

Renewable energy rising: Property values and insurance

Property prices, insurance and clean energy



As a sun-drenched and wind-swept land, Australia is uniquely placed to take advantage of the global shift towards clean energy.

Understandably, like any new development, communities are asking what this means for property prices and insurance. These are important questions.

Do large-scale renewable energy projects negatively affect nearby property values?

International studies show that negative impacts of large-scale renewable energy projects are typically small, temporary and localised to properties within 1-2kms of the project. Negative effects typically peak within three years of construction and recover within the next seven years¹. Where there are differences in impact sizes across different studies, research has found that it tends to be due to differences in landscape, view, property types, local sentiment, and size of the project².

Local data suggests that the Australian experience is not significantly different. It's useful to note that the types of locations typically chosen in Australia for large scale renewable energy farms tends to be rural or regional in nature, compared to the northern hemisphere where projects are more likely to be built near urban centres. Research in New South Wales suggests that there are no negative impacts to property values in rural areas near wind farms³.

Can renewable energy projects increase property values?

Large-scale projects can actually boost local economies, through increased jobs, improved infrastructure and community facilities. This in turn impacts local property and land values, with many regional and rural areas experiencing increased demand for local properties.

A 2022 market report found that median property prices in six New South Wales and Victorian local government areas with major renewable projects actually rose significantly – between 35-51% over five years. These results show how renewable energy projects can lead to population growth, wage price growth, lower local unemployment and higher rental yields, all of which is good news for local property values⁴.

During the operational period, the land hosting renewable energy often recovers from grazing and cropping, leading to increases in soil and biodiversity values, which can increase property values. Landholders who host renewable energy projects have also spoken about it eliminating the need to sub-divide their land in retirement as it provides ongoing non-farming income.

Large-scale projects can boost local economies and infrastructure, potentially increasing property values in its vicinity.

Will a clean energy project near my home impact my insurance premiums?

The Insurance Council of Australia (ICA) has stated that insurers do not have specific concerns related to neighbouring clean energy infrastructure. At the time of writing, the ICA is not aware of any instances where its members have been unable to provide insurance or have increased premiums as a result of a farm (or a neighbouring property) hosting energy infrastructure⁵.

Increases to premiums are unlikely to be related to clean energy projects. If you live in Australia – whether you're directly exposed to extreme weather impacts or not – insurance premiums are rising because of the escalating costs of natural disasters, increasing value of homes and vehicles, inflation pushing up building and vehicle repair costs and the increasing cost of doing business for insurers.

With climate change fueling more frequent and severe weather events, transitioning to a low emission clean energy system is a critical part of reducing climate related risks.

¹ Schütt, M. (2023). Wind Turbines and Property Values: A Meta-Regression Analysis. Environmental and Resource Economics. <https://doi.org/10.1007/s10640-023-00809-y>.

² Hao, S., & Michaud, G. (2024). Assessing Property Value Impacts Near Utility-Scale Solar in the Midwestern United States. Solar Compass. <https://doi.org/10.1016/j.solcomp.2024.100090>.

³ Urbis (2016) Review of the impact of wind farms on property values, commissioned by NSW Office of Environment and Heritage. Available at: https://arkenergy.com.au/documents/444/review_of_the_impact_of_wind_farms_on_property_values_urbis_2016_07_21.pdf

⁴ <https://www.prd.com.au/research-hub/article/renewable-energy-property-market-report/>

⁵ Insurance Council of Australia (2024) Farm Insurance and Energy Infrastructure, ICA Briefing, May. Available at: https://insurancecouncil.com.au/wp-content/uploads/2024/05/Updated-ICA_Briefing_Farm-Insurance-and-Energy-Infrastructure_May-2024.pdf

Top 5 clean energy facts



The clean energy transition will create 66,000 jobs by 2030



Clean energy is already supplying more than 40% of Australia's electricity



As a windswept and sun-drenched land Australia has an abundance of cheap and reliable renewable energy



Australia is already feeling the effects of a changing climate, with more intense heatwaves, droughts, floods, fires, ocean acidification and rising sea levels.

Clean energy is the best way to reduce emissions and prevent the worst impacts of climate change



Clean energy projects will deliver between \$7.7 billion - 9.7 billion in direct payments to farmers, and nearly \$2 billion to regional communities and councils by 2050



Learn more about clean energy careers and pathways



Careers for Net Zero

Showcasing career opportunities to help deliver an equitable, prosperous and net-zero-emissions Australia



CEC Clean Energy Careers Guide

Check out the latest careers in clean energy. Provides breakdowns by occupation type and career pathway.



Terra.do

A job board for verified climate jobs.



Women in Renewables

A CEC program enabling and championing women working in renewables, through initiatives such as the Career Launcher, mentoring and scholarships.



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