Do Wind Projects Adversely Affect Proximate Residential Property Values?

The most basic principle of economics is that things are valued based on the "Law of Supply and Demand." It is quite obvious, all things being equal, that many people (due to view, sound, flicker, etc.) would choose NOT to buy a home where there are industrial wind turbines nearby. (Whether they are right or wrong in their reasoning is irrelevant.)

These beliefs would **reduce demand,** which clearly would have **some** negative impact on the price of nearby properties. Any report that concludes that there are zero negative property value effects related to wind projects simply can not be considered seriously. The only question is *how much of an impact is there?*

This list is just some of the more objective studies and commentary about the adverse effects of wind energy projects on home values near wind projects.

1 - Here are some more detailed analyses about wind project effects on property values, by *independent professionals*:

2019: German study of 3± million homes (by far the largest ever) concluded that there would be devaluations, especially within a mile or so.

2016: Article about a study concluding that a small NY town could have $40± million in property value loss due to a proposed offshore Lake Ontario wind project (by Clarkson economics professor, Dr. Martin Heintzelman).

2015: A study "Gone with the Wind: Valuing the Visual Impacts of Wind Turbines Through House Prices." This is the second largest study ever done on this issue (a million+ homes), and was conducted by the *London School of Economics.* They concluded that properties near turbines **will** decline in value. See this sample article about an earlier version of the study.

2013: Searchlight wind project could reduce property values by 25-60 percent, suggest studies.

2012: A study by Lansink Appraisers: Diminution in Price.
"Lansink & Clear Creek" & "Lansink on Property Values" commentary.

2012: A study by E.ON Energy Research Center (German Utility company): The Impact of Wind Farms on Property Values.

2012: Testimony in Lee County, Illinois, by appraiser Michael McCann.

2011: A study Values in the Wind: A Hedonic Analysis of Wind Power Facilities by Clarkson economics professor, Dr. Martin Heintzelman.

2011: A study by appraiser Michael McCann on property value impacts in Cape Vincent, New York.

2011: A report by appraiser Michael McCann on property value impacts in Brewster, Massachusetts.

2010: Testimony of appraiser Michael McCann on property value impacts in Adams County, Illinois.

2009: "A Wind Turbine Impact Study" by appraisers Appraisal Group One, and a later version (2010).

2009: A valuable report: "Impact of Wind Turbines on Market Value of Texas Rural Land" by Gardner Appraisal Group.

2008: "Living with the impact of windmills" presentation by real estate broker Chris Luxemburger, is an analysis of 600± sales over three years.

2008: "Wind Power Siting Issues: Overview" (by energy expert Tom Hewson): cites three pages of property value studies.

2007: In addition to being an excellent noise an health effects report, this document has a twenty page appendix on property values.

2005: A study done by Metropolitan Appraisal, regarding the Forward Wind Project (Wisconsin).

2004: Testimony of Maturen & Associates, Real Estate Appraisers, concerning the effects of wind projects on home values.

- -

2014: Grafton Vermont Property Values Forum: appraiser Mike McCann.

2012: Appraisers report property value losses near turbines.

2012: Government Agency agrees that turbines do devalue property!

2012: Property assessments reduced near turbines.

2012: Council tax cut for homes near wind farms.

2009: Property assessment lowered 60% for home near wind project.

2003: "Impact of wind farms on the value of residential property and agricultural land" a RICS (Royal Institution of Chartered Surveyors) survey.

2 - These are some other analyses and commentary about wind project effects on property values:

Why Some Families Near Wind Facilities Contemplate Vacating Their Homes

Wind farm 'blight' cutting value of homes by up to a third.

Wind Project Caused Illinois Property Value to Tank by 56%

Expert testifies about property devaluation due to wind turbine proximity

"How do wind turbines affect property value?"

Property values are the new front line in the war over wind turbines

32 Lawsuits against wind developer — including property value loss

Property purchasers win award due to failure to disclose wind project

Falmouth Real Estate - "The Turbine Effect"

Turbines complicate sales of abutting homes.

"Wind Industry Big Lie: Your Property Value Will Not Be Affected".

Vermont Wind Developer buys neighboring property after lawsuit

"A new slant on wind projects" offers a very helpful idea as to put some of the economic benefits of wind projects into perspective.

This site has a fine collection of property value articles.

"Property Values decrease by 40% if view of wind turbines" is an analysis of a real estate broker on turbine impacts on residential values.

An excellent discussion by the *Wisconsin Realtor Association* about the adverse effects of wind development.

An analysis by an Illinois Realtor about effects of wind projects.

A survey by a Wyoming Realtor concluded that properties nearby a wind project were virtually unmarketable.

"Property values blowing in the wind" is a report done by a local Realtor about wind project effects in her area of northern NY.

See here and here where two Realtors make formal testimony about the effects of wind turbines on property values.

Landowners say Turbines have Hurt their Property Values.

Wind turbines have reduced property values, court says.

Wind Turbine Compensation Stirring Discontent (Denmark).

"Farm couple fights wind turbines".

A newspaper article: "Critics say wind turbines hurt land values."

"Wind turbine homes threat" is a news report.

"I predict a series of rural ghettos of abandoned, unmaintained homes" says an experienced appraiser.

The Better Plan website has a good example of a real estate problem, plus some good recommendations.

This article says: "Horizon, opponents debate effects on property".

"Wind turbines constitute a 'taking' of private property value."

"U.S. wrestling with property values and setbacks for its wind turbines" touches on several related matters.

