenue stream is derived from the development. There is little evidence to suggest that because of landscape values, wind farms negatively impact upon the land values of neighbouring properties.

The effects are not limited to visual amenity considerations. When considering changes in land values, the impacts of ancillary services such as grid interconnection and roadworks also need to be taken into account. Main road access is sometimes enhanced and in cases where grid upgrades are required to enable the connection of a wind farm, there can be an improvement in the quality of local supply.

Wind farms do produce some noise during operation, but provided the wind farm has been sensitively designed this should not be an issue (see Fact Sheet #6). Similarly, appropriate design is usually able to mitigate the negative impacts arising from shadow and flicker at residences near the wind farm and can ensure that such factors will not impact property values.

Wind farms also bring tourists. Although this can affect landowners by increasing traffic flows, traffic noise & human pressure on an area that may previously have experienced little such pressure, it is unlikely to impact land values.

Wind farms do not have any noticeable effect on stock or cropping.

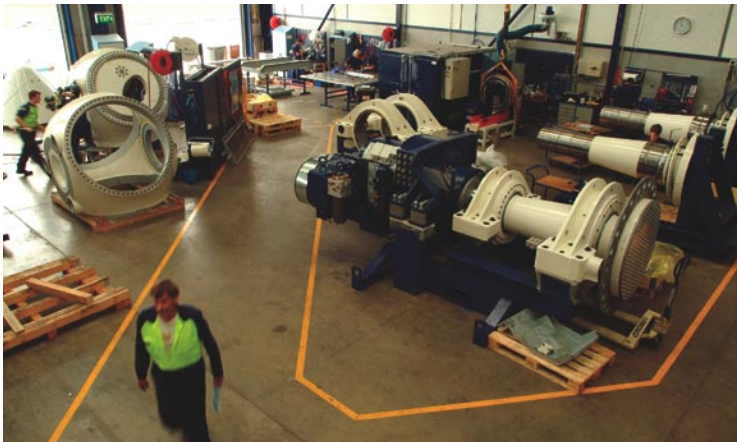
During construction there will be increased traffic movements and generally more activity than normal. This can mean some disruption to land owners caused by the increased noise during this period, but again is unlikely to impact land values.

What Is The Experience In Australia?

Owners of land where a wind farm is built receive income through land leasing and royalty agreements without impacting farming practices. This can be a very positive result for a rural property and the local rural community. However, landowners should be aware that wind farm agreements typically run for 20 years or more and therefore the impacts of this time frame need to be taken into account when considering any long term aspirations for the property. For example, a wind farm will generally limit rural subdivision potential and there may be a noise buffer of several hundred metres required around the turbines.

In Australia, there is no evidence to suggest that the value of properties with views of distant wind turbines, are adversely impacted by the wind farms. In Esperance [WA], an informal investigation was made into property prices

at Salmon Beach, a premier residential area 200 metres away from Australia's first wind farm. Of 15 properties investigated, only one reduced in value after the windfarm had been constructed. This was due to the property being subdivided and sold as two separate lots. Since then, Esperance has seen another two wind farms and 15 more turbines installed without a single negative comment.



Some people simply do not like the look of wind farms and this may influence their property buying decisions. In contrast, a 2001 Auspoll [VIC] survey found that the words most commonly used to describe wind farms were "interesting" (94%) and "graceful" (74%). In some situations, wind projects can provide a 20 year buffer and a net benefit to the landscape and environment by occupying an area that would otherwise have been subject to other development initiatives.



What Is The Experience Overseas?

USA: Research in 2002 by ECONorthWest¹ concluded there was "no evidence supporting the claim that views of wind farms decrease property values". This was backed up by a May 2003 Analytic Report for the Renewable Energy Policy Project² involving the review of over 25,000 records of property sales within a distance of five miles of wind farms and interviews with property tax assessors. The report found that property values increased faster within the view shed of the wind farm than in comparable locations away from wind farms. The rate of change in average sales price within the view shed was 18% greater over the study period. Once again the report's summary concluded: "we found no evidence supporting the claim that views of wind farms decrease property values".

Denmark: A report by the Institute of Local Government Studies (AKF) found that "the economic expenses in connection with noise and visual effects from wind mills are minimal".³

United Kingdom: A British Wind Energy Association investigation based on a number of different studies, found no evidence that wind farms caused house prices to decrease. This is backed up by the experience of more than 70 operating wind farms in England, Wales and Scotland. In fact, when an opposition group advertised that a wind farm in Glens of Foudland, Scotland would have a detrimental effect on house prices, they were censured by the Advertising Standards Authority (ASA) when the group could not provide evidence to support its claims.⁴

An independent market research study in the UK carried out two public opinion surveys involving hundreds of face to face interviews with residents living near wind farms :

At Novar Wind Farm, Scotland: "In regards to house prices, 72 per cent say the wind farm has had no effect, with a further 26 percent saying "don't know". None of the respondents say house prices have decreased as a result of the wind farm."⁵

At Taff Ely Wind Farm, South Wales: A new housing development has been built just a few hundred metres away from Taff Ely, with views across open fields towards the wind farm. According to a study⁶ 70% say they are able to see the wind farm from their home. "In regards to house prices, 78% say the wind farm has had no effect, with a further 15%

saying "don't know". As many residents say house prices have increased a little because of the wind farm (3%) as say they have decreased a little. Similarly, as many say they have increased a lot (1%) as say decreased a lot."

In Nympsfield in Gloucestershire, house prices continued to gain after plans for a wind turbine were announced in 1992. They have continued to increase since the turbine began operating in 1997.⁷

1. **Phoenix Economic Development Group**
<http://www.kvalley.com/phoenix/Kittitas%20Wind,%20final.pdf>

2. **Sterzinger, Beck, Kostiuk:** May 2003 Analytic Report

3. **Institute of Local Government Studies Denmark:** Social assessment of wind power, Jorgen Jordel-Jorgensen, April 1996.

4. **Renew online:** Wind Works for Farmers, extracts from the Jan-Feb 2002 edition of Renew. <http://technology.open.ac.uk/eeru/natta/renewonline/rol35/5>

5. **Novar residents survey:** Robertson Bell Associates, July 1998

6. **Taff Ely, Residents survey:** Robertson Bell Associates, December 1997.

7. **BWEA:** <http://www.bwea.com/ref/stroud.html>