

The Disamenity Impact of Solar Farms: A Hedonic Analysis

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Abstract

Photovoltaic solar farms are defined as areas of land upon which an array of interconnected panels convert sunlight directly into electricity. Little is known about the value of any disamenity impact experienced by nearby households despite occasional displays of community resistance. Employing a hedonic approach this paper analyses the disamenity impact of solar farms on households in England and Wales as revealed by changes in property prices. Using a postcode fixed-effects model the analysis finds that properties in 6-digit postcodes matched to locations where planning permission for a solar farm is granted suffer a 6 percent reduction in relative prices. In a property fixed-effects model the disamenity impact falls to 4 percent but remains statistically significant at the 5 percent level of confidence.

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