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## Community and Economic Development in North Carolina and Beyond Blog: Wind Energy and Property Values

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There is a popular notion that people find living near energy generation facilities undesirable. There are concerns about health, odor, and aesthetics, to name a few. But does living near electricity generation impact property values?

Recently, researchers at the Lawrence Berkeley National Laboratory (LBNL) looked into the question of how wind energy facilities affect surrounding property values in the United States. Their study was far more comprehensive than previous efforts, which had been limited by small samples of relevant home-sale data and other factors. LBNL collected data from more than 50,000 home sales from 27 counties in nine states. These homes were within 10 miles of 67 different wind facilities, and 1,198 sales were within 1 mile of a turbine. The data LBNL collected span the periods well before announcement of the wind facilities to well after their construction.

Previous published and academic research on this topic has tended to indicate that wind facilities, after they have been constructed, produce little or no effect on home values. The LBNL study confirmed these results, finding 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).

This is an important finding for local governments interested in promoting wind installations. A reduction in property values due to proximity to wind farms could have wiped out any potential economic benefits of wind energy, either reducing property tax revenue or necessitating an increase in property tax levels.

Those other economic benefits can be substantial for local governments, in particular in rural areas. There are jobs created in both during the manufacturing and construction period as well as post-construction operations and maintenance jobs. The wind installations themselves create tax revenue for local governments. And where wind turbines are sited on private lands, landowners typically receive lease payments and easements, increasing money in the local economy, without a significant impact on existing land use. Wind turbines can bring as much as \$2,000 to \$3,000 annually to landowners, causing some to call wind turbines the next big cash crop. A report by the National Renewable Energy Laboratory also found that, in many states, new wind has a greater economic impact than other new energy generation sources such as coal. And energy programs may be a way to turn undesirable properties into economic opportunities.

LBNL's research helps to show that any of these economic gains will not be lost due to property value reductions.