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The effects of wind farms on rural residential property values

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28/4/17

Commissioners

A 2 year extension to the Capital 2 MOD 4 lapse date will have a continuing damaging effect on local property valuations. The area around Capital Wind Farm is increasingly becoming rural residential with many lifestyle properties. Uncertainty, in the form of Infigen's ongoing delays and bids for modification time and extension time, brings with it uncertainty for property owners and to the market.

It is widely accepted that lifestyle properties or those in areas of rural residential character are devalued in the presence of wind farms.

PAC recognition

Otherwise, for example, why would the Planning Assessment Commission determine that 6 properties, 1.9 to 2.9 kms from the nearest Crudine Ridge turbine, be offered voluntary acquisition rights?

Why would the PAC say in their Gullen Range Determination Report:

"It is the Commission's view that this issue should be further investigated as it appears that many affected, non-associated property owners may suffer a financial devaluation of their asset in the future"

This was after being bombarded at previous PAC meetings eg. Collector. The PAC, after this meeting recommended (page 9) in reference to lifestyle or hobby farmers:

"...it is the opinion of the Commission that the Valuer General should consider updating specific targeted land evaluations such as for sites within the catchment of larger wind farm developments"

Most of us in opposition to wind farms in the area came here for a particular lifestyle. Had we known of potential wind farms and their destruction of our cherished views, expected noise impacts and reduction of property value, we would not have been prepared to pay the money we did for our properties. We would not have contributed financially or in kind, to the local economy. Neither will those who replace us, should we put our properties on the market.

For this Capital 2 modification, a number of submitters raised the issue once again. We appreciate that property devaluation is not, in itself, a planning determinant, but we all should acknowledge that these losses must be considered in any comprehensive study of economic impacts, and therefore in any genuine merit assessment. Economic impacts are, of course, a planning determinant as the New Framework, the old Guidelines and all SEARs clearly state.

The proponent, in a weak reply through the Response to Submissions, calls on an equally weak NSW Government initiated study, and the opinions of some real estate agents in rebuttal. Wisely, they used none of the spurious arguments put forward in the Capital 2, Modification 2 Response to Submissions.

The Department, in its Assessment, ignores the issue. It knows that nothing it says on the topic of lifestyle property devaluation can bolster its argument in support of this modification

Infigen position on property values

In defence of its position on property values, Infigen leads with the Urbis study commissioned by the NSW Office of Environment and Heritage in June 2016, which considered the potential impact of wind farm developments on property prices in NSW.

A number of submissions to the new Wind Energy Framework 2016 criticised this study. One, from a local community member is attached.

Infigen uses a quote from the Urbis study that does not address the issues raised in the submissions sent during the exhibition period for this modification. That quote being:

“Based on the outcome of these research techniques, it is our expert opinion that wind farms may not significantly impact *rural properties used for agricultural purposes*”. (my emphasis)

The devaluation issue has never been about properties used for agricultural purposes. For years NSW rural residents have maintained that wind farms affect the value of rural residential (or lifestyle) properties not agricultural properties. That opinion is supported by the literature.

Infigen could have quoted the next conclusion in the Urbis study, insipid though it was:

“There is limited available sales data to make a conclusive finding relating to value impacts on residential or lifestyle properties located close to wind farm turbines”

That’s because the Urbis study covered only 6 NSW properties. Before publication the author realised that one of the six was “associated”. At least two community submissions pointed out that another one was owned by the Gullen Range solar farm. One of the remaining four did not meet the study’s stated criteria. The remaining two in Taylors Creek Road, between the Capital and Woodlawn wind farms, would not allow the study author to conclude anything. The study cannot be seen as credible.

Supporting their case Infigen then produces some anecdotal evidence. Where do they go to for this anecdotal evidence? Some friendly real estate agents who provided the predictable responses. Those old enough to remember Mandy Rice-Davies would remember her famous quote, “they would say that, wouldn’t they”.

They called upon real estate agent Judy Alcock who is a member of the Capital Community Committee. Mr Brady from Bradys Countrywide, quotes a “recent” sale which was at least 5 years old. Incidentally, some of his agents remained silent about the planned Jupiter wind farm when negotiating more recent sales in the vicinity.

What anecdotal evidence did Infigen ignore? Evidence from sellers who have had to accept a significantly lower offer, or who are unable to attract a price at any reasonable level, or those, through experience who regard their properties as valueless. But, of course, that sort of anecdotal evidence would not advance their argument, but it is well known throughout the local community.

Plea to PAC

In the light of the further disruption that will be caused by extension to the lapse date for Capital 2 MOD 4, particularly continuing uncertainty causing further property devaluations, I call on the PAC to reject this application. At a very minimum, the PAC should reinforce points in your determination:

- lifestyle properties are devalued in the presence of wind farms
- Infigen has not addressed the community concerns on lifestyle property devaluation
- any genuine study of economic impacts must include these devaluation losses