

Biala submission

Property devaluation in the real world

From my reading of the draft NSW wind farm guidelines (2011), it is clear that whoever drafted them thought that an array of wind turbines had the 'potential' to disrupt the value of properties in close proximity. And yet, the studies selected for reference in EISs largely do not reflect that finding. Biala is no different. On the ground however, those who are in the know and who are brave enough to go public, have a more nuanced view.

The Biala EIS at 15.3.3 states 'There is a perception in society that industrial development, and wind farms in particular have a negative impact on property values'. It goes on to give a raft of possible reasons:

- visual amenity impact
- noise impact
- perceived electromagnetic and electricity impacts to health (the word 'perceived' is interesting in this setting, indicating that perhaps only a minority are bothered about electromagnetic and electricity impacts to health. It not being included after visual and noise impact suggests that in the Newtricity drafter's mind there is no doubt of these impacts)
- shared land use and traffic impacts, particularly during construction but also for routine maintenance

And, that 'This impact can occur to local residents on or adjacent to wind farms, and any property or future development that can see the wind farm'.

So despite the litany of acknowledged and/or 'perceived' effects of the wind farm, the selected studies presented found property prices were unaffected, oh, except for the vulnerability of 'lifestyle properties in the vicinity of the township... however the reported decline in sale prices may have been driven by other market forces'. Curious that the other market forces remain unnamed, unexamined. And Newtricity officials were able to reassure 'interested stakeholders' that studies 'have failed [to] correlate the presence of WTGs and declining property values'.

'Failed to correlate' is an interesting turn of phrase, giving the impression that some doubt could remain. Why not say 'studies indicate that property prices are not affected by the presence of WTGs' or even 'property prices appreciate in value due to the presence of WTGs'? Why when you go to allhomes.com does one not read mention of the magnificent view of wind turbines? The reason is that in the real world, light years away from the studies, properties, especially lifestyle properties close to wind turbines, do lose value.

A courageous and honest real estate agent, at a meeting in Yass on 9 October 2015 provided insight based on his many years of experience selling properties.

He said that the presence of or potential for wind turbines creates buyer uncertainty. Visual impact and possible health impacts affect sales. 'Properties surrounded by wind farms are coming under downwards price pressure.' 'I'm convinced it has an impact on price downwards'.

He named three types of buyers:

- One who will not look at a property near wind farms or high voltage wires
- A buyer who has no issues with a wind farm, thinks they might be able to live with it, but questions whether they will be able to sell it later. This group generally looks for properties at the higher end of the market
- A buyer who, if the price is discounted enough will see the bargain

He added that distance from the wind farm is a factor:

- 2k away people will not purchase
- 5k away they will purchase

He gave the example of 4 properties for sale in the Cullerin Range. One property in the \$800K range did not sell after 12-18 months on the market, and was subsequently rented out. The other three properties were at the lower end of the market and eventually sold. He added that the narrower the buyer group, the harder the property is to sell, so properties in the higher price range that are affected by wind farms are more difficult to sell. If you're in this situation and are forced to sell quickly, it could be very difficult.

As Pru Goward, State Member for Goulburn stated at the same public meeting, she is urging Rob Stokes, Minister for Planning and Environment, to undertake a further study into land values, particularly to take into account the affects on regions that are 80-100km away from a capital city that attract lifestyle purchasers. This is the case in Biala. Such a study might start with real estate agents in the more populated rural areas where wind turbines have been present for several years.