

August 8, 2020

**SUBJECT: Large Scale Solar Panel Farm's Impact on Real Estate Values**

To whom it may concern,

I will start with a brief introduction of myself. I grew up in Monon, IN and worked on my family's farm from the age of 13 to 20. I graduated from Purdue University with a bachelor's degree in accounting and management. I commissioned in the Air Force as a Contracting Officer serving four years on Active Duty and eight years in the Reserves. I graduated from Wichita State University with a master's degree in accounting. I have been a real estate investor for eight years and have held an Indiana real estate license for three years. I currently reside in Pulaski County with my family and am a full-time real estate agent specializing in farmland, recreational land, and rural homes.

This paper will evaluate the impact to the three property types (rural homes, farmland, and recreational land) in and around the proposed solar panel farm. Due to the lack of published data and the fact there are no solar panel farms of this magnitude, I will rely on observations gathered from selling properties and basic economics.

**Rural Homes** – This property type will almost certainly see a decline in value. Homes within sight of the panels will be the most negatively impacted. Buyers of rural homes place a high value on a peaceful setting with scenic views. The panels, high fences, increased traffic, and noise are the opposite of what potential buyers are seeking. A property with a negative aspect has a reduced pool of potential buyers. The smaller pool of buyers leads to less demand and lower prices. Homes that you cannot see the panels from but can hear the noise generated by the panels will be impacted to a lesser degree. There are also reports suggesting the potential for health concerns. Regardless of whether it is true or not, some buyers will avoid living around the solar panel farms. Buyers also place some value on the travel route they take to work, town, relatives, etc. They could find it unappealing to drive by the solar panels as well.

**Farmland** – This property type will likely see an increase in value and cash rents. A number of the individuals receiving solar panel lease payments will look to replace those acres with more farmland. Due to the increased income of the lease payment recipients and increased competition amongst the recipients, prices of farmland and cash rents will likely increase. While this seems like a positive outcome, it will negatively impact local farmers who are not leasing land to the solar panel company. They will be at a competitive disadvantage when it comes to bidding on farmland to buy or rent. The prices of land are currently high

based on the underlying fundamentals of low commodities prices compared to the expenses required to raise a crop. Those unable to compete will likely be forced to end their farming operation or only be able to continue on owned land.

**Recreational Land** – Recreational land is used primarily for hunting, camping, and future home sites. I addressed the issues regarding homes above. The same issues will also impact the desire of an individual to camp on a property. Deer are the number one reason people buy a recreational property for hunting. The panels and fences will likely reduce the number of deer traveling through properties like they would in a normal habitat. For this reason, there will be less deer activity on the properties adjacent to the solar panel farm. Deer hunters will recognize this as a negative. Due to the negative impact to all three reasons for buying a recreational property, I believe the values for this property type in and around the proposed area will decline.

Another trend that has been growing the last few years and has seemed to accelerate recently is the desire for younger people to move home and start farming. They tend to be 30-40 years old, married with children, and college educated with careers they can continue via telework. They are health conscious and wanting to grow food a certain way not only for their family, but also to sell locally creating another source of income for themselves. They tend to look for 30-80 acre properties with homes that can be remodeled or where they can build a new home. These individuals are great with marketing, business planning, and community involvement. I have seen several of them be far more profitable than a 2,000+ acre corn/bean farm. Rural towns have been in decline for decades due to the children going to college, finding jobs in larger cities, and never returning. I see this reversing that trend and rebuilding local communities with a larger tax base of both property values and income levels. These individuals will certainly avoid being anywhere near a solar panel farm for the potential health risk to their families alone.

Overall, there are positives and negative aspects to consider. The people of Pulaski County need to determine what their values are and what they want for the future. This decision will have a profound impact on the county and towns for generations.

Thank you for your time,

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