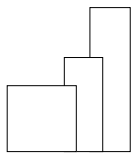


Residential property values are adversely impacted by close proximity to industrial-scale wind turbine energy projects. Setbacks need to be increased to prevent further loss of home values. This submission and accompanying report document the basis for false claims of no impact.

Australian Senate Submission

wind projects impact on value

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McCann Appraisal, LLC

February 2, 2011

Australian Senate Committee
Parliament of Australia
Commonwealth of Australia

Re: The social and economic impact of rural wind farms

Honorable Senators of Parliament of Australia:

As a professional real estate appraiser (valuer) experienced in measuring property value damages from a variety of external causes, and with considerable experience in evaluating wind energy project impacts, I am submitting this letter to assist your nation in appropriate consideration of project oversight and/or legislative control.

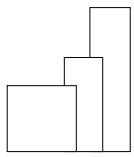
My expertise is not in health issues, however, there is a direct relationship and distance correlation between those reported, documented and studied impacts and my professional studies of real estate impacts.

For example, numerous families have been forced to abandon their homes due to the factual impacts to health, sleep disturbances and the like, which the Canadian Wind Energy Association and the American Wind Energy Association prefer to dismiss as "concerns." Many others have been unable to sell their homes due to the presence of nearby turbines, and which a growing list of realtors and estate agents report as being the deciding factor in would-be buyer's decisions to look elsewhere.

There is a measurable and significant loss of values within 2 to 3 miles, and noise impacts have been broadcast as far as 5 miles or more, in some instances, with 1 to 2 miles being commonplace. Value losses have been measured at 25% to 40%, with a total loss of equity in some instances.

Wind developers have been known to buy out the most vocal neighbors who refuse to give up their rights when they are initially ignored, and developers have then turned around and sold those same homes for 60% to 80% below the appraised value - thus confirming value losses by their own actions. I am unaware of any developer resale of homes that achieved the same or higher 2nd sale price, although they always claim there is no value impact from their projects.

Other developers have avoided future liability by bulldozing the purchased homes rather than re-sell them at any price.



In fact, wind developers preferences and the existing typical setbacks are even inadequate to protect neighbors from ice throw or from sections of turbine blades, which are documented as occurring up to half a mile from the turbines, and I have personally heard of a blade throw (piece) that went about 1 mile. While turbine blade weights are measured in tons, and danger therefrom is a safety issue more than a real estate value issue, it is obvious that the minimum setback distances sought by wind industry are following the same negligent pattern.

Regardless of these facts, the wind industry often tries to convince the siting decision makers that safety issues are satisfied by setbacks of 1.1 X the height of turbines (550 meters in Canada), as if preventing a toppling turbine from landing on a neighbor's house is the correct and exclusive safety standard.

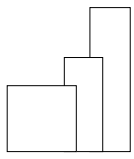
It is obvious what is happening here: The wind industry is playing a numbers game, under the assumption or actuarial calculations that it is less costly for them to fight a number of lawsuits from citizens who do not have deep pockets, than it is to buy out the property they need to create huge projects.

The solution is simple, also: Mandate that all property they seek to encompass with industrial overlays be purchased outright, at owner's option, so people have a choice as to whether they choose to live in a large, noisy industrial setting.

I am quite certain any of your staff can confirm my comments as factual by simply driving to any number of projects and counting the abandoned and for sale homes, talking with a few remaining neighbors, etc. Maybe start with the Waubra project, where several homes are reported abandoned due to proximity of turbines. The list will grow as large as time devoted to international research of this trend will allow.

Like most other people, I initially assumed that wind energy would be a good development for all the industry-claimed reasons. Unlike most people, I have expended something on the order of 2,000 hours looking into it, and my findings are quite contrary to the "positions" of the wind industry and their lobbyists. However, even the wind industry's most often quoted counterpart to my profession, Mr. Ben Hoen, has now gone on record saying that Property Value Guarantees should be used for nearby homeowners, and that ***"if wind developers won't guarantee that, then they really don't have a leg to stand on."***

The current cases pending in the Canadian court system illustrate that wind energy groups do not want the courts to hear unbiased, professional medical opinions, acoustical impacts, the relationship between them, or the case studies of project neighbors' actual experiences. The attempt to disqualify such highly experienced and credentialed experts is standard a tactic for lawyers, but is a dis-service to the truth



being told to facilitate a clear understanding. I also understand that the development community's interest are served by casting the issues as still being under "debate", as while the debate continues, projects continue to get built, and are done so without any meaningful protective standards.

