Smart Leasing: Conversations about Energy Efficiency

Smart Leasing refers to any activity that better aligns the interests of tenants and landlords to achieve high performance, healthy, and energy-efficient buildings.

Smart Leasing encourages all stakeholders in the leasing process to have conversations about energy efficiency, sustainability, and building performance during the pre-lease and site selection process, lease negotiation and build-out, and occupancy and operations.

Stay Current with Growing Demand

Attorneys that can integrate clients’ sustainability goals into leases can work more and stay current with growing demand for healthy, high performing buildings. It is important to be proficient in green lease language such as cost recovery and information sharing clauses that can assist in aligning tenant and landlord sustainability goals to benefit both parties in reducing energy and saving money.

Smart Leasing steps for Attorneys

- Attend trainings or other educational events and review resources to be able to articulate the value of energy efficiency to clients.
- Share information and resources with tenants that explains how integrating green lease language can improve employee productivity and retention while reducing utility costs.
- Share information with landlords or property owners that explains how integrating green lease language can improve market value through reduced operating expenses and increase tenant retention.
- Align lease language with landlord and tenant sustainability goals and interests to overcome the split incentive.

Resources to learn more:

- Retail Industry Leaders Association (RILA) Retail Green Lease Primer
- Department of Energy’s Better Buildings Initiative Webinar: Leveraging the Commercial Lease to Automate Energy and Water Cost Savings in Tenant Spaces