<u>**Property Devaluation**</u>

- Trustpower, in this Response to Submissions treated the authors of the many submissions concerning property devaluation with contempt. The Department acquiesced through inaction. It must not happen this time around.
- Developers need to be dragged back to the topic relevant to current NSW wind farms in the planning process: are **lifestyle** properties devalued in the presence of wind farms?
- The Department needs to enforce the NSW wind farm Guidelines (Draft) especially the requirement to evaluate devaluation through:

  "relevant studies and credible research on wind farms and property values",

as most of the examples quoted are irrelevant to the Rye Park environment.
- As wind farms continue to encroach into ever populous rural residential areas, the Department needs to consider "persuading" a developer to fund a truly independent study on the impact of wind farms on lifestyle property values and the economic issues surrounding the loss of future lifestyle subdivisions.
- continuing to hide behind Land and Environment Court decisions doesn't solve the problem.
- the Department and the PAC are to be applauded for their acquisition recommendations, but that only solves the devaluation issue for a small proportion of those impacted.

47 submissions to the original 2014 EIS, including mine, mentioned property devaluation.
They were answered collectively in <u>**one paragraph**</u>:

> "Concerns about property price impact are dealt with in section 8.8. Studies have been carried out both in Australia and overseas. These have included studies of over 120,000 home sales over a ~20 year period before and after wind farms were installed. This has included over 1200 sales within 1 mile and over 300 sales within half a mile of a wind farm. Consistently, no statistical change in prices attributable to wind farms is observable"

Concerns about property price impact are **NOT** dealt with in section 8.8 as we will see.

The study of "over 120,000 home sales" was a study of home sales in <u>**cities and towns**</u>; of absolutely no relevance to the Rye Park environment (see below)

Property devaluation is addressed in two sections in the 2016 revised EIS:
- in Appendix K, Economic Impact Assessment, August 2015 and,
- in the main report, Section 8.8.

<u>Appendix K, Economic Impact Assessment, August 2015</u>.
The consultant responsible is Hudson Howells, not well known in NSW wind farm circles.
A quick Google tells you they did the Economic Impact Assessments for the Dundonnell (VIC) and Palmer (SA) wind farms.

As with Rye Park, both these wind farms are proposed by "$2" subsidiaries of **Trustpower**. So Hudson Howells is coming up with the right answers for Trustpower. It is hard though, for them to claim objectivity.

The next thing you find is that the Rye Park section on property values is exactly the same as the section in the Dundonnell Economic Impact Assessment. **<u>One hundred percent word for word</u>**. Isn't it nice to know that the Rye Park wind farm characteristics are exactly the same with respect to property values, including the physical characteristics of the wind farm, the landscape, the existing screening, the non-associated residences, the visual impacts and the sound impacts.

In more detail:

Hudson Howells relies heavily on a two page brochure "Wind Farms and Property Prices"[1] put out by the Clean Energy Council, **the wind farm developers union**.
Every footnote links via that document. The last group you would ask if you were looking for evidence that properties are devalued in the presence of wind farms would be the Clean Energy Council. Hudson Howells relies on that brochure as the basis for much of its text as well.
The first part of the property devaluation section concentrates on the contention that host properties may increase in value. Who cares about hosts, although it is hard to justify value increases given Departmental advice that hosts will be responsible for decommissioning costs should the then owner of Rye Park Renewable Energy Pty Ltd be unable to fund decommissioning.
Hudson Howells quotes as its authority for this section, the deeply flawed CSIRO report "Exploring community acceptance of rural wind farms in Australia".[2] Despite wide-ranging criticism, the study author would appear to have not defended it.

In addition to references to Hoen et al 2013, irrelevant to the Rye Park environment, they rely on a study of the Lempster wind farm (also cited in Palmer and Dundonnell). Here, at least, they ventured outside the safety of the CEC brochure to get a quote from the Executive Summary on Page 3 of the Lempster study.
If you read further, however, you find that the Lempster wind farm:
- has 12 turbines.
- The study was commissioned by a wind farm developer, for whom the major study author consults to this day.
- The nearly indecipherable visibility diagram would appear to tell us that 6 of the 88 properties in the study would have a clear view of the turbines, 3 an obscured view and the rest (79) **<u>would have no view at all</u>**.
- Approximately 70% of the properties were at distance greater than 4.8 kms from the nearest turbine.

