



Wind farms and property values - let the market decide



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The idea that property values could be negatively affected by development of wind farms nearby is a hot button issue and understandably so, given many people have much of their wealth tied up in property. In February, there were two individual cases that came to prominence as a result of reports in *The Australian* newspaper:

--The South Gippsland Shire Council agreed to cut rates [1] for one landowner after he complained that a prior valuation of his land value did not reflect the negative impact from the yet to be built Bald Hills Wind Farm. The council then revised the valuation downwards by 32 per cent thereby reducing his council rates fees.

--In a divorce case, a Federal Magistrate accepted [2] that the value of land next to a proposed wind farm was likely to be worth 17 per cent less if the wind farm were to be constructed.

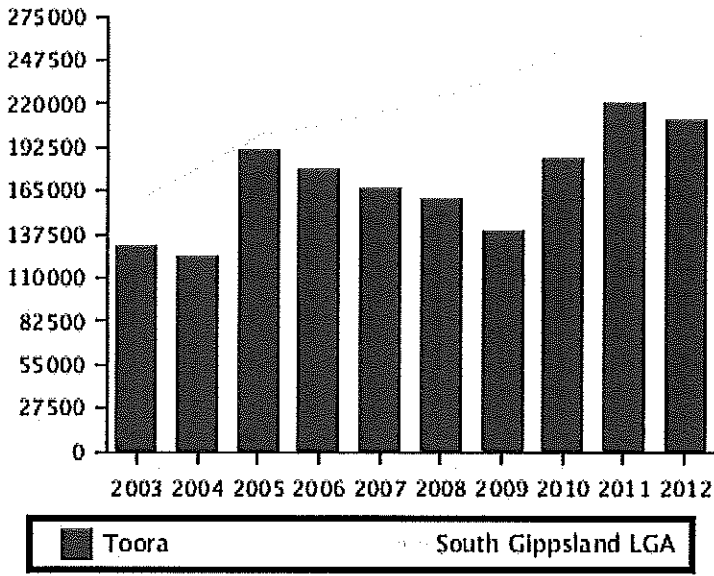
So from these two individual cases of what is thought to be the impact on land values from wind farms (even though they are yet to be built), based on the judgement of a valuer, not actual market outcomes, represent emphatic evidence that wind farms tarnish property values?

It appears not, based on data about actual market outcomes of Victorian properties nearby to wind farms that have actually been built.

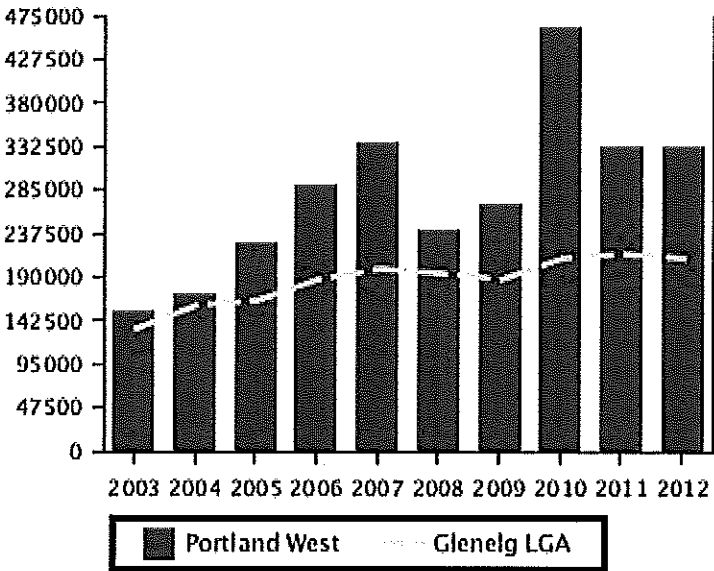
Victorian Greens Leader, Greg Barber, actually bothered to look [3] through RP Data's historical property value data [4] for each location where wind farms have been built in Victoria. It suggests that you might want to be careful before using the two cases above to conclude wind farms will slash the sale price of properties by the likes of 30 to 50 per cent, as some anti wind farm activists are claiming.

