

# FACT SHEET

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## Why are leases changing to incorporate sustainability and energy issues?

- Lower operating expenses
- Increase occupancy and base rents
- Meet corporate sustainability goals
- Improve employee productivity
- Attract and retain employees
- Anticipate future regulations



## Why Educate Commercial Brokers?

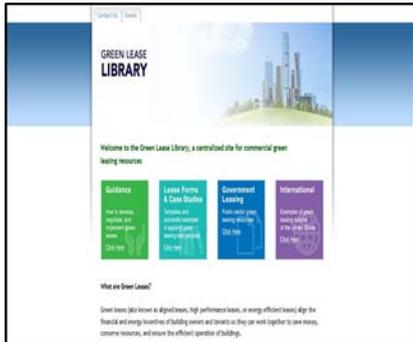
Sustainability and energy efficiency are prominent issues in commercial real estate, and brokers are in a unique position to help their clients understand the potential impacts. Both owners and tenants look to leasing agents as a trusted advisor and source of information. Leasing agents are involved in the site selection and the lease negotiation processes, and therefore have the ability to significantly impact how the landlord and tenant will jointly address sustainability. Leasing agents who have taken sustainability training can differentiate themselves from competitors by helping clients incorporate sustainability and energy strategies into the leasing process—which is also known as green leasing.

## Multiple Avenues for Broker Education

Commercial brokers have several options available for sustainability training, including:

- Larger service provider firms have developed internal resources or working groups dedicated to keeping employees up to date on sustainability initiatives.
- Sustainability or energy training is sometimes available through associations such as SIOR or IREM.
- The vast majority of states require continuing education as a requirement for maintaining one's real estate license. The Institute for Market Transformation, EPA ENERGY STAR, and other partners are working to make energy efficiency and green leasing trainings available in several states as approved continuing education courses.

Offering sustainability and energy trainings as part of approved continuing education credit program is likely to be an effective approach for engaging commercial brokers who require these credits for maintaining their certifications.



## CBEI Commercial Broker Education

CBEI's approach to commercial broker education is to leverage existing materials, such as the Green Leasing Library and state-level broker licensing with the goal of delivering education that will deploy brokers as agents of transformation during commercial transactions. The program has the potential to green the commercial real estate market. CBEI is working in partnership with national organizations including SIOR, IREM and NAR.

## What Is Green Leasing?

Green leasing - or energy aligned leasing - changes lease documents to define how the parties will implement sustainability or energy measures. More specifically, green leases are used to overcome the split incentive problem: in many commercial lease structures, the party expending capital for an energy efficiency upgrade does not benefit from the savings created by that upgrade. Green leases also address issues like submetering and tenant build outs. By addressing the split incentive and other energy issues, landlords and tenants can use the lease as an avenue for significant energy savings.

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A collaborative group including the U.S. Department of Energy, U.S. GSA, BOMA, IMT, NRDC, Rocky Mountain Institute, CEI, and NYU recently created [www.greenleaselibrary.com](http://www.greenleaselibrary.com) to serve as a central destination for green leasing resources. The website provides links to model leases and guidance documents including the BOMA model lease, the PlaNYC energy aligned clause, and U.S. government green leasing procedures.

Following the successful establishment of the Green Lease Library, IMT and the Department of Energy teamed up to create the first international green lease recognition program: Green Lease Leaders. In the program's first year fourteen companies were recognized for implementing green lease concepts in their lease language.

Learn more about Green Lease Leaders at [www.greenleaseleaders.com](http://www.greenleaseleaders.com)

