The Scoop on Solar

Homeowners wanting to go a step further to reduce their energy consumption may want to look into generating their own electricity. Solar technology has improved over the years and the panels have become more affordable, making it a viable option for more households.[1] If you're thinking about installing a system this spring or summer, the time to plan is now.

What is it?

Solar panels generate DC electricity during the day and send it to an inverter, which converts it to the AC-type of electricity used in households. The panels may last up to 40 years with routine care and maintenance, and tout a return on investment of **15-20%**.[2]

How much does a solar panel system cost?

Solar panels can cost between **$15,000** and **$40,000**, depending on your solar set-up, less the rebates and tax credits available.[3] They will generally pay themselves off in the form of reduced utility bills after 7-12 years.

What are the benefits?

- **Save money.** Once you get past the installation and maintenance costs, the energy you generate is free.
- **Save energy.** Solar allows you to tap into the unlimited power of the sun, making you less reliant on energy drawn from fossil fuels.
- **Boost your home's value.** Studies show that buyers are willing to pay up to **$15,000** more for a home with solar panels than one without.[4]
- **Your home may sell quicker.** Homes with solar installations may sell an average of **20%** faster than homes without.[5]

What's the downside?

- **It's not constant.** Your system won't generate energy at night, so energy generated during the day must either be stored or sourced from elsewhere. Additionally, the system will generate less energy during the winter months, when days are shorter, making it necessary to have a backup source of energy.
- **It may not be efficient.** Currently, solar panels can convert only **22%** of the sun's energy into electricity, which means you'll need to install quite a few panels to power your home. However, efficiency has improved drastically over the past few years and will continue to improve in the future.

Will they add value to a home?

The short answer is: it depends on where you live. If the homeowner live in an area with an active solar market, solar panels will add more value to your home than if you live in an area where the solar market is less developed. Studies show for every additional dollar you see in savings on your energy bill, you'll add **$20** to your home's total value.[5] The average increase is around **$5,900** per installed kilowatt.[5] Keep in mind, the method used to finance the panels plays a role in how much value they may add to a home. If you own the panels, they'll add value. If you lease them, especially in areas where solar isn't common, they may not add value.[6]

Sources: 1. Energy.gov
2. SunPower Corporation
3. Money magazine, May 2016
4. TheMotleyFool
5. Cost of Solar
6. AOL Finance