The Real Estate Industry and Selling Homes with Solar

Hosted by
Warren Leon, Executive Director, CESA

December 11, 2018
Housekeeping

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Webinar Speakers

Janelle McGill
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Elevate Energy

Warren Leon
Executive Director,
Clean Energy States Alliance (moderator)
 CESA Webinar
 December 11, 2018

 The Real Estate Industry and Selling Homes with Solar
Solar Permits Issued in Fort Collins, CO

2018 permits through 10/31 – 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
  Warranty worries
  Roof damage

Agent Hesitation. ................. Some agents won’t show buyers homes with solar

Seller Issues. .................... Seller may not realize value of purchase vs. lease
  Installation information missing or unavailable

Valuation Issues. ................. Market/appraisers don’t support solar value

Leases, Leases, Leases. ........ In a market where most parties are undereducated, a
  solar lease can derail a transaction
  Buyer wariness and willingness
  Debt to Income ratio
  Lease transfer and explanation problems
### Survey Results Collected
#### American Solar Energy Society Conference in August

<table>
<thead>
<tr>
<th>Question</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aware of a Green Designation for Agents?</td>
<td>24%</td>
</tr>
<tr>
<td>Aware you can request a qualified Appraiser?</td>
<td>24%</td>
</tr>
<tr>
<td>Aware our MLS has “Green Fields”?</td>
<td>12%</td>
</tr>
<tr>
<td>Aware there are Energy Efficient Mortgages?</td>
<td>16%</td>
</tr>
</tbody>
</table>
Realtors® that have completed the *NAR Green Designation* Program

<table>
<thead>
<tr>
<th>CITY</th>
<th># of Realtors®</th>
<th>NAR Green Designees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Collins</td>
<td>1139</td>
<td>19</td>
</tr>
<tr>
<td>Boulder</td>
<td>1150</td>
<td>10</td>
</tr>
<tr>
<td>Denver Metro</td>
<td>7329</td>
<td>19</td>
</tr>
</tbody>
</table>
Appraisers that have taken the
Valuation of Sustainable Buildings Professional Development
Program

<table>
<thead>
<tr>
<th>CITY</th>
<th># of Appraisers</th>
<th># that Completed Sustainable Program</th>
<th># that Completed Supplemental Solar* Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Collins</td>
<td>30</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Boulder</td>
<td>19</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Denver Metro</td>
<td>240</td>
<td>25</td>
<td>2</td>
</tr>
</tbody>
</table>

*The Residential and Commercial Valuation of Solar program must be taken to remain on the Valuation and 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. Understanding how to fill out the Residential Green and Energy Efficient Addendum and providing it to the qualified appraiser
   b. How an agent can use PV Value to determine the additional value
6. Understanding and collecting the information a buyer will need
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. EnergySage)
4. Whether solar is even a good fit for the property
5. Financing and rebate options
6. Why should they?
Rack card sent to homeowners in Fort Collins that have solar.

Information includes basic recommendations, not nearly as thorough as training for agents and appraisers.
Small Scale Solutions

Local Courses

Solar and the Real Estate Transaction

Free 3 Hour Course
Provides 3 Hours of Continuing Education Credit
Large Scale Solutions

➢ Require solar installation companies to provide a brochure or pamphlet with information on selling a solar home.
➢ 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.
➢ Require, or at least strongly encourage, solar education for agents and appraisers.
➢ Create a solar database – perhaps in each state, or one for counties/cities – to store system components, warranty information, schematics, permits for future homeowner’s reference.
➢ Share solar resources with the public. It will help solar feel more standardized.
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Our goal is as basic as it is bold: smarter energy use for all.

https://www.elevateenergy.org/
Solar Training and Education for Professionals (STEP)

- Funded by the USDOE
- Continuing education classes
- Real estate agents and appraisers
- Value solar installations in the real estate market
- Partnered with National Association of REALTORS and experts in solar and real estate
Solar Class for Real Estate Professionals

Selling the Sun: Establishing Value for Solar Homes for REAL ESTATE PROFESSIONALS

https://www.onlinelearning.realtor/A/Product/Details/?id=3586
Why real estate agents?
Why real estate agents?

- Buyers

![Graph showing 87% of buyers use real estate agents](image1)

- Sellers

![Graph showing 89% of sellers use real estate agents](image2)

Source: [NAR’s 2017 Profile of Home Buyers and Sellers](https://www.nar.org)
Why real estate agents?

- 5.1 million homes sold in 2017
- Agents are a source of information for their clients
- Agents work with all facets of the United States
Why real estate agents? Market Transformation
Why do real estate agents want to learn about solar?

- Stand out in a crowded field
- Source of the source
- Ensure sellers receive proper value at the time of sale
- Consumer protection
Selling the Sun Modules

- The Emerging Solar PV Market
- The Parts and Pieces of the Solar System
- Financing the PV System
- Listing and Marketing a Solar Home
- Establishing a List Price for a Solar Home
Feedback

“This is the best distance learning class I have taken. No part of the content was filler and each section of education was instructed in an unbiased and clear way.”

“I have taken many online courses over my 11 years in real estate. This was easy to follow and even entertaining. This was a practical training overall which gives agents the ability to take action after the course.”
The End

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https://www.elevateenergy.org/value-high-performance-homes
Thank you for attending our webinar

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Upcoming Webinar

Oregon’s New Energy Storage Project for Resiliency and Cost Savings

*Tuesday, December 18, 2-3pm ET*

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