This UK site site lists several other sources regarding property values.

"Giant blades are slicing home prices" an article about UK experiences.

"An Ill Wind Blowing" is a story about an English family's experiences with a wind project depreciating their home value.

"Windfarm Blows House Value Away" is a story about another English family's experiences with a wind project depreciating their home value.

"Wind farm property sells at sheriff's sale."

3 - These reports are specifically directed at landowners who are considering signing a wind energy lease/easement:

This is a summary focused on farmers. Please pay special attention to the 40 Concerns, which is *extremely* important.

"Know The Facts BEFORE You Sign" by the *Informed Farmers Coalition.*

Wind Project Liens Filed Against Local Farmers Holding Leases

4 - Here are some sample Property Value Guarantee agreements:

Note that despite the wind energy proponent's continued claims that their projects have no adverse effects on property values, Iberdrola officially told this NNY community that they would not construct a project there if they were required to compensate land owners for property value losses. Most people would see that as being very hypocritical.

In my view this brings up a KEY point. Wind developers often get approval based on specious claims (regarding jobs created, CO2 saved, etc.). They get away with this as there is no real penalty for exaggerations, or stretching the truth. One of the best ways to counter this is to require that ***all*** *of these claims be legally guaranteed, in writing. Just like what happened in the above case, you will see immediate back-tracking. This will reveal to citizens the accuracy and sincerity of the developer's assertions.*

Our national model wind law includes a very effective Property Value Guarantee (¶ 9-5). Here is the basic version it was derived from.

The Town of Redfield (NY) Wind Energy Ordinance includes a superior Property Value Guarantee. This was passed in 2018.

The Town of Richland (NY) Wind Energy Ordinance includes a superior Property Value Guarantee. This was passed in 2018.

The Town of Somerset (NY) Wind Energy Ordinance includes a superior Property Value Guarantee. This was passed in 2016.

The Town of Randolph (NY) Wind Energy Ordinance includes a superior Property Value Guarantee. This was passed in 2016.

The Carteret County (NC) *Tall Structure Ordinance* includes an excellent Property Value Guarantee. This was passed in 2014.

The Town of Newport (NC) also has a similar Property Value Guarantee that was included in their wind law (Zoning Ordinance Article IX), in late 2013.

DeKalb County (Illinois) Property Value Guarantee Agreement.

Property Value Guarantee Agreement from Adams County, Illinois.

An explanation of the fine Property Value Agreement in Hammond, NY.

Montville Maine Wind Ordinance includes a Property Value Guarantee.

New Hampshire Town passes 3 mile Property Value Guarantee (2014)

In March 2014, the New Hampshire Senate passed a bill (SB281) requiring:

> "The use of best available mitigation measures to avoid or minimize aesthetic, ecological, health, and **property value impacts** as a condition for a certificate, and the establishment of a methodology to evaluate and **mitigate negative impacts on property values**."

Sumner Maine PVG — note they propose a condition that the developer must enter into separate agreements with proximate property owners.

A Property Value Guarantee proposed for the entire state of Maine.

This is the "Fenner, NY: Canastota Wind Power LLC: Property Value Assurance Plan".

This is Denmark's federal wind energy law, which (among other things) says:

> "Wind turbine erectors have to pay compensation for loss of value."

Proposed Property Value Guarantee for Riga, Michigan (2011).

Proposed Property Value Guarantee for Town of Knox, NY (2013).

"Developers seek elimination of property value guarantee" (2013) and "BZA limits property value guarantee testimony" (same project).

A town meeting video where a wind developer (and his ally) is quizzed about providing a Property Value Guarantee. Note they refuse to offer one.

As an interesting point of comparison, Exxon is voluntarily offering a property value guarantee to properties neighboring a new facility of theirs. They are rightfully calling this their "Good Neighbor Program."

5 - These are some critiques of wind industry funded PV reports:

"Vyn and Property Values" (12/14).

Debunking of Hoen's latest turbine property value missive (8/13).

"A Nail for Hoen's Coffin" (8/12).

"Regarding Hoen Study on Residential Property Values" McCann (3/12).

Commentary on the Hinman PV report (1/12).

"Wind Farms, Residential Property Values and Rubber Rulers" - is commentary by appraiser Albert Wilson (6/10).

"Critique of The Impact of Wind Power Projects on Residential Property Values in the US: A Multi-Site Hedonic Analysis" by Wayne Gulden (2/10).

"DOE study says wind farms don't affect property values, but..." is a report by The Acoustical Ecology Institute (12/09).

A detailed critique 1 by appraiser Mike McCann (12/09).

"Turbine Effects on View Shed" are observations by engineer Chuck Ebbing — starts on page 20 (4/09).

"False conclusions based on flawed real estate studies" are some fine commentaries here, here, and here by WindAction.

==========

The Lincoln Nebraska wind working group wrote an excellent report on their property value research (4/15).

6 - Some Other Options:

A good strategy to consider is to piggyback on ideas currently being employed by environmental groups to stop hydrofracking. Here is an example: Sue Your Neighbor. Make sure to look at the part about an "anticipatory nuisance." *Constructive condemnation* is another possibility, but appears to be a subset of the "anticipatory nuisance" legal definition.

Here is a relevant case where a Canadian homeowner sued to have his property assessment lowered due to nearby noise from a power station. He won the lawsuit and received a significant reduction.

*If you know of other good material, or there are errors of omission or commission here, please email these to John at: "*aaprjohn *at* northnet *dot* org*".*

Rev 2-21-20