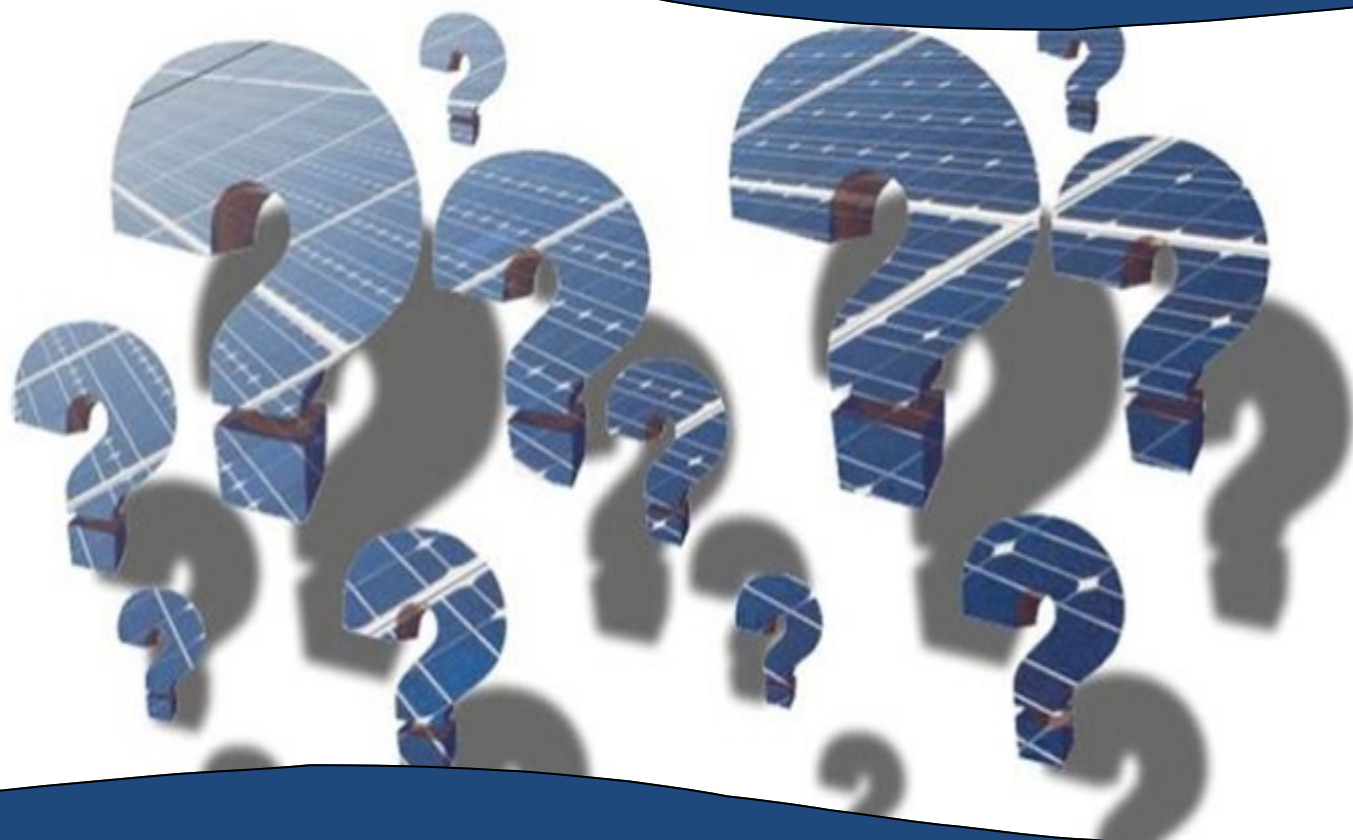


# 10 Questions



You Should Ask a Real Estate Agent  
Before Listing Your Solar Home

**the Solar Home Broker**



Rob Madden, PC - the Solar Home Broker™

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## 10 Questions You Should Ask A Real Estate Agent Before Listing Your Solar Home

While there is not a shortage of “10 Questions to Ask an Agent” lists out there in cyberspace, solar home owners should ask these additional ten above and beyond the normal, “Are you qualified” questions to any prospective real estate agent they are considering to help them sell their solar home.

### 1. Have you sold a solar home before? With a leased solar system? With a owned solar system?

You should not be the training ground to break a real estate agent into the realm of solar real estate. Your solar system adds both marketing nuances and contractual obligations that can affect the price, terms, and ability to sell your home. Hiring an inexperienced real estate agent could cost you thousands in value, longer time on the market, and legal ramifications if not handled properly.

With solar leases, a qualified real estate agent should know the steps involved in a solar lease transfer, recognize the affect of a UCC-1 statement has on the buyer’s mortgage and title of the home, be able to work with the leasing company, buyer’s real estate agent, and buyer’s mortgage company to ensure a smooth transfer from you to the buyer at closing.

With a solar owned system, a qualified real estate agent knows that a solar owned system adds value to a home, is able to market that value to potential buyers, and knows how to work with appraisers and lenders to properly communicate the benefits and added value from your solar system.

