

Facts about Solar Resale Value

On August 19, 2014 in [Industry News](#) by [Sun BanditO](#)



For many homeowners, the key benefit to going solar is the decreased monthly electric bill. But a lesser-discussed perk of owning a solar home is the increased home resale value.

With these two costs benefit in mind, in addition to the obvious environmental benefit, solar is slowly but surely becoming a standard for new homes in several markets. A Bloomberg report shows that six of the 10 largest U.S. homebuilders say they now [include solar panels in new construction](#). Installation during construction is 20 percent cheaper than adding them to an existing home, making new homebuyers interested in solar much more likely to purchase a home with solar already installed.

In fact, The Appraisal Institute, the nations largest professional associate of real estate appraisers, partnered with the Colorado Energy Office to analyze the effect of a [solar PV system on the home-buying process](#). Its study found that “solar photovoltaic systems almost always decrease marketing time of single-family homes in the Denver metropolitan area.” The lower monthly electric bill and green aspect of solar homes offers a competitive advantage to solar-seeking homebuyers. Research by the Department of Energy supports this hypothesis, stating that “solar homes sell at up to twice the rate of their conventional counterparts.”

Not only can solar panels help your home sell faster than similar homes in the market, they can also greatly [increase your property value](#). Based on a study published by the National Bureau of Economic Research, [“Understanding the Solar Home Price Premium: Electricity Generation and ‘Green’ Social Status.”](#) the average installation can add \$20,194 premium to the sales process of the house (data reflects houses in the mid-\$500,000 range).

A [local study by Peak to Peak Appraising](#) in Broomfield, Colorado found that single-family homes within north Denver with PV systems added an increase of \$1,400 to \$2,600 per kW to the home’s market value. Lisa K. Desmarais, the appraiser who spearheaded the study, hopes that these findings will help the financing and appraising community to see solar as a benefit to homebuyers and sellers.

The data shows that solar homeowners recover roughly 97 percent of their investment costs, on top of the monthly eclectic savings. In comparison, a high-end kitchen remodel only receives a 74 percent payback, according to [Hanley Wood’s 2014 Cost v. Value report](#). So if you are trying to decide to add solar to your new or current home, we recommend letting the strength of the solar value data guide your decision!