

Solar Panels Could Add \$15,000 of Value to Your Home

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Solar panels, which over the next decade will save millions of homeowners money each month on their electricity bill, could also add thousands to the value of your home itself. A recent report from the [U.S. Department of Energy's Lawrence Berkeley Laboratory](#) found that host-owned solar panels could add \$15,000 to a home's value. That's big news and could change how many people look at solar energy.

The Value of Solar Now Realized

In a study of home sales in eight states between 1999 and 2013, the Berkeley Lab found that

a solar power system was worth about \$15,000 to home buyers, or about \$4 per watt. That's a significant addition in value, especially when you consider that SolarCity ([SCTY](#)), Vivint Solar ([VSLR](#)) and SunPower ([SPWR](#)) are currently selling solar power systems based on the immediate cost savings they deliver customers each month.

The side benefit of added value to the home should give some peace of mind for those concerned that they won't save enough money to pay for the solar power system long-term. It's a double dose of value for homeowners. However, there's a catch: Just having solar panels isn't good enough. You have to know how to finance them to get the value.

What Adds Value and What Doesn't

One distinction that shouldn't go overlooked in the Berkeley Lab study is that how you finance solar panels matters a lot. The figures I've quoted above are for solar power systems owned by the homeowner, not leased. In fact, Bloomberg [reported last year](#) that there's evidence that leased solar panels actually take value away from your home, particularly in parts of the country where solar panels aren't commonly installed.

If you take a step back, the distinction between owning and leasing makes sense. If you buy a home with an owned solar power system, you get an asset with the home. If you buy a home with a leased system, you instead take on a liability that could be 20 years in length. That's not nearly as desirable as a system you could own forever. Plus, it's likely you could get a solar lease today at a lower cost than the lease you would be taking on.

Homeowners and solar companies are starting to realize this and offer more purchasing options, like SunPower's loan program or SolarCity's MyPower loan tied to solar electricity generation. These products allow customers to own a solar system with as little as \$0 down, use solar tax credits (in leases these are sold to investors), and benefit from the lower cost of electricity from solar. Normally, a salesperson will give different financing options with a solar quote, so consider how the leasing versus ownership options could affect the value of your home, not just your monthly savings. When you consider the value ownership could add, it might sway your decision.

Scratching the Surface of Value Added

What's exciting in the solar industry is that this is just the beginning of the value solar power systems will be adding to homeowners, and loan financing costs are coming down nationwide as well, making ownership more affordable.

SolarCity and SunPower are beginning to roll out new products like solar-plus-storage, which will allow consumers to save daytime solar energy for use at night or during a

blackout. Solar power systems themselves are also getting smarter. Early this year, SunPower's solar-plus-storage systems will be able to connect with home control platforms like Apple's ([AAPL](#)) HomeKit to allow homeowners to control when solar energy is used, giving consumers the option to save the most money or minimize their impact on the environment.

With improving access to low-cost solar energy and low-cost financing options, home buyers have another component to think about before making an offer on a home. Just remember that solar panels could save you money every month and add value to your home, but owning the system may have the most impact and make your home even more attractive to potential buyers.

Motley Fool contributor [Travis Hoiium](#) owns shares of Apple and SunPower. The Motley Fool recommends and owns shares of Apple and SolarCity. Try any of our Foolish newsletter services [free for 30 days](#). Find out our favorite high-yielding dividend stocks for any investor in [our free report](#).