### 2. What training and credentials do you have that make you qualified to sell a solar home?

Both the National Association of Realtors (NAR) and the Arizona real estate commissioner require a real estate agent representing a solar home owner to provide to their clients competence in the sale of their home. While there are not currently any generally recognized solar designations for real estate agents, there are classes and designations for green and sustainable real estate. Home owners should look for real estate agents that have earned designations such as the NAR **GREEN™** designation or earned the **EcoBroker®** certification.

### 3. How long have you sold real estate and in particular, selling solar homes?

Again, experience in real estate is important. While solar is one aspect in the sale of your home, having someone that is experienced in the overall process is important. More importantly, has the real estate agent experienced some of the trials and tribulations we have seen in the real estate market over the last 10 years? Are they experienced in good markets and bad markets? How have they transitioned their marketing of a solar home over time, assuming that they have been selling solar homes for awhile?



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### 4. Will solar affect the sales price/value of my home?

This is my second favorite questions and one of the easiest to answer: Solar leases do not add value to the home while solar owned systems add value to a home. It is that simple. Any other answer is not acceptable. While I will say that solar leases add to the “marketing value” of a home, meaning that the cost savings from a solar lease can and should be part of the marketing strategy of the solar home, mortgage giants Fannie Mae, Freddie Mac, FHA, and VA have stated that solar leased systems are not to be included on appraisals as added value for a home, even if the solar lease is prepaid.

If a real estate agent says that a solar owned system doesn't add value, my guess is that they haven't been through solar training, have solar-related credentials, and doesn't know how form 820.05 affects the appraisal of a home (if the real estate agent doesn't know what form 820.05 is, find someone else immediately).

More importantly, a solar owned system should add more than a thousand or two to the value of a home (unless it is an unusually small solar system on the roof). In recent appraisals, we have seen solar add anywhere from \$1 to \$2.50 a watt to the value of the home.

### 5. How will you use solar in the marketing of my home?

In sales they say you should sell the “sizzle” not the “steak”. Solar adds financial benefits and savings that should not be overlooked when marketing a home. Often times, these benefits

are the difference between buying your home and another similar home down the street with the same features and upgrades. The real estate agent should be able to communicate how they will calculate and use the savings, production, and cost information. Ask for examples of previous marketing materials used and how it was used in the sale of a solar home.

### 6. What paperwork/information will you need from me to market my solar home?

An experienced solar real estate agent will know how to calculate the savings from compared to similar homes without solar. Looking at solar electrical production, actual grid electrical usage, grid-stored electricity from solar production will help the solar real estate agent gain an overview on the cost benefits of your solar system and how it offsets your on peak and off peak usage. Your solar real estate agent should be asking for the following paperwork (at a minimum):

- Annual production broken down by month for a minimum of 12 months (usually provided by solar company)
- Solar lease or purchase paperwork, including any changes, addenda, etc.
- Photo voltaic panel type, manufacturer, size, quantity, age, warranties
- Solar inverter type, size, warranties, age
- Other guarantees and/or warranties that come with the system
- All electrical bills for a minimum of 12 months to match solar production information



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### 7. Besides cost savings, what other benefits from solar will you use to market my solar home?

Solar systems have additional benefits that may have attracted you to adding solar onto your home. Your solar real estate agent should mention something about the environmental benefits by offsetting greenhouse gases, lifestyle benefits such as being able to keep a home cool in the summer without the fear of exorbitant and excessively high utility bills and the ability to predict monthly costs without the wide swing of high summer electric bills, for example.

### 8. How will you educate buyers and other real estate agents about the benefits of my solar?

While solar powered homes are becoming more commonplace, it is important to spell out how simple and beneficial a solar system is to a prospective buyer. Often times if a buyer does not understand something (and more importantly if the buyer's real estate agent does not understand), the buyer will avoid a home if they feel there is an additional burden or cost without understanding the benefits. Educating the buyer and the buyer's real estate agent is crucial to overcoming any unfounded hesitations they may have about taking on someone else's monthly solar lease payment.

### 9. How will you protect me in the purchase contract regarding my solar system? If it leased? If it is owned?

While the local real estate association has finally

introduced a solar lease addendum that spells out the responsibilities of both the buyer and the seller to transfer a solar lease from one to the other, there may be additional seller liabilities that can be mitigated by the right solar real estate agent. While most of the lawsuits regarding solar systems in a real estate transaction have been limited to solar lease systems, most solar real estate agents fail to protect their sellers for solar owned systems.

Do they provide protection from proper disclosure of the system, its warranties, and guarantees? Are there any rights that need to be transferred from the seller to the buyer that are not commonly communicated to either party or made part of the contract? What if the utility company decides to cancel the "grand-father" status of the solar system after the sale of the home...are there any liabilities that could be minimized by your solar real estate agent to protect you? What other protections and actions will your solar real estate agent take to help minimize any potential liability that you could face?

### 10. Do you have solar yourself?

This has to be one of my favorite questions for it says a lot about the real estate agent. Do they believe in the solar as much as you do? Do they view solar as an asset to the sale of the home or is it viewed as a liability? Does this real estate agent have a personal and first hand understanding about the benefits of solar and how it works? Be wary of the real estate agent that doesn't think solar fits their lifestyle but they promise to get the most out of a home that does have a solar system.



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