

Solar panels: pros and cons



As the cost of electricity increases, more homeowners consider purchasing solar panels or enrolling in a solar lease program.

PROS

- Solar panels add value to your home. Most buyers seek out energy-efficient homes even when the price is 3%-5% higher than a similar less energy-efficient home, according to EnergyStar.
- Solar lease programs offer a no-money-down option, a locked-in reduced electrical rate and a full warranty for the duration of the lease.
- Solar panel systems save an average 20% on monthly utility costs with a lease. The savings are even higher for panels that are purchased outright. California is also a “net metering” state which means you receive credit on your electric bill for any excess energy the solar panels you own produce.

CONS

- Solar panel systems can cost \$15,000-\$25,000 installed.
- You may need to complete costly roof upgrades before solar panels are installed.
- Solar lease contracts may cause a delay in negotiating or closing a home sale when the buyer needs to assume your solar lease. However, most solar leases allow you to buy your solar panel system and include it as part of the price they pay for the entire property.
- Solar panel systems are long-term investments which can be mortgage financed. On average, it takes a homeowner 10 years of reduce energy costs to recover the price of owning a solar panel system. Solar leases eliminate the investment aspect, but still require a similar, lengthy commitment and are a lien on title.

Remember the long-term savings and keep me in mind for all future real estate services you may need to sell, lease, refinance or evaluate your home.