As the solar market continues to mature and move away from subsidies like the investment tax credit, project finance is also changing. Traditionally, most project developers have structured their businesses around the reality that they will need to sell their shovel-ready projects to aggregators in order to have working capital to develop their next project. This means that developers are only as good as their most recent project. But as investors have become more familiar with the risk profile of solar and comfortable with long-term project revenues as an investment, new financing opportunities are becoming available.

Vehicles like the solar mortgage real estate investment trust (solar mortgage REIT) can finally match debt to the operational life of a solar project and help developers secure more manageable financing terms. The solar mortgage REIT will change how solar projects are financed, developed and managed, and will open up new avenues of public investment in solar, ensuring long-term market growth.
RadiantREIT will be the first-ever mortgage REIT offering loans to the solar energy market.

Cover the project life in the first funding round

Solar projects are long-term investments, meaning that common short-term loans are not in line with the operational life of a project. Short-term financing is akin to financing a home mortgage with a car loan, creating high debt payments for project owners that are misaligned with project revenues. With terms that last for 20 to 30 years, long-term financing matches the length of the project’s power purchase agreement (PPA) or leasehold interest.

REITs are a well-established investment vehicle for real estate, and can help solar developers do more with their hard-earned cash while offering a lower overall cost of capital. Solar mortgage REITs offer fixed-rate and long-term mortgage loans to solar developers for new installations or long-term refinancing for existing projects.

By offering easily-accessible, secure long-term financing to solar developers, solar mortgage REITs:

- **Lower the overall cost of capital for a solar project by placing more debt in the capital stack**
- **Create higher loan-to-value ratios and better debt service coverage ratios (DSCR)**
- **Increase the net operating income of a project and ensure positive cash flows over the entire life of a solar project**
- **Break the current solar project finance cycle that requires project developers to sell their assets to aggregators in order to have liquid capital available to develop the next project**
- **Provide developers with the option to maintain ownership of a project, making their businesses more sustainable.**

RadiantREIT will be the first-ever mortgage REIT offering loans to the solar energy market. The team combines decades of solar and REIT experience with a history of pioneering innovative approaches to project financing and has financed over $1 billion of projects.

Contact RadiantREIT today to learn about secure, long-term solar financing for your project and join the future of renewable energy financing with solar REITS.