The data on median prices for house sales in post codes with wind farms compared with their local government area is illustrated in the charts below.

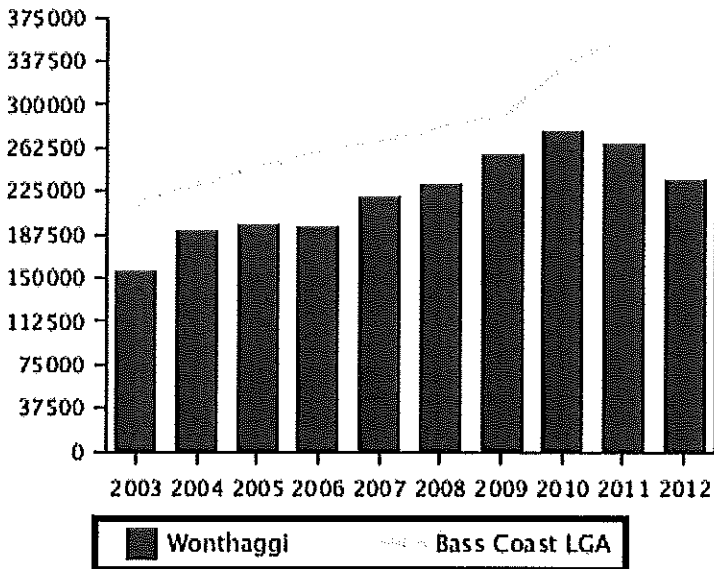
Toora wind farm – commissioned 2002



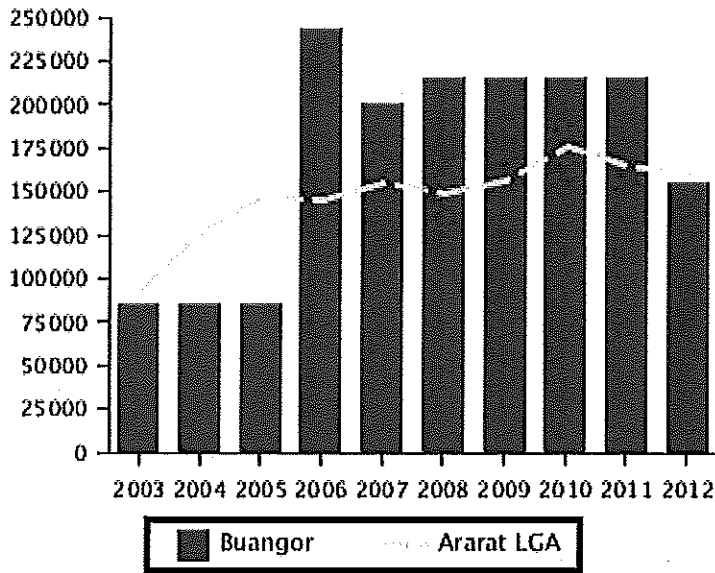
Cape Bridgewater/Cape Nelson wind farms – commissioned 2008/09



