

RICS; Vigilance required for PV 'Schemes'

RICS has today warned consumers to be vigilant when opting to let their roof space for green energy schemes, as doing so could violate mortgage terms and put a property's saleability at risk.

Many companies are now looking to benefit from the coalition government's Feed in Tariff Scheme (FIT) by renting roof space from homeowners to host solar panels. Under the scheme, the leasing company can then sell the generated energy to power suppliers for a profit.

However, with many leases running for up to 25 years, often without a break clause, homeowners can find themselves tied to agreements which could put them in breach of their mortgage arrangement, discourage prospective buyers and even create structural problems their property. While providing homeowners with additional income, the potential consequences can be severe.

Furthermore, until the Green Deal is introduced in 2012, installers are not formally accredited, meaning that installations can be carried out by individuals poorly [if at all] qualified to properly assess the installation process and the potential impact on the property.

While we [the RICS] wholeheartedly support the use and production of green energy, it is important that consumers are aware of the potential dangers before entering into these agreements. Leasing roof space can generate much-needed additional income for households. However, anybody considering it should consult their mortgage provider and seek legal advice beforehand. The terms of the lease may not be acceptable to all lenders, so some homeowners could find themselves in the extremely difficult position of being tied to a long-term lease, yet in violation of the terms of their mortgage.

Furthermore, with installers currently not being subject to formal regulation, the addition of solar panels could potentially create structural problems on a property as some roofs may not be strong enough to take the additional weight. It is also important to ensure that the roof covering is in good condition before any installation takes place, to reduce the risk of future maintenance problems.

David Dalby, RICS Director

RICS recommendations to consumers:

Always obtain your mortgage lender's consent and seek legal advice on the terms of any agreement before entering into a contract

If looking to sell your property within the duration of any lease, be aware that the lease may have to be taken on by a future buyer, whether they want it or not. This could affect saleability.

If consumers sign the agreement outside of the company's premises, there is a seven day 'cooling off' period allowing the contract to be cancelled

Keith Farmer offer the following services to assist home owners considering at PV installations;

STRUCTURAL DESIGN SERVICES - Surveyors & Structural engineers on call to design & formally approve bespoke mounting systems...

SPECIALIST PV ASSISTANCE - think you've been scammed by a cowboy installer? Keith Farmer Associates are here to advise you...

Source URL: <https://www.keithfarmer.co.uk/building-consultancy/rics-vigilance-required-pv-schemes>

This article is presented for your general interest and information purposes only - the content contained should not be relied upon as accurate and may become outdated. Views and opinions expressed within the content of the article are presented by the author and are not necessarily the opinion of Keith Farmer Associates Ltd. Please contact Keith Farmer Associates Ltd if you require any formal advice in relation to this publication or any content contained herein. All contents remain copyright of Keith Farmer Associates Ltd unless otherwise stated.