Belonging to a truth-seeking & reporting network of professionals such as the Society For Wind Vigilance (SFVV), or reading WCO, WTS or many other so-called "activist" websites does not disqualify someone as an expert, as the industry attorneys in Canada now argue. As far as I am concerned, it shows a balance, as opposed to just repetition of the AWEA/CWEA clearly biased "positions", which typically have little or no scientific factual support.

In that regard, the personal experience accounts of residents are invaluable to understanding the impacts from wind energy projects.

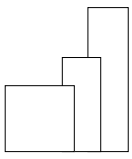
Industry tries to cast these personal reports as "anecdotal", thus minimizing the appearance of importance of the data, in the best tradition of "spin-doctors". I recognize individual accounts as being "case studies", of varying factual content. When collectively considering case studies, however, an obvious trend emerges.

This trend is the "market" reaction of WHO, as I use it in qualitatively describing the basis for WHY values go down. The WHERE is obviously when turbines are too close (setbacks), and WHEN is still being understood as when projects are built, although J. Hinman's ISU thesis and regression analysis shows it is also when constructive notice of turbine projects is known to the local market but before project is constructed.

HOW much is the loss is the single most important quantitative question, from my expertise, as that is the basis for monetary damage claims for property devaluation, or as a reasonably supported basis for either denying projects or conditioning the approval with a relevant and meaningful, bonded Property Value Guarantee (PVG).

HOW much values go down is as individual a response as the people in the market represent, along with other variables and unique characteristics of distance from turbine(s), cumulative impacts, specific impacts at a given residence or its occupants, and the otherwise varying features of a given property within its own lot boundaries. How much value loss varies from very small impacts at great distances, to total losses with homes demolished (buy out by developers), abandoned or sold for steep (25%-40%+) discounts.

WHAT is the fact of value impacts vs. the disingenuous claims that industrial-scale turbines trigger surrounding values to rise or, to repeat industry misquotes of the LBNL report author (Hoen), that there are no impacts.



WHAT can also be fairly understood as:

WHAT in the world are they doing, building so close to homes?

WHAT are the court systems or legislative authorities in different countries going to do about it?

WHAT are people supposed to do when they can no longer rely on peaceful use & enjoyment of their properties, and are unable to sell to move away from constant nuisances and health impacts?

WHAT guarantees are there that developers won't just abandon their responsibility to the communities they build in or around?

WHAT motivates developers is obvious...extensive, subsidized profits. That is what drives all development by private companies; the expectation of profits. Otherwise, they would have been building these projects at a break-neck pace without subsidies for many years, based on their other claims of green/renewable energy, etc., and as the good corporate citizens that they always profess to be.

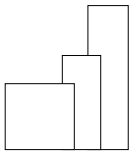
And while profitable development is conceptually a good thing, it **should not be at the expense of neighboring property owners**, either in terms of their home value, or their health and quality of life.

With regard to those who blindly support wind development well away from their homes, and are uninformed on the full range of actual impacts? Well,...THEY have not been qualified and vetted experts on the subject, and broad-based opinion polls are very misleading as a result.

It is abundantly clear that the wind industry attempts to guide decision makers with popularity statistics from afar rather than reality statistics from nearby; as if the straw polls justify sacrifice of the health, safety and welfare of an alarmingly growing number of rural residents.

Perhaps the courts and thoughtful legislators will see through the smoke screens, distortion and misdirection of facts, and justice will prevail?

I also attach for your consideration a Property Value Impact & Zoning compliance evaluation I prepared recently, in regard to a wind energy project application in the Cape Cod area, Massachusetts, USA. This report includes graphic and factual bases for my professional opinions regarding property value impacts from wind turbine proximity.



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I think you will find it to be self-evident that ***setback distances should not be using the measurement of meters or feet, but rather, miles & kilometers.*** Once this inappropriate yardstick is discarded, then the legislation can stand a chance of actually protecting the public health, safety & welfare, as well as one measure of how market reactions manifest these fundamental principles of land planning – Property Values.

I am sure you will see in other submissions the distances that other studies and reports have documented for noise, nuisance levels, infrasound, health impacts and loss of home marketability and sale prices. They range from just under a mile, with many impacts falling in the 2 mile range, and some findings to 3 miles or beyond. In fact, one project in New Zealand was reported to be heard 9.5 miles distant from the ridge-mounted turbines, so it is plain to see that impacts can be manifest quite far.

Based on my experience, study and understanding of the great distances that impacts are experienced by people, the most restrictive setbacks should be mandated based on the best available evidence of how far the noise, health and value impacts have actually traveled. Of course, developers should then be free to buy out or make other arrangements with property owners living within those distances, so that the impacts of huge industrial overlays do not unjustly condemn neighbor's property rights.

