

Buying a Home With Solar Panels

What to Know About Ownership, Leases and Resale Value

A home with rooftop solar panels can be a smart energy-saving investment — or a source of confusion during the buying process. If you're considering a property with solar installed, it's important to understand how the system is financed, what it means for your utility bills and how it could affect your mortgage or resale.

WHO OWNS THE PANELS?

The first question to ask is whether the homeowner owns the solar panels outright or if they're leased through a third party. Owned systems are generally seen as a value-added feature. Once paid off, they reduce or eliminate electric bills and can increase the home's appeal to future buyers.

Leased systems are more complex. With a solar lease, the panels typically remain the property of the solar company, and the homeowner pays a fixed monthly fee to use them. That lease often transfers to the buyer at closing — but not always automatically. Some lenders require credit approval, and some buyers may not qualify.

There's also something



© ADOBE STOCK

called a power purchase agreement (PPA), which works similarly to a lease but charges based on the amount of energy used. Like leases, PPAs can carry transfer requirements and long-term contracts that last 20 years or more.

Before you make an offer, ask for documentation about

the system. Is it owned or leased? What's the remaining term? Are there payments or buyout options? Are there maintenance or monitoring fees?

Your agent and lender can help review the details and explain how it may affect your loan approval.

BENEFITS, COSTS AND LONG-TERM VALUE

In many areas, solar panels help homeowners lower their energy bills, especially where electricity rates are high. Some systems allow excess energy to be sold back to the utility grid, further reducing costs.

But every setup is different. If the system is leased and your

monthly payment is close to or higher than what you'd pay the utility company, the financial benefit may be limited.

Solar panels can also raise questions during resale. While buyers who value sustainability may see solar as a plus, others may hesitate if they're unfamiliar with how the system works — or unsure how it affects insurance or repairs.

Roof condition is another factor. If the roof is nearing the end of its life, removing and reinstalling the panels adds to the expense. Be sure to ask when the roof was last replaced and whether it was designed to support a solar system.

Finally, check for any warranties or service agreements, which may transfer to the new owner. Having those in place can offer peace of mind and reduce unexpected costs later on.

A solar-powered home can be a wise purchase, but it's important to look past the panels and understand the full picture — ownership, contracts, costs and long-term impact. With the right questions and the right information, you can make an energy-smart move that works for you.



© ADOBE STOCK

Buying a Home With Solar Panels

What to Know About Ownership, Leases and Resale Value

A home with rooftop solar panels can be a smart energy-saving investment — or a source of confusion during the buying process. If you’re considering a property with solar installed, it’s important to understand how the system is financed, what it means for your utility bills and how it could affect your mortgage or resale.

WHO OWNS THE PANELS?

The first question to ask is whether the homeowner owns the solar panels outright or if they’re leased through a third party. Owned systems are generally seen as a value-added feature. Once paid off, they

reduce or eliminate electric bills and can increase the home’s appeal to future buyers.

Leased systems are more complex. With a solar lease, the panels typically remain the property of the solar company, and the homeowner pays a fixed monthly fee to use them. That lease often transfers to the buyer at closing — but not always automatically. Some lenders require credit approval, and some buyers may not qualify.

There’s also something called a power purchase agreement (PPA), which works similarly to a lease but charges based on the amount of energy used. Like leases,

PPAs can carry transfer requirements and long-term contracts that last 20 years or more.

Before you make an offer, ask for documentation about the system. Is it owned or leased? What’s the remaining term? Are there payments or buyout options? Are there maintenance or monitoring fees?

Your agent and lender can help review the details and explain how it may affect your loan approval.

BENEFITS, COSTS AND LONG-TERM VALUE

In many areas, solar panels help homeowners lower their energy bills, especially where

electricity rates are high. Some systems allow excess energy to be sold back to the utility grid, further reducing costs.

But every setup is different. If the system is leased and your monthly payment is close to or higher than what you’d pay the utility company, the financial benefit may be limited.

Solar panels can also raise questions during resale. While buyers who value sustainability may see solar as a plus, others may hesitate if they’re unfamiliar with how the system works — or unsure how it affects insurance or repairs.

Roof condition is another factor. If the roof is nearing the end of its life, removing and reinstalling the panels

adds to the expense. Be sure to ask when the roof was last replaced and whether it was designed to support a solar system.

Finally, check for any warranties or service agreements, which may transfer to the new owner. Having those in place can offer peace of mind and reduce unexpected costs later on.

A solar-powered home can be a wise purchase, but it’s important to look past the panels and understand the full picture — ownership, contracts, costs and long-term impact. With the right questions and the right information, you can make an energy-smart move that works for you.

REAL ESTATE 101



HOMEWISE GLOSSARY

Solar Panels May Affect Your Loan

If the panels are leased, some lenders may treat the lease as a monthly debt obligation, which could influence your loan approval or debt-to-income ratio.

Solar Lease: A solar lease is a financing agreement where a third party owns the solar energy system on a home, and the homeowner pays a monthly fee to use the electricity it produces. This can affect the home’s resale and financing options.

AD SPACE