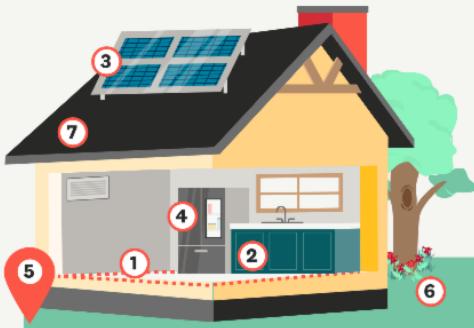


BLOG



Things Appraisers Look For

- ① Square footage
- ② Floor plan
- ③ Amenities
- ④ Luxury items
- ⑤ Location
- ⑥ Curb appeal
- ⑦ Roofing condition



Solar Panels & Home Appraisals: What You Need to Know

Solar panels are becoming increasingly common in today's housing market—especially in California. Homeowners often ask the same question: **Do solar panels increase my home's value?** The answer is: *it depends*. Here's what homeowners, buyers, and sellers should understand about how solar panels impact a home appraisal.

1. Owned vs. Leased Solar: The Biggest Factor

Owned Solar Panels

- Panels that are fully **owned and paid off** are typically considered a **real property improvement**.
- Appraisers can recognize value when solar contributes to reduced utility costs and market appeal.
- Owned systems generally have a **positive impact** on value—assuming the system is functional and market-supported.

Leased or PPA (Power Purchase Agreement) Solar

- Leased solar **does not add value** in an appraisal.
- These systems are considered **personal property**, not real property.
- Buyers must qualify for and assume the lease, which can sometimes be a deterrent.

Bottom line: Owned solar is favorable; leased solar usually is not reflected in appraised value.

2. Solar Does Not Add Dollar-for-Dollar Value

Many homeowners assume solar adds its full installation cost to value. In reality:

- Appraisers **do not add cost automatically**.
- Value is based on **market reaction**, not what you paid.
- If comparable homes with owned solar sold for more, that data can support value.

Solar's contribution is **market-driven**, not emotional or theoretical.

3. Market Demand Matters

Solar tends to be more valuable when:

- Energy costs are high
- Buyers expect or prefer solar
- Comparable sales include solar features

In markets where solar is common, its presence may help a home **compete better**, even if it doesn't dramatically increase price.

4. Documentation Helps the Appraisal

Providing clear information can make a difference. Helpful documents include:

- Proof of ownership
- Installation date and system size (kW)
- Warranty information
- Utility bills showing reduced energy costs
- Permit and inspection records

The more transparent the system, the easier it is for the appraiser to analyze.

5. Condition & Remaining Life Are Considered

Appraisers will consider:

- Age of the system
- Remaining useful life
- Overall condition
- Compatibility with the home's electrical system

A newer, well-maintained system is more attractive than an aging one nearing the end of its lifespan.

6. Solar ≠ Automatic Value Increase

Solar panels can:

- Improve marketability
- Reduce monthly ownership costs
- Appeal to environmentally conscious buyers

However, they **do not guarantee a higher appraisal**—especially if the system is leased, outdated, or unsupported by comparable sales.

7. Selling or Refinancing? Timing Matters

- **Refinance:** Owned solar may help support value if comparables justify it.
- **Selling:** Buyers may value the monthly savings more than a higher purchase price.
- **Buying:** Always confirm whether solar is owned or leased before making an offer.

Final Thoughts from the Appraiser's Perspective

Solar panels are an important feature—but they're just one part of the overall valuation puzzle. Appraisers rely on **market evidence, ownership status, and buyer behavior**, not assumptions. If you're considering installing solar, refinancing, or selling a home with solar, understanding how appraisals work can help you set realistic expectations and avoid surprises.

Thinking of Selling, Refinancing, or Adding a Solar?

Scan the QR code below to book an appraisal or learn more about your home's value.



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