

# Green Lease Clauses in Europe

A practical approach



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In 2011, we reviewed the legal basis and legal practice of several European countries, summarizing them in the **CMS Study on the use of Green Lease Clauses in Europe**, which led us to making a number of recommendations.

The situation in Europe is fundamentally still as it was in September 2011. Green leases are on the increase and the trend is for standard convergence.

## A practical approach

In our experience, as pan-European legal and tax adviser to the real estate sector, actors do not dispute the added benefit, but they struggle to achieve a consistent implementation.

Looking at 20 contractual aspects across the region, CMS provides a practical approach to a European standard, along with country-by-country variations when necessary.

To simplify implementing green lease clauses across the continent, CMS developed a uniform European standard. This was achieved by comparing each national legal system's legal frameworks and wording, and developing them as European green lease clauses. The outcome is a practical, largely uniform standard applicable in each legal system involved in this project. The sample wording is

explained and contains references to special national features which have to be taken into account. The proposals relate, for example, to the sustainable management of the building by the landlord and tenant, economical use of energy, special green features for operating costs and service charges, decorative repairs and structural alterations.

## Who is it for?

### Investors

Sustainable assets provide a better return for investors. Maintaining an asset's sustainability during its lifetime protects the investment.

### Managers

Managers operate across Europe. Standardizing their legal texts across geographies simply reduces time and costs at every stage: drawing up the contracts and managing the property during its lifetime.

### Occupiers

Occupiers derive a long-term benefit from a sustainable asset that is guaranteed to remain sustainable throughout its lifetime. Beyond the obvious cost savings, occupiers "going green" are seen to be responding to a growing demand from their clients, employees and other stakeholders for a more sustainable work environment and a greener economy.

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We would be pleased to offer you assistance when drafting a green lease.

The CMS e-guide **Green Lease Clauses in Europe – A practical approach** only exists as an online document; discover it at:

<https://eguides.cmslegal.com/greenleaseclauses>

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### About CMS's Real Estate and Construction practice

The CMS Real Estate and Construction group comprises over 400 qualified lawyers in Europe. Because each real estate practice is top-ranked in its market, most of our lawyers focus full-time on real estate and construction – including transactional real estate, finance, town planning, occupancy, construction, development, real estate funds, retail, logistics and real estate tax.

Our teams are active in all segments of the real estate market, from residential and turnkey projects, through warehousing and office buildings, to brownfield redevelopment. We advise developers, owners, occupiers, construction consortia, asset managers and investors, among others.

This means that international clients benefit from genuine solid local expertise, delivered by teams which are recognized in their markets and which function as one with their colleagues from other jurisdictions. Why? Because our lawyers meet regularly, they work on shared

matters, they train together and they adhere to the same standards and processes.

As a group, we combine our expertise to drive important issues for our clients. We do that in various user-friendly forms, be they “green leases”, for which we have developed