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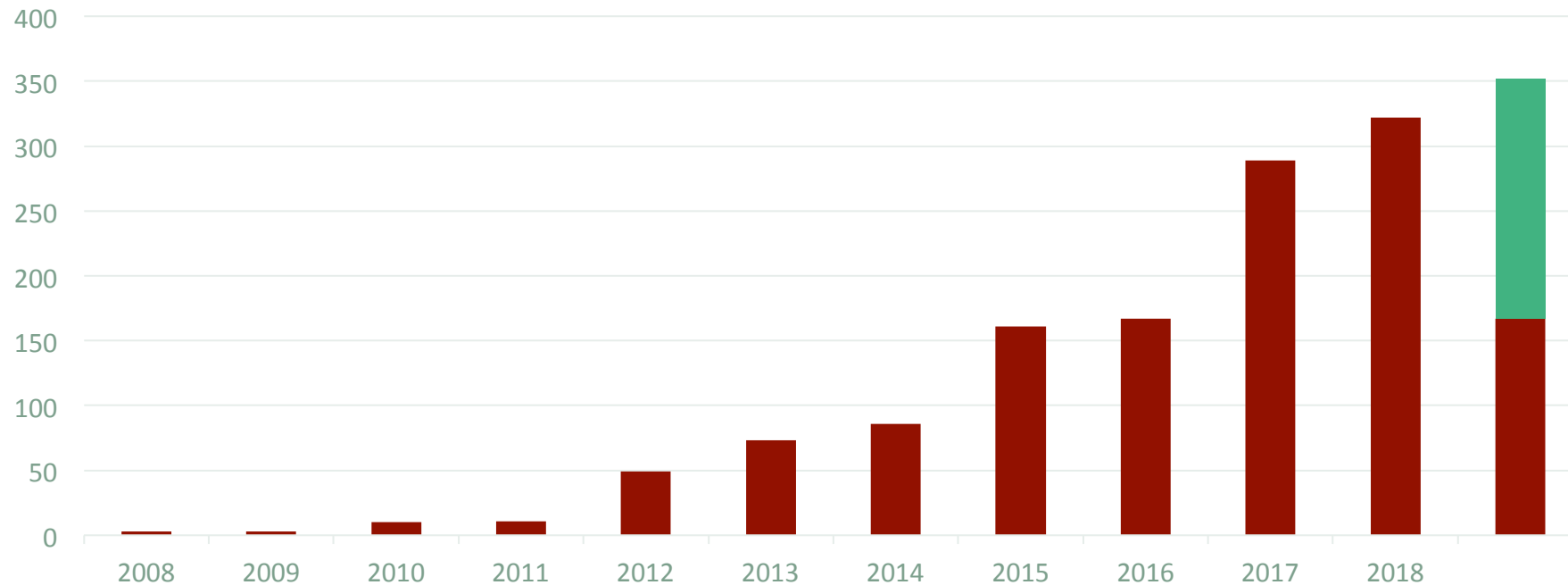


