
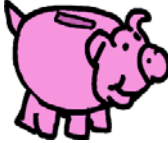





## HOW TO FINANCE A SOLAR WATER HEATER SYSTEM?

<p><b>Return on Investment - SWH system</b>          The Return on Investment on a Solar Water Heater system which costs R15,000 net after the Eskom rebate, with a conservative R200 saved per month, is <b>16%</b> - tax free. (R200*12/R15,000).  <i>{A SDA system should cost less and save more}</i></p>	
<p><b>1. Surplus Cash</b>          The money laying in your cheque account or perhaps the money market is earning at most <b>7%</b> interest per annum. Interest earned &gt; R22,300 per annum is a taxable income . You'll <i>earn</i> more by investing in a SWH, and that is tax free.</p>	
<p><b>2. Access Bond</b>          You may have surplus capacity on your bond, which will allow you to pay cash for your SWH system. The interest rate on bond accounts are linked to your bank's prime overdraft rate, currently pegged at <b>10%</b>. Far less than the 16% of the SWH.</p>	
<p><b>3. Insurance Replacement</b>          Your insurance company may have adopted the policy to allow you to replace your existing electric geyser with a solar geyser when it fails. Generally the Insurers pay out as much as R7,000 on a geyser replacement. This is a significant reduction on the investment that you will need to make in a SWH.</p>	
<p><b>4. Green Finance</b>          Some banks have made finance available at preferential terms and rates for eco-friendly expenditure, as part of their Corporate Social Investment. Your bank may be one of them. There are also a myriad of solar finance companies popping up who may provide you with the funds to purchase a system.</p>	
<p><b>5. Rent to own</b>          You may not have access to cash, or frankly the inclination to buy a SWH. A rental option may give you that opportunity; a deposit may be required, but generally the savings should be more that the monthly rental payments. And in the case of a true rental all maintenance and failures of the product is the responsibility of the rental company. Read the fine print – many rentals are actually nothing but loans in disguise.</p>	