Do Wind Projects Adversely Affect Proximate Residential Property Values?

The most basic law of economics is that things are valued based on the “Law of Supply and Demand.” It is exceedingly 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 close by. (Whether they are right or wrong in their reasons is irrelevant.)

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

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

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

  A 2013 Study of over a million homes by the London School of Economics, concluded that properties near turbines will decline in value.

  Searchlight wind farm could reduce property values by 25-60 percent, suggest studies.

  A 2012 study by Lansink Appraisers: Diminution in Price.

  A 2012 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.

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

A copy of this was emailed to you so you may read the online links if you wish.
A 2011 Study by appraiser Michael McCann on property value impacts in Cape Vincent, New York.

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

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

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

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


“Living with the impact of windmills” presentation by Real Estate broker Chris Luxemburker, is an analysis of some 600 sales over a three year period.

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

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

Wind Power Siting Issues: Overview (by energy expert Tom Hewson): cites several studies.

Appraisers report property value losses near turbines.

Government Agency agrees that turbines do devalue property!

Property assessments reduced near turbines.

Property assessment lowered for home near wind project.

Wind turbines have reduced property values, court says.

Wind Turbine Compensation Stirring Discontent (Denmark).

"How Industrial Wind Projects Affect Property Values" is a worthwhile commentary by engineer Chuck Ebbing.

A nice presentation "Turbine Effects on View Shed" by Mr. Ebbing.

"Impact of wind farms on the value of residential property and agricultural land" an RICS (Royal Institution of Chartered Surveyors) Survey.

"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.

Here is a good news story about homeowners holding out for the wind developers to buy their property — and succeeding very well.

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

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

This UK 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.

Ontario Parliament member calls for a provincial home value study about a 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 are specifically directed at landowners who are considering signing a wind lease:

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 these claims be legally guaranteed, in writing. Just like what happened in the above case, you will see an immediate back-tracking. This will reveal to citizens the accuracy and sincerity of the developer's assertions.

The Carteret County (NC) Tall Structure Ordinance includes an excellent property value guarantee. This was passed in February of 2014.

The Town of Newport (NC) also has a similar property value guarantee that was included in their wind law (Article IX), in late 2013.

This basic real Property Value Guarantee agreement was based on a plan drafted by Illinois lawyers.

DeKalb County (Illinois) Property Value Guarantee Agreement. Some good commentary on the DeKalb Property Value Guarantee.

Property Value Guarantee Agreement from Adams County, Illinois.
An explanation of the fine Property Value Agreement created in Hammond, NY, and a later version. [Wind developer for Hammond says they will leave if there is a Property Value Guarantee.]

Montville Maine Wind Ordinance includes a Property Value Guarantee.

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

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

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."

"Wind turbines constitute a ‘taking’ of private property value."

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

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: "An erector of a wind turbine has a duty to pay compensation for loss of value."


"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.
5 - These are some critiques of the Hoen/Wiser report:

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

“Wind Farms, Residential Property Values and Rubber Rulers” - is commentary by appraiser Albert Wilson.


“DOE study says wind farms don’t affect property values, but...” is a report by The Acoustical Ecology Institute.

A detailed critique 1 by appraiser Mike McCann, and a second one about a later Hoen report critique 2.

“Turbine Effects on View Shed” are observations by engineer Chuck Ebbing (starts on page 20).

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

A good critique of two earlier studies (similar to Hoen/Wiser) by Michael J. Miller, FCAS, MAAA.

The Proposed Prairie Breeze Wind Project Will Harm the Property Values of Non-participating Owners.

6 - Some Other Options:

In my view we should be piggybacking 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 3/27/15
Wolfe Island property assessment reductions of over $3 million

Posted on 09/19/2012 by windaction

Dear Huron East Council,

Further to my deputation(s) regarding property devaluation by wind projects – I wish to forward some information I finally received from MPAC (as promised) regarding what has happened on Wolfe Island with regard to property assessment reductions. It hosts the province’s second largest wind farm. I am including the list of property assessment reductions from MPAC since 2008. The list shows 78 significant assessment reductions since 2008 (the wind farm became operational in 2009) totaling $3 million in reductions.

The 6 largest reductions are listed below and are situated very close to the turbines themselves and very clearly shows what can happen to property assessments when wind farms are erected around residential areas. I do not wish to waste council’s time with another deputation—but would like to know what progress has been made with regard to creating a by-law (as discussed) to protect this from happening to Huron East ratepayers (and the municipalities’ tax base)? It was indicated that proof needed to be provided before attempting to put in place such a bylaw. I think that I have upheld my end of the bargain. Many of my neighbours are eager to know if there will be some protection put in place from potentially losing their life savings in their property equity?

Here are the addresses of residents (near the wind project) who were granted assessment reductions of over $100,000 by MPAC in the Township of Wolfe Island from 2008 until Jan. 2012.

Reduction
- 82 – Oak Point Rd.: -$118,000
- 23 – Nine Mile Point Rd. -$143,000
- 429 - Nine Mile Point Rd. -$119,000
- 433 - Nine Mile Point Rd. -$117,000
- 496 - Nine Mile Point Rd. -$107,000
- 136 – Lucas Point Lane -$101,000

Some of these properties are on Wolfe Island and the rest are on Simcoe Island. Simcoe Island is located just off the west end of Wolfe Island where the Wind Project is sited (see map attached). According to an e-mail I received from Gail Kenney (the prominent resident appealing their ARB decision on Wolfe Island) the Wind Project can be seen and heard from most of the south shore of Simcoe Island. She indicated that property sales have all but shut down on Simcoe Island. She now has this list from MPAC as well (they did not have it at the time of their ARB hearing) Wolfe Island Assessment Reductions.

Wolfe Island Assessment Reductions