Solar in Real Estate Shining Light on Added Value

ASES 2019 Conference

August 2019

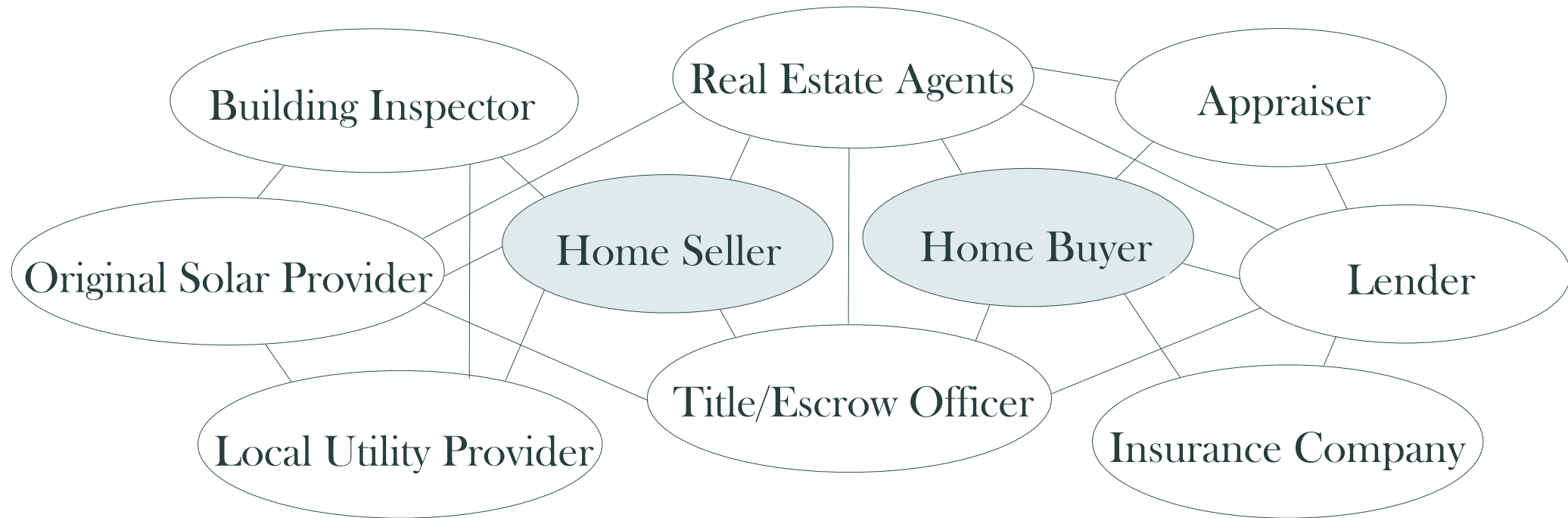
Solar Permits Issued in Fort Collins, CO



2019 permits through 6/30 – green bar shows projected year end total

Information Distribution

Transaction Partner Roles



Common Problems in a Solar Home Sale



Buyer Hesitation..... Fear of unknown and no one to explain it
Insurance claims
Maintenance / Warranty claims
Roof damage
Home value

Agent Hesitation..... Some agents won't show buyers homes with solar
Unsure/not knowledgeable
Doesn't know where to get answers
Preconceived notions/previous bad experiences

Seller Issues..... Seller may not realize value of purchase vs. lease
Installation information missing or unavailable
Seller doesn't know qualified partners are available

Common Problems in a Solar Home Sale



- Valuation Issues**.....
 - Unqualified appraisers
 - Courses required to be 'qualified'
 - Don't know about/how to use PVvalue
 - Unfamiliar with lease vs purchase
 - MLS Green Fields aren't utilized
- Tax Assessment Issues**.....
 - Only 21 states have a form of 'solar exemption'
 - County Assessors don't exempt solar value
 - Whose responsibility is it to execute this in resale?
- Interconnection Agreements**.....
 - How are these being done for resale?
- Leases, Leases, Leases**.....
 - In a market where most parties are undereducated, a solar lease can derail a transaction
 - Buyer willingness / financial feasibility
 - Debt to Income ratio
 - Lease transfer and explanation problems

Realtors® that have completed the
NAR Green Designation
Program

| CITY | # of Realtors® | NAR Green Designees |
|--------------|----------------|---------------------|
| Fort Collins | 1139 | 20 |
| Boulder | 1150 | 11 |
| Denver Metro | 7329 | 20 |

Appraisers that have taken the
*Valuation of Sustainable Buildings Professional
Development
Program*

| CITY | # of Appraisers | # that Completed Sustainable Program | # that Completed Supplemental Solar* Program |
|--------------|------------------------|---|---|
| Fort Collins | 42 | 3 | 1 |
| Boulder | 61 | 1 | 0 |
| Denver Metro | 231 | 26 | 2 |

*The *Residential and Commercial Valuation of Solar* program must be taken to remain on the *Valuation of Sustainable Buildings Professional Development* registry.

