

ATTACHMENT D NVDA Wind Study Committee: Propositions on Property Value Impacts

1. Studies that have examined the impacts of industrial-scale wind turbines on property values have had mixed conclusions.
 - 1.1 Conclusions from a presentation entitled *Wind Turbines & Property Value* based upon a *2009 Wind Turbine Impact Study*, conducted by Appraisal Group One (Kurt Kielisch, President/Senior Appraiser) indicate:
 - Media has reported on negative value issues influencing a negative perception.
 - Realtor survey in WI indicated that perceptions are real in the market.
 - Impact studies in WI suggest values are substantially negatively impacted in the range of -12% to -40%.
 - The further away a property is from a project, the less the impact.
 - 1.2 From <http://fairwindenergy.org/propertyvalues.html> , Michael McCann, an independent expert who presented at the 3/26/2013 Boone Co. IL, ZBA Public Hearing reported that his studies in IL showed negative impacts on property values:
Study # 1: The first study he did in 2009 on the sales of properties in the Mendota Hills Wind Project. The average Value Diminution within 2 miles of wind turbines was 25%.
Study # 2: The second study he did was a “Paired Sales Analysis” in 2012 on the sales of properties in the Lee/DeKalb Wind Project. He studied the sales of properties that were approximately 2,618 ft. from a turbine with comparable sales that were 10 miles away from a turbine.
In Lee County there was on average a 23% loss in property value. In DeKalb County (where the turbines were even closer to the houses) there was on average a 33% loss in property value. He also found that it took an extra year to sell the properties in both Lee and DeKalb Counties.
 - 1.3 *Relationship between Wind Turbines and Residential Property Values in Massachusetts* – Joint Report of the U. of Connecticut and the Lawrence Berkeley National Laboratory, Jan. 9, 2014:
The results of this study do not support the claim that wind turbines affect nearby home prices. Although the study found the effects on home prices from a variety of negative features (such as electricity transmission lines, landfills, prisons and major roads) and positive features (such as open space and beaches) that accorded with previous studies, the study found no net effects due to the arrival of turbines in the sample’s communities. Weak evidence suggests that the announcement of the wind facilities had an adverse impact on home prices, but those effects were no longer apparent after turbine construction and eventual operation commenced. The analysis also showed no unique impact on the rate of home sales near wind turbines.
 - 1.4 *A Spatial Hedonic Analysis of the Effects of Wind Energy Facilities on Surrounding Property Values in the United States* - Prepared for the Office of Energy Efficiency and Renewable Energy Wind and Water Power Technologies Office, U.S. Department of Energy. Principal Authors: Ben Hoen, Ryan Wisser, Peter Cappers, Lawrence Berkeley National Laboratory, August 2013:
Across all model specifications, the study found no statistical evidence that home prices near wind turbines were affected in either the post-construction or post-

announcement/preconstruction periods. Therefore, if effects do exist, either the average impacts are relatively small (within the margin of error in the models) and/or sporadic (impacting only a small subset of homes).

2. Property valuation adjustments have been made in Vermont and New Hampshire as a result of industrial-scale wind facilities:

2.1 Downward adjustments in site value were made for properties in view of the Sheffield wind project in the Town of Barton's reappraisal. A +25% adjustment to the site value for views of Crystal lake and -10% adjustment for view of the wind towers (in Sheffield). We did this for a constant lake view factor of 25% with the minus 10% for homes with substantial wind tower views." – 8/2/13 email to D. Snedeker from Bill Krajeski of Patriot Properties, Inc. The appraisal consultant was involved in the mass reappraisal for the Town of Barton.

2.2 The Board of Civil Authority for the Town of Georgia, VT reduced the value (by 12% and 8%) of two properties near the Georgia Mountain wind project in an appeals process. - *Burlington Free Press* article dated 10/27/13 and *BCA* decision dated 9/25/13.

3. The VT Tax Department does not track data in a manner that would be helpful to determining a wind project's impact on property values. It is unlikely that there would be enough sales, or decreases in valuations, to draw any conclusions on impacts to value. – D. Snedeker telephone conversation with Doug Lay, VT Tax Dept., *Property Valuation and Review*. October 2013.

4. The NVDA Wind Study Committee takes the following positions:

- 4.1 Establishing property values is a subjective as well as an objective exercise.
- 4.2 Perceptions (negative and positive) drive the decision making and valuation process.
- 4.3 While the property value impact studies that were presented to the Committee showed mixed conclusions, the Committee gives greater consideration to the studies from the professional appraisal consultants given their experience in establishing values, including an accounting for subjectivity.
- 4.4 The nearer a residential property is to an industrial wind project, the greater the likelihood of negatively impacting its value.
- 4.5 With a number of existing industrial wind facilities in the region and Vermont, the Public Service Department, working with the VT Tax Department, should consider tracking property values and sales within a defined range of distances (e.g. 1/2-mile, 1-mile, 2-miles, etc.) to aid in determining the impacts of turbines on property values.