



GREEN LEASE LEADERS

CREATING SUSTAINABLE LANDLORD-TENANT RELATIONSHIPS

WHAT IS IT?

The U.S. Department of Energy's Better Buildings initiative and the Institute for Market Transformation created the Green Lease Leader program to make it easier for landlords and tenants to work together on energy efficiency and other high-performance building improvements. Green Lease Leaders can be either landlords or tenants, and they can come from the private and public sector. Past winner portfolios comprise a diverse range of buildings from large and small commercial offices to industrial buildings to data centers. The cumulative floor area of all Green Lease Leaders is now more than four billion sq. ft. of building space. The program's success lies in its clear standards, helpful tools, and industry credibility.

WHY IS IT IMPORTANT?

Savvy property owners know that they can't maximize building efficiency, or operational savings, without engaging tenants, but traditional leases often hinder collaboration. In most cases, leases create a split incentive because when one party invests in upgrades in their buildings, and the other party benefits from the savings that result from those upgrades. The way to overcome this obstacle is to implement green or high-performance leases that align benefits for both landlords and tenants. Green Lease Leaders provides a clear, national and international standard for green leases.

BENEFITS



Energy Savings – The program guides landlords and tenants toward mutually beneficial leases and sustained partnership that may enable larger energy investments that deliver greater energy savings.



Resources – Participants of Green Lease Leaders benefit from established guidelines, ample case studies and templates, and free support while developing their leases.



Recognition – Green Lease Leaders are announced annually at a major real estate conference and may use program credentialing in their marketing. This can be a competitive advantage for some in the private sector.

HOW CAN COMMUNITIES IMPLEMENT THIS PRACTICE?

Cities can accelerate their climate goals by participating in the Green Lease Leader program for properties within their portfolio. Many cities have already become Green Lease Leaders, and more are expected as buildings are a top contributor to climate emissions. Here's how cities can get involved:

- **Review city practices.** Cities can review its leased space and adopt green lease language. Start by taking an [assessment of your leasing practice](#).
- **Lead by example.** Once an assessment has been completed, cities can [apply to be recognized](#) as a Green Lease Leader.
- **Create a challenge or recognition program.** Cities can create a challenge or recognition program to support building owners and tenants to drive high-performance and healthy buildings.

To learn more, check out the [Green Lease Leader site](#) or [City of Cleveland's Green Lease Leader case study](#).