

# TEN GREEN LEASE ESSENTIALS

Green Lease Essentials are an opportunity to help guide the industry on what it takes for a lease to be green, this helps to drive credibility and transform the industry.

The BBP's Green Lease Essentials, provides guidance on a minimum level of expectation for a green lease.

The BBP is not a formal standard setting organisation but recognizes the need for industry consistency and greater scrutiny concerning what constitutes a green lease. In discussion with its stakeholders, the BBP has therefore arrived at these 'Green Lease Essentials' - a series of clauses areas that the BBP views as essential to cover in a lease for a lease to be described as a 'green lease'.

Any recommendations for a minimum standard are just that, a recommendation on how to approach your green lease to ensure that it is credible.

The Green Lease Essential guide outlines 10 areas which the BBP would expect to see covered in a lease to help define it as "green". The 10 areas are highlighted below with 8 of these based on focus topic areas and two other 'enabling' clauses. In all cases, whether owners/occupiers choose to pursue the light/medium or dark green options will depend on their ambition and the specific asset and type of lease being negotiated. However, we hope by setting out these Green Lease Essentials that this will contribute to a shared industry understanding and greater transparency concerning the scope of green leases.



**COOPERATION**



**BUILDING MANAGEMENT/  
SUSTAINABILITY  
GROUP**



**SUSTAINABLE  
USE**



**DATA SHARING AND  
METERING**



**LANDLORD RIGHTS  
TO DO WORK  
(EXTENDING)**



**TENANT'S  
ALTERATIONS**



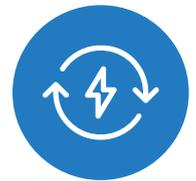
**EPCS**



**WASTE  
(LANDLORD AND  
TENANT)**



**RE-INSTATEMENT  
(YIELD UP)**



**RENEWABLE ENERGY**

Theme area	Draft statement of intent by theme area	Suggested minimum L = Light M = Medium D = Dark
<b>Cooperation</b> 	<p>The Lease contains a co-operation provision which sets out the shared aim of the parties to improve the Environmental Performance [and Social Impact] of the Premises and the Building and their agreement to cooperate to achieve this. (Note: Environmental Performance extended to include biodiversity and resilience).</p>	<ul style="list-style-type: none"> <li>L Simple agreement to cooperate in good faith/without legal obligation to improve Environmental Performance [and Social Impact].</li> <li>M Stronger obligation to cooperate (without unreasonable economic burden or contrary to business interests) plus mutual obligation to consider each other's proposals.</li> <li>D Obligation to cooperate with view to achieving [x]% pa reduction in GHG emissions, cooperate in good faith/without legal obligation to implement strategies and mutual obligation to consider and respond to each other's proposals.</li> </ul>
<b>Building Management/ Sustainability Group</b> 	<p>The Lease contains provision for the parties to communicate on adequacy of data sharing re the Environmental Performance, travel plans [and Social Impact] and for discussion on environmental sustainability [and Social Impact] issues.</p>	<ul style="list-style-type: none"> <li>L No process for communication specified and parties free to choose. Discussion to include adequacy of data sharing, reviewing and agreeing targets and strategies re Environmental Performance and Travel Plans [and Social Impact].</li> <li>M Landlord's option to set up forum for communication on the above with provision for attendance at the forum.</li> <li>D Landlord must establish forum with at least 1/4ly meetings with the same remit as in the medium clause plus to agree strategies to achieve an [x] % pa reduction in GHG emissions .</li> </ul>
<b>Sustainable Use</b> 	<p>The Lease contains a provision aimed at behavioural change. The Landlord and the Tenant will not operate the Premises or the Building so as to increase energy and water consumption above reasonable levels and will use reasonable endeavours to minimize energy and water consumption (with all permitted uses/intensification of use and ambient conditions protected and works not required) and will operate equipment properly so as to maintain the Environmental Performance of the Premises and the Building.</p>	<ul style="list-style-type: none"> <li>L L and T not to operate the Premises/ the Building in way which increases energy/water consumption and use reasonable endeavours to minimise such consumption (with protection for lawful uses, intensification of use, ambient conditions and clarity that this does not require work to be carried out) and L and T to operate equipment properly to maintain Environmental Performance.</li> </ul>
<b>Data sharing and metering</b> 	<p>The Lease contains a provision which a) ensures L and T regularly and transparently share data regarding at least the use of energy, water and waste within the Premises and the Building (including the common parts) and where agreed other Environmental Performance [and Social Impact] data with confidentiality obligations re all data and tenant consent to access for landlord to its relevant data direct from tenant's supplier and</p> <p>b) ensures that an individual meter/submeter/AMR can be installed in the Premises to capture energy and water usage and c) ensures proper use of any smart building technology</p>	<ul style="list-style-type: none"> <li>L Both parties to share energy, water and waste data at specified intervals and other Environmental Performance [Social Impact] data as agreed, data to be anonymised where used by either party and confidentiality obligations included.</li> </ul> <p>Where reasonably practicable L [ at its cost] to install meters (smart meters if practicable with T having access to the Premises data). to measure use of utilities by Premises provided not adverse effect on T's use and occupation.</p> <p>Where Landlord in breach or not practicable for L to install T can install meters in Premises (where practicable smart meters) with protections for L T's consent to utility provider supplying smart meter data to L direct. There is only one version of this clause given the importance of data sharing and metering.</p> <p>Additional provision: If Smart Building Tech installed T to comply with any Digital Protocol Policy of L and not do anything which adversely affects efficient operation of Smart Building Tech.</p>