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[1] https://www.cleanenergycouncil.org.au/technologies/wind-energy.html
[2] Refer Select Committee on Wind Turbines Submission 316 - Attachment 3
The Fatuous CSIRO Report "Exploring Community Acceptance of Rural Wind Farms in Australia. Dr Michael Crawford.
http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Wind_Turbines/Wind_Turbines/Submissions

- The majority of the properties were less than 2 hectares

Does any of that remind you of Rye Park?

Hudson Howells included the mandatory quote from the "NSW Valuer Generals" report:

> "A study conducted by the NSW Department of Lands looked at properties located near eight wind farms and found no evidence that wind turbines caused property values to drop. The report found that wind farms "do not appear to have negatively affected property values in most cases". The report also found that "no reductions in sale price were evident for rural properties or residential properties located in nearby townships with views of the wind farm"

Whilst the report did not find any reductions for rural properties (broad acre farms) or town properties, when you delve further you find that 4 of the **<u>45</u>** properties in the study in the vicinity of **<u>6</u>** wind farms were **<u>lifestyle</u>** (the study author's terminology) properties that suffered apparent devaluations of 6%, 24%, 25% and 27%.

We are once again being misled by omission, but then this information was not in the union brochure from which the paragraph above was copied.

Finally, Hudson Howells introduced a trace of reality regarding property values when summarising:

> "Some may fail to keep pace with market trends due to perceptions of visual and noise impacts"

We agree.

(Sometimes copying from one EIS to another gets you into trouble. Reading further into the next section on Carbon Emissions, you find:

> "At a conservative carbon price of $20 per tonne (conservative relative to international trading schemes **<u>and Australia's carbon tax of $23 per tonne)</u>**, the value of carbon emission savings associated with the Rye Park Wind Farm is therefore estimated to be $15.6 million per annum or a present value of $165 million over a 20 year period (discount rate of 7%)." (emphasis added)

From my recollection, the carbon tax was abolished well over a year before the date of this report.)

<u>Section 8.8 – Main Report</u>

The Trustpower section on Property Prices (Section 8.8) is a copy of the original 2014 EIS section with the addition of references to two studies. Having quoted no studies in 2014 apart from the NSW "Valuer General's" 2009 study, given all the choices that they had to reinforce their mantra that non-associated residences are not devalued in the presence of wind farms, the best that they could come up with were firstly:

> "Relationship Between Wind Turbines and Residential Property Values in Massachusetts" by the Carol Atkinson-Palombo (University of Connecticut) and Ben **<u>Hoen</u>** (Lawrence Berkley National Laboratory) analysed more than 122,000

> home sales between 1998 and 2012 that occurred near current or future location of 41 turbines in densely populated areas of Massachusetts."

This study is also totally irrelevant to the Rye Park environment.
The 41 turbines were in 26 locations, so each "wind farm" averaged less than 2 turbines.
The 122,000 homes were **all** in cities and towns. (as noted above – "densely populated").
This was not a rural study as the study authors clearly stated.
The average block size was 2000 square metres
The average distance to the nearest turbine was 4.99 kms.

The second study quoted Hoen et al 2013 is a rural(ish) version which suffers from similar faults. Note the common authorship.

Trustpower **also** enlists the aid of the 2009 "Valuer General's Report" in identical fashion to its 2014 EIS section. Enough has been said above about being misled by omission.

One statement however, needs attention:

> "The results for rural residential properties (commonly known as 'lifestyle properties') were mixed and inconsistent; there were some possible reductions in sale prices identified in some locations **alongside** properties whose values appeared not to have been affected" (emphasis added)

Anyone who has read the study and examined the data on the 13 lifestyle properties and their proximity to each other would know this statement is utterly incorrect. (unless the definition of **alongside** is "somewhere in the vicinity of the wind farm in question"). The study author, Bob Dupont, in correspondence with me declined twice to defend the statement.

Trustpower could be forgiven, as they may not have read past the Executive summary of the Valuer General's Report, but for the fact that the Rye Park developer was told in 2014 (submission 101389) that this statement was incorrect. (Trustpower, in writing this Response to Submissions, read the submissions, you would hope)

In light of that, surely the case can be made that Trustpower is guilty under the ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979 - SECT 148B of providing false or misleading information.

An Observation.

Given Trustpower's insistence that properties are not devalued in the presence of wind farms, they will make no complaints should the Department, and failing that, the Planning Assessment Commission determine that there are 20 or more non-associated properties suffering a high Visual Impact (not just the two grudgingly conceded by Green Bean Design) and that Trustpower has to make an offer at pre-wind farm valuations for each of them.