

Wind Turbines and the Housing Market

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Abstract

We analyze the effect of wind turbines on the price of houses in proximity. Utilizing the universe of Danish house transactions since 1992 and data on all turbines ever established in Denmark allows us to control for individual house fixed effects in a difference-in-difference estimation. We distinguish between effects of proximity and shadow flicker from rotor blades partly covering the sun. Our results indicate a substantial negative effect on house prices from close turbines, which is stronger for tall turbines and houses affected by shadow flicker. Our results suggest a more nuanced view on the local externalities of wind turbines that heavily depend on size and relative location.