Theme area	Draft statement of intent by theme area	Suggested minimum L = Light M = Medium D = Dark
<b>Landlord rights to do work (extending)</b> 	<p>The Lease contains provisions to avoid paralysis of the Environmental Performance/EPC rating of the Premises and the Building during leases (and these may affect the tenant consent MEES Exemption) as follows:</p> <ul style="list-style-type: none"> <li>• The Landlord to have some right to carry out improvement works to the demised premises if this is possible without material adverse impact on the tenant's occupation;</li> <li>• Support (but no drafting) for a cost contribution from the Tenant to the extent of resulting savings;</li> <li>• Landlord not to be liable for interruption to services caused by works to common parts/equipment due to works to improve Environmental Performance/EPC rating but L to use reasonable endeavours to minimise any disruption/interference.</li> </ul>	<ul style="list-style-type: none"> <li><b>L</b> L's right to carry out works to the Premises to improve the Environmental Performance or EPC rating where T consents (not to be unreasonably withheld). L's right to do improvement works to common parts/systems despite interruption to services.</li> <li><b>M</b> As in Light but in the case of work to the Premises L's right is subject only to T (acting reasonably) agreeing the works will improve Environmental Performance.</li> <li><b>D</b> As in Light but no consent or agreement of T required for works to the Premises.</li> </ul>
<b>Tenant's alterations</b> 	<p>The Lease contains provisions restricting Tenant alterations which adversely affect the Environmental Performance, EPC rating or other environmental rating of the Building or the Premises.</p> <p>The Lease includes provisions giving the Tenant the right to do alterations which improve the Environmental Performance, EPC or other environmental rating, with L's consent not to be unreasonably withheld.</p>	<ul style="list-style-type: none"> <li><b>L</b> No adverse T's alterations without L's consent not to be unreasonably withheld.  T can, with L's consent not to be unreasonably withheld, do alterations which improve Environmental Performance, EPC or other environmental rating (save structural alterations/ alterations which adversely affect plant and equipment)</li> <li><b>M</b> Absolute prohibition on adverse T's alterations.  T can, with L's consent not to be unreasonably withheld, do alterations which improve Environmental Performance, EPC or other environmental rating (save structural alterations/ alterations which adversely affect plant and equipment)</li> </ul>
<b>EPCs</b> 	<p>The Lease contains provisions which govern when, and the process by which, an EPC is obtained by a Tenant, giving the Landlord some control over this so as to ensure high quality EPCs are commissioned.</p>	<ul style="list-style-type: none"> <li><b>L</b> T only to seek an EPC of the Premises where statute requires and to cooperate with L to allow L to obtain EPC or use an assessor approved by the Landlord and both parties to provide EPC details to the other.  T not to commission EPC for the Building.  T not to do/permit anything which may adversely affect the EPC.  There is only one version of this clause given the importance of protecting the EPC.</li> </ul>
<b>Waste (Landlord and Tenant)</b> 	<p>The Lease contains provisions the objective of which is to require landlords and tenants to minimise the amount of waste generated from all activities in the Premises and the Building that is sent to landfill and maximise the amount that is recovered, reused, reprocessed or recycled.</p>	<ul style="list-style-type: none"> <li><b>L</b> mutual obligation to use reasonable endeavours to minimise waste to landfill from works, to recover as much waste as reasonably practicable and for L to provide and T to use a waste segregation system.</li> <li><b>M</b> as in Light with all reasonable endeavours plus to share data RE waste and to reduce waste to landfill and deal with waste as per any Waste Materials Policy for Building.</li> <li><b>D</b> as in medium plus L to have Waste Policy and mutual obligation to use reasonable endeavours to achieve a Recovery Target (to be defined by parties).</li> </ul>

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<b>Re-instatement (yield up)</b> 	<p>The Lease contains provisions that the L will give notice to the Tenant of any alterations it does not require reinstatement of and should have regard to adverse impacts on Environmental Performance (disregarding Waste) of reinstatement unless reinstatement required for use/re-letting post Lease.</p> <p>Where reinstatement is required, the objective is to reduce the amount of waste generated on yield up, minimise the amount that is sent to landfill and maximise the amount that is reused, repurposed, reprocessed or recycled including through shared agreement to achieve re-use, waste policies and recycling targets.</p>	<p><b>L</b> a) L to give notice [3]months pre expiry of any reinstatement which is not required and to have due regard to adverse impact on Environmental Performance (disregarding Waste)unless reinstatement required by L in view of post lease intentions, and</p> <p>b) when reinstating T to use reasonable endeavours to minimise waste to landfill and to salvage as much as reasonably practicable.</p> <p><b>M</b> as in Light plus to share waste data with L and comply with any Building Waste Policy:</p> <p><b>D</b> As in Medium plus by 6 months pre-expiry use reasonable endeavours to agree a Waste Recovery Plan and L to maintain a Waste Policy and T to achieve a Salvage Target (to be defined in the Lease).</p>
<b>Renewable energy</b> 	<p>The Lease contains a provision which promotes the procurement of renewable electricity for the Premises and the Building with options for higher quality green tariffs and allowing the parties to prioritise on-site renewables and encourage off-site additionality, which either the landlord and/or the tenant can adopt, depending on practicality and cost.</p>	<p><b>L</b> Where T procures electricity to procure renewable electricity (any green tariff) for the Premises if available at commercially reasonable rates. L to do same for common parts/Building or where it procures for the Premises also for the Premises.</p> <p><b>M</b> L and T to procure 100% renewable electricity (i.e. from naturally replenishing non- fossil fuel resources – a high quality green tariff) for the common parts /Building and the Premises (re the Premises dependent on who procures) and provide evidence to the other on the source of energy.</p> <p><b>D</b> L and T (dependent on who is responsible for such procurement) to procure 100% renewable electricity using renewable energy from on-site generation, or if not practical or if cost prohibitive, from a PPA, or if not practical or if cost prohibitive, from a high quality green tariff and provide evidence of the source of the energy.</p>