



EVERYTHING MATTERS

Green leases - barriers or green hurdles? A lawyer's perspective

Event: Don't Forget Your Greens
Date: Tuesday 4 March 2008
Location: Holiday Inn, Newport

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Downloadable from www.greenleases-uk.com

- What is a green lease ?
- Where are we?
- What are the drivers?

Barriers or hurdles?



- Awareness or apathy?
- Benchmarking
- Cost
- Enforceability

Awareness or apathy? - hurdles



- Lack of awareness
- Reluctance to take on responsibility
- Unchartered territory
- Potentially negative effect on rents and lettings

Awareness or apathy ? - solutions?



- Publicity
- Market forces
- Corporate social responsibility
- Education

- Lack of appropriate uniform ratings
- Australian Building Greenhouse Ratings Scheme ("**ABGR**")/green star rating
- British Research Establishment Environmental Assessment Method ("**BREEAM**")
- Building regulations and planning permissions
- Energy performance certificate
- Display energy certificates

- Uniformity
 - LES-TER Project
 - IPD Environment Code
 - CRiBE Good Practice Guide

- Who bears the cost of going green?
 - Construction
 - Existing stock
 - Day-to-day monitoring and maintenance costs

Cost - solutions?



- Pragmatism
- Agreed programme of monitoring and maintenance
- Education

- How do the parties enforce their respective obligations?
 - Statutory obligations
 - Landlord and tenant relationship
 - Remedial action
 - Forfeiture

- Regulation by schedule to lease rather than immediate breach of lease terms
- Financial penalties?
- Dispute resolution

- Retail unit in a shopping centre lease
- Tenant's obligations
 - To regularly inspect and maintain mechanical installations and equipment forming part of the demised premises
 - To take such steps as are economically feasible and necessary to improve the energy efficiency of the demised premises
 - Not to make any alterations which material adversely affect the energy efficiency or asset rating of the demised premises or the estate
 - To comply with the landlord's environmental policy proposals resource reduction targets and regulations relating to energy efficiency of the demised premises or the estate

- Landlord's obligations
 - Before consenting to alterations the landlord will consider the impact of the proposed works on the energy efficiency or asset rating of the demised premises or estate
 - Preparation of energy performance certificate and land use certificate or advisory report are the obligation of the landlord but the tenant must cooperate
 - The obligations on the tenant in relation to the energy performance certificate are disregarded on review

- Lease of a motorway service station
- Tenant's obligations
 - All repair and maintenance carried out by the tenant to be in accordance with the following (wherever reasonably practicable and economically viable and save as otherwise required by law)
 - any repair or replacement of any part of the Demised Premises as shall have become below an energy efficiency rating of C replacing it with an item of no less energy efficiency rating of B
 - any replacement of lighting shall be with low energy light bulbs energy efficient fluorescent electronic bulbs or light emitting diodes
 - any replacement of flooring shall be with low emission VOCs that is reconditioned or contains a recycled content or another eco preferable material (for example linoleum) and
 - using natural or low VOC paints, oils, resins, waxes, finishes, glues avoiding composite timbers and synthetic fabrics and finishes

- Subject to obtaining the landlord's consent (not to be unreasonably withheld or delayed) and all other necessary consents (including all consents required under the Planning Acts) the right to install one or more of the following
 - solar panels at or on the Demised Premises
 - solar film on the external windows at the Demised Premises and
 - such other environmentally friendly equipment that will reduce the emissions and/or energy used and/or carbon footprint of the Demised Premises
- The tenant shall agree with the landlord as soon as reasonably practicable after the date of this Lease a green travel plan

Where now?



- Green lease, green schedule, green charter
- Developing market
- Watch this space...



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