

## **Bowmans Creek wind farm**

A submission on a “minor issue”, Property Value.

It is so hard to resist an EIS for a NSW wind farm on exhibition. I initially turned to the LVIA, especially as it comes from Green Bean Design, but Principal Landscape Architect, Andrew Homewood, has done such a marvellous job of quoting the Department’s Visual Assessment Bulletin back at them, the fun has gone out of any critique.

Deeply flawed though their Visual Assessment Bulletin is, we can hardly expect the Department, or their favourite independent expert, to argue against Mr Homewood’s conclusions.

As expected, an LVIA based on a flawed document must expect to inherit some of the flaws.

I then turned to another of my favourite sections, Property Devaluation or Property Value as it is called in the EIS.

Those 20 people who raised the issue of Property Devaluation during Community Consultation (EIS page viii) can rest easy.

Those of you who own lifestyle properties can be assured that their investment is safe, even if their amenity is destroyed.

Those of you that had planned to subdivide your rural properties into lifestyle blocks as a retirement strategy can boldly go ahead confident that potential lifestyle buyers will not be deterred by wind turbines on the adjoining ridge.

Those of you that think that your properties have already devalued before the wind farm is even approved are suffering from a delusion.

All of the above, of course, is rubbish. Lifestyle properties are devalued in the presence of wind farms.

The Senate, State and Local Government know that.

Departmental employees from Secretary level on down know that.

The PAC/IPC knows that.

The Valuer General knows that.

The wind industry knows that.

Current owners and potential buyer of impacted lifestyle properties know that.

But here we have another couple of relatively new boys on the NSW Wind farm EIS block, Hansen Bailey and Gillespie Economics trying to convince you that this issue is totally overblown and “minor” and therefore of no economic impact.

Rightly, the Economics assessment, Appendix O of the EIS by Gillespie Economics, includes the potential economic impacts of property devaluation (Page 22). The authors placed their faith that no such devaluation exists on two Australian studies.

- *Preliminary assessment of the impact of wind farms on surrounding land values in Australia* more commonly known as the Valuer General’s Study, and:
- *Review of the Impact of Wind Farms on Property Values*, July 2016, Urbis

Gillespie Economics writes in totality about the first study:

“Preston Rowe Patterson (2009) in a study of the impact of windfarms on property values found that properties in rural/agricultural areas appeared to be the least affected by wind farm development, with no reductions found near any of the eight windfarms investigated. The only

properties where a possible effect was observed were lifestyle properties in Victoria within 500 m of a windfarm.”

The actual quotation from the Preston Rowe Patterson study is:

“A relatively small number of “lifestyle” type properties located very close (less than 500 metres) to wind farms in Victoria were found to have lower than expected sale prices”

The data came from an analysis of 45 properties in total of which 11 were “lifestyle”

The data in that study showed lower than expected sale prices for four lifestyle properties, actually 6%, 24%, 25% and 27%. The study author confirms this on page 54 when he states:

“possible reductions in value were found for one (1) lifestyle property at the Waubra wind farm, one (1) property at the Toora wind farm, and two (2) at the Codrington wind farm. The possible reduction in value ranged from 6-27%”

More important is the falsity in the study and repeated in Appendix O and the main body of the EIS (highlighted above) that these properties were all less than 500 metres from a wind farm.

From the data in the report, the 4 lifestyle properties that showed clear devaluations were 400 metres, 2.1 kms, 5 kms and 6 kms from the nearest turbine. For example (Page 38), property F2, which shows a devaluation of 27%, is 2.1 kms from the closest Waubra turbine. Why the author of the report wrote a conclusion widely at variance with his data is unknown, and he wouldn’t tell me.

Hansen Bailey’s contribution to the debate in the body of the EIS was to tack on:

“For the Project, there are not any non-Associated dwellings within 500 m of a turbine.”

Which unfortunately, given the facts, has no relevance.

Gillespie Economics writes in totality about the second study:

“A literature review by Urbis (2016) of Australian and international studies found that the majority of published reports conclude that there is no impact or a limited defined impact of windfarms on property values. Those studies which identified a negative impact are based in the northern hemisphere and are associated with countries with higher population densities and a greater number of traditional residential and lifestyle properties affected by wind farms. This is generally contrary to the Australian experience, with most wind farms being located in low population density environments that derive the majority of their value from productive farming purposes (Urbis 2016).

Urbis (2016) undertook an assessment of the impact of windfarms on surrounding land values in NSW and Victoria. It found that there is insufficient sales data to provide a definitive answer utilizing statistically robust quantitative analysis techniques. However, from its case study assessments it did not identify any conclusive trends that would indicate that wind farms have negative impacts on property values. Its property resale analysis indicated that all of the properties examined demonstrated capital growth that aligned with the broader property market at the time. Consequently, Urbis (2016, p. 21) concluded:

*"In our professional opinion, appropriately located windfarms within rural areas, removed from higher density residential areas, are unlikely to have a measurable negative impact on surrounding land values."*

Hansen Bailey’s contribution to the debate was to tell us that the Urbis study was commissioned by the Office of Environment and Heritage to lend some credibility to the study. They would not be happy.

Everyone seems to agree that the partial and selective literature review is irrelevant.

The failure of the main part of the brief was due primarily to the methodology used by Urbis.

Of local relevance, Urbis found 6 properties in NSW for which they could extract data. Before publication, one of them turned out to be “associated” but for some reason Urbis left it in the study. After publication, a few of us had to point out to the Department and others that one of the remaining 5 was the site of the Gullen Range solar farm so any conclusions for this property based on sales prices are irrelevant (the sale price was \$644,721, which very few seemed to find strange).

No wonder Urbis couldn’t use any data analysis techniques, but had to fall back on their opinion, which may or may not be valid and which may or may not be of any relevance to the Bowmans Creek wind farm.

The Urbis study was released in 2016 as part of the draft Wind Energy Assessment for comment. As well as commenting on the deeply flawed Visual Impact Assessment Bulletin (its then name), I also wrote a detailed submission on the Urbis study. It is attached to this Bowmans Creek submission for those who want to delve deeper. Having read this submission and the attachment, go back and read Project Update number 6, July 2020 on the Bowmans Creek wind farm website to confirm that the community has clearly been misled on this topic by Epuron.

Also read the minutes of the CCC Meeting Number 2, August 2020 where the Epuron representative stated:

“Property values were discussed and JK mentioned that the NSW Government have undertaken studies to assess potential changes to property values close to wind farms. The findings were that there were no discernible property value impacts close to Wind Farms.”

More deception. Epuron clearly knows that wind farms negatively affect property prices. For instance, why would at least one property close to the Gullen Range wind farm be acquired by the developer.

In summary, many of the surrounding residents on lifestyle properties or potential subdividers are being misled and the economic impacts will be greater than the bribes being offered by the proponent. Until this is corrected, the project should be rejected.