

JTHS-MIAMI, a Division of the MIAMI Association of REALTORS®

South Florida region ranked No. 1 in the world for prime capital value growth

The South Florida region ranked No. 1 in the world for prime capital value growth in the first half of 2022, according to the 2022 Savills Prime Presidential Index: World Cities report.

Miami once again holds the top spot for prime capital value growth, recording a half year rise of 12.5%. Lower taxes and a high quality of life encouraged migration from other U.S. locations, fueling the city's success. In common with Miami, Dubai, Lisbon and Cape Town also benefited from the renewed appreciation for a warmer climate, higher quality of life, and increased desire for more space.

Capital value growth six months to June

Capital value growth	
1. Miami	12.5%
2. Los Angeles	6.5%
3. San Francisco	5%
4. Dubai	4.5%
5. New York	4.25%
6. Seoul	4%
7. Lisbon	3.75%
8. Cape Town	3.5%
9. Berlin	3.25%
10. Milan	3%

South Florida: #1 U.S. destination for international homebuyers

South Florida has long been the No. 1 destination in the U.S. for international home buyers. Secure place to invest, long history of real estate appreciation, incredible investment and development especially in Downtown Miami, welcoming and diverse culture, the capital of Latin America, etc.

South Florida remains a bargain in comparison to other global cities and U.S. metros, according to the National Association of REALTORS® 2022 International Transactions in U.S. Residential Real Estate. Miami-Fort

Lauderdale-West Palm Beach's price per square meter is \$3,170, far below at least 30 global cities and 13+ U.S. Metros including markets such as Hong Kong (\$28,570), New York City (\$17,191), San Francisco-Oakland-Hayward, CA (\$8,250), etc.

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Questions to ask before installing solar panels

A subscriber to my newsletter approached me recently with a dilemma. He's 81 years old, and he wanted to know if it was a good idea to invest in a rooftop solar system. He knows that he may not live long enough to experience a return on his investment. Should he do it anyway?



Tim Carter
Ask the
Builder

Now, I love all forms of solar power. But his situation brought out my inner devil's advocate and prompted me to make a list of questions that any homeowner should ask before investing in a solar power system.

The first is the most straightforward: How long will you live in your home? Back in 2016, while compiling data for my book "Roofing Ripoff," I found that on average people own a home for between eight and nine years.

Here's why that's important: You don't save even one penny on any solar installation until you have recovered the cost of it in lower power bills. That cost includes all of the money you spent to install your solar panels, battery array and transfer switch, as well as the cost of interest if you borrowed the money and the opportunity cost of not having invested those funds elsewhere.

Let's consider a very simple example. Suppose I'm installing a new 10 kilowatt solar system. After all the tax credits, incentives, rebates and so forth, I'd have to write a check to a solar-panel installation company for \$19,181. I arrived at this figure using an online calculator for my area in August 2022. Let's assume I have to finance the purchase, as most people do.

My average electric bill is now \$260 per month. There are connection fees, taxes and so forth included. Let's assume that, on average, the amount of electricity I have to pay for each month is \$230.

So in one year, I estimate I would save myself the \$2,760 that I currently pay the NH Electric Coop (NHEC). Assuming all things stay the same – which they never do – simple math shows that it would take 6.95 years to break even on my investment.

The ROI analysis should also include what happens if you pay cash for the solar panel installation. Prior to writing the check to installer, your money was likely earning interest or appreciating in the stock market. Granted, you can't predict future results, but whatever money you were making each month could have been allocated to pay your electric bill. Once your check to the solar installer is cashed, that income

stream disappears.

But what happens in year nine or 10 when all of a sudden you realize you need a new roof? What is the extra cost you to have to pay the roofing contractor to remove and reinstall your panels so he can install your new roof shingles? How many years of electric savings does this wipe out?

Can your roof support the extra dead load of the panels? You might be surprised to discover that your local building department has a pre-solar-installation inspection. If you live in an area where heavy snowfall happens, will a deep, wet snowfall that sticks to the panels cause your roof to collapse? What is the cost to beef up your roof?

Will your insurance company cancel your policy if you install solar panels? (This happens!) You better check with your insurance company before you install your system. Find out if there's going to be a premium increase to cover your system. If so, this needs to be factored into your ROI calculation.

Is your house oriented the correct way to get the maximum amount of electricity from the sun? My roof isn't. The long axis of my own home runs north/south. Putting solar panels on my roof means I only get great sunlight to the panels for part of the day.

What about trees? Does your lot have

an issue with shade or partial shade? What about potential damage from hail or falling trees? What is your house insurance deductible?

Are you going to get solar panels that have a bypass diode that's connected to a string of solar cells connected in a series? If so, when just one panel is shaded and not producing power, the entire string of cells stops creating electricity.

What about ambient air temperature? It's a known fact that solar panels produce less power in blistering hot climates. They produce extraordinary amounts of power if the air temperature is cold. How will this affect your ROI?

Have you thought about how the cost to maintain the electric infrastructure in your area is going to be paid for as time goes on? As more and more people install solar panels – and stop sending the utility company money each month – the cost to maintain the wires on the poles goes up. Your system is connected to the grid. As the utility company revenue drops, your monthly connection fee will surely rise.

As you can see, it's not all unicorns and rainbows when it comes to the return on investment for solar panels. Don't allow your decision to purchase solar panels to be controlled by emotion.

Will your insurance company cancel your policy if you install solar panels? (This happens!) Find out if there's going to be a premium increase to cover your system. If so, this needs to be factored into your ROI calculation.