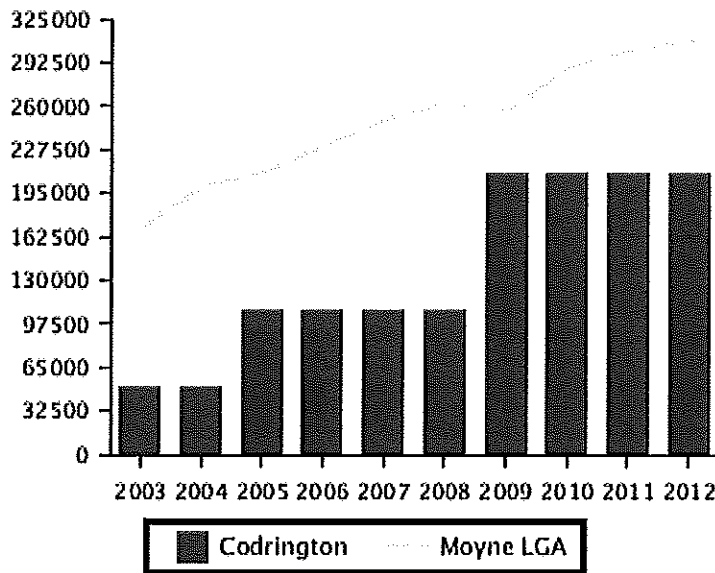
Wonthaggi wind farm – commissioned 2005



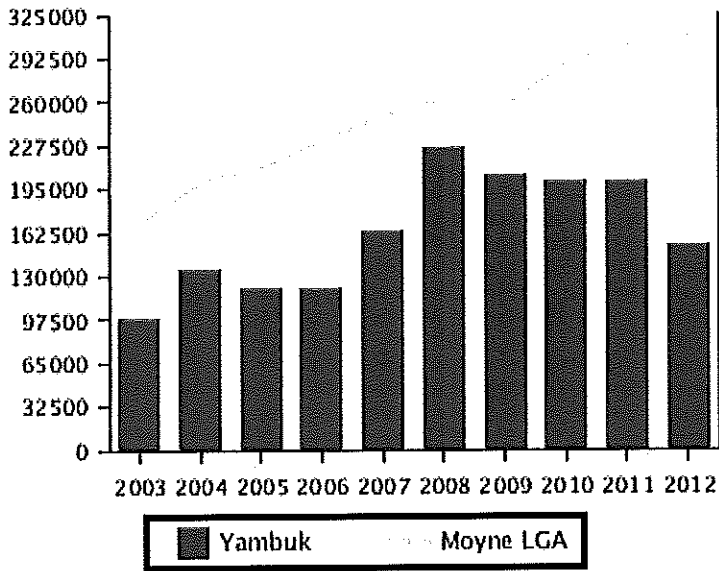
Challicum Hills wind farm– commissioned 2003



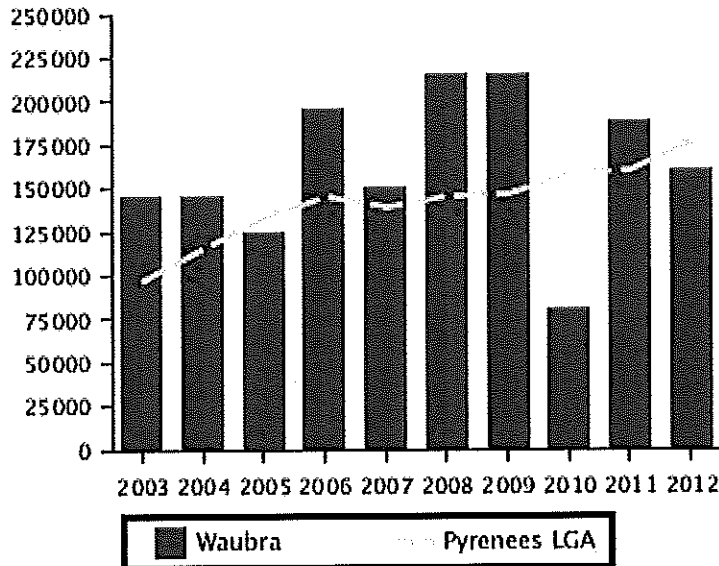
Codrington wind farm – commissioned 2001



Yambuk Wind farm – commissioned 2007



Waubra wind farm – commissioned 2009



Source URL: <http://www.businessspectator.com.au/article/2013/4/5/wind-power/wind-farms-and-property-values-let-market-decide>

Links

[1] <http://www.theaustralian.com.au/national-affairs/climate/value-of-land-cut-by-wind-farms/story-e6frg6xf-1226566270371>

[2] <http://www.theaustralian.com.au/national-affairs/climate/turbines-tarnish-property-values/story-e6frg6xf-1226575728368>

[3] <http://vicmps.greens.org.au/content/no-basis-claims-wind-farms-affect-property-values>

[4] <http://www.businessspectator.com.au/myrpdata.com.au>