Overcoming the Obstacles

Industry Training

1. Real Estate Agents
2. Lenders and Appraisers
3. Insurers
4. Solar Providers

Overcoming the Obstacles

Homeowner Education (For Homeowners with Solar)

1. Understand the difference between your leased system or your purchased system
2. How to find a qualified real estate agent
3. Understand the existence of MLS Green Fields and why proper data entry is important
4. Know their right to request a qualified appraiser – what ‘qualified’ means
5. Know valuation tools exist that can help them see a return on their investment
 - a. Residential Green and Energy Efficient Addendum
 - b. PVvalue.com to determine the contributory value
6. Keeping their installation records together and accessible for a future sale
7. Knowing the age and condition of the roof
8. Ability to share the performance monitoring system

Overcoming the Obstacles

Homeowner Reassurance (General Public Interested in Solar)

1. What the system means to the home's value
2. How reliable and sturdy are the components?
3. Access to reliable unbiased information (e.g. the Local Utilities, State Energy Office, EnergySage, Solar United Neighbors, etc.)
4. Whether solar is even a good fit for the property
5. Financing, rebate, net metering options
6. Why should they?

Small Scale Solutions

Rack card sent to homeowners in Fort Collins that have solar.

Information includes basic recommendations, not nearly as thorough as my training for agents, but at least raises awareness that homes with solar are to be uniquely handled.



Selling Your Solar Home

Homeowner's Guide

Energy efficient homes are handled differently when listed for sale. Documentation is added to the listing and details about the added benefits are shared with potential buyers. Green homes are also marketed differently, making sure you receive the added market value from your investments. The checklist on the back of this card will help you prepare your listing and navigate your sale.

For easy reference, store this card with your solar installation information.

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Homeowner Checklist

- Choose a qualified Realtor®. You can look up agents with GREEN or EcoBroker designations here: GreenResourceCouncil.org, EcoBroker.com
- Ask the agent about their knowledge of selling solar.
- Gather your solar installation information. You should have these items specifically: installation company name and contact info, panel manufacturer name, size of system, date installed, warranty period, permit information and schematics.
- If your system was leased, pull all lease documents: lease carrier, terms, payment amount, remaining payments, lease end date.
- Collect at least two utility bills from past 12 months.
- Fill out Green Disclosure, if applicable (Colorado Real Estate Commission form).
- Fill out Page 3 of the Residential Green and Energy Efficient Addendum (Appraisal Institute form).
- If leased, choose title representative that is familiar with lease transfers.
- Make sure your agent has added your solar details to the Green Fields in the MLS.
- Create marketing materials that include solar information and utility bill data - make sure this is accessible and visible during open houses/showings.
- When an offer on your home is received, contact buyer's lender if solar is leased to make sure buyer qualifies to assume lease.
- When an offer on your home is received, verify lender knows how to request a qualified appraiser.

Links to forms, Buyer Letter and Lender Letter can be found on my website under the "Solar" tab.



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The purpose of this card is educational/informational; it is not intended as a solicitation. Equal Opportunity Housing Provider.

Small Scale Solutions

Local/Statewide
Courses



Solar and the Real Estate
Transaction

Free 3 Hour Course for CO Agents
Provides 3 Hours of Continuing Education Credit

Large Scale Solutions

- Educate solar installation companies about how solar affects a real estate transaction.
- Require solar installation companies to provide a brochure/pamphlet/resources with information on selling a solar home to their customers.
- Ask utility companies to use their unique access to the public to distribute more information on renewables.
- Work with municipal building inspection departments to reduce the cost of initial inspections and eliminate the cost of re-inspections after panels have been removed/replaced.
- Help supply or support local solar education for agents and appraisers.
- As an industry, we should share solar resources with the public. It will help solar feel more standardized (websites/resources, availability of educated agents, PVvalue.com, Pearl Certifications and standardized marketing materials).

Please feel free to reach out with any questions or comments:

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