I appreciate the opportunity to be of service to the Australian Senate and your citizens. Please feel free to call me at the numbers listed in my email if I can be of further assistance.

Respectfully submitted,

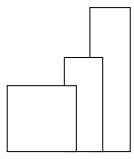
McCANN APPRAISAL, LLC

Michael S. McCann, CRA

State Certified General Real Estate Appraiser

License No. 553.001252 (Expires 9/30/2011)

Owner & Manager



McCann Appraisal, LLC

PROFESSIONAL BIOGRAPHY

MICHAEL S. MCCANN, CRA

Michael S. McCann has been exclusively engaged in the real estate appraisal profession since 1980, and is the owner of McCann Appraisal, LLC.

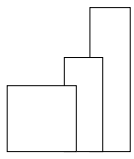
EXPERIENCE

His appraisal experience has included market value appraisals of various types of commercial, office, residential, retail, industrial and vacant property, along with a wide variety of unique or special purpose real estate, such as limestone quarries, hotels, contaminated properties, etc. He has gained a wide variety of experience in real estate zoning evaluations and property value impact studies, including analysis of utility scale wind turbine generating facilities, gas-fired electric generating plants, shopping centers, industrial facilities, limestone quarries, sanitary landfills and transfer station waste disposal facilities. He has been retained as an independent consultant to municipalities, government agencies, corporations, attorneys, developers lending institutions and private owners, and has spoken at seminars for the Appraisal Institute, the Illinois State Bar Association and Lorman Education Services on topics including the vacation of public right of ways (1986), and Property Taxation in the New Millennium (2000), Zoning and Land Use in Illinois (2005, 2006).

In addition to evaluation of eminent domain real estate acquisitions for a wide variety of property owners & condemning authorities, Mr. McCann has served as a Condemnation Commissioner (2000-2002) appointed by the United States District Court - Northern District, for the purpose of determining just compensation to property owners, under a federal condemnation matter for a natural gas pipeline project in Will County, Illinois.

EXPERT TESTIMONY

Assignments include appraisals, studies and consultation regarding real estate located in 21 states. He has qualified and testified as an expert witness in Federal Court, and for condemnation, property tax appeal and zoning matters in the Counties of Cook, Will, Boone, Lake, Madison, St. Clair, Iroquois, Fulton, McHenry, Ogle & Kendall Circuit Courts, as well as the Chicago and Cook County Zoning Boards of Appeal, the Property Tax Appeal Board (PTAB) and tax court & Commissions of Illinois, Wisconsin, and Ohio, Circuit Courts in New Jersey and Indiana, as well as zoning, planning, and land use and County Boards in Texas, Missouri, Idaho, Michigan, New Mexico and various metropolitan Chicago area locales. He has also been certified as an expert on the Uniform Standards of Professional Appraisal Practice (USPAP) by the Cook County, Illinois Circuit Court. Mr. McCann has substantial experience in large-scale condemnation and acquisition projects and project coordination at the request of various governmental agencies and departments. These include appraisals for land acquisition projects such as the Chicago White Sox Stadium project, the Southwest Transit (Orange Line) CTA rail extension to Chicago's Midway Airport, the United Center Stadium for the Chicago Bulls and Blackhawks, the minor league baseball league, Silver Cross Field stadium in Joliet, Illinois, as well as many other urban renewal, acquisition and neighborhood revitalization projects.



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REAL ESTATE EDUCATION

Specialized appraisal education includes successful completion of Real Estate Appraisal Principles, Appraisal Procedures, Residential Valuation, Capitalization Theory and Techniques Part A, Standards of Professional Practice Parts A, B and C, Case Studies in Real Estate Valuation, Highest and Best Use and Market Analysis, Advanced Income Capitalization, Subdivision Analysis and Special Purpose Properties, Eminent Domain and Condemnation, and Valuation of Detrimental Conditions in Real Estate offered by the Appraisal Institute. In addition, he has completed the Society of Real Estate Appraisers' Marketability and Market Analysis course, the Executive Enterprises - Environmental Regulation course, and a variety of continuing education real estate seminars.

DESIGNATIONS & PROFESSIONAL AFFILIATIONS

Mr. McCann is a State Certified Associate Member of the Appraisal Institute, and the National Association of Review Appraisers & Mortgage Underwriters designated him as a Certified Review Appraiser (CRA). He was elected in 2003 as a member of Lambda Alpha International, an honorary land economics society, and he served several years as a member of the Appraiser's Council of the Chicago Board of Realtors.

LICENSES

State Certified General Real Estate Appraiser in the State of Illinois (License No. 533.001252) and is current with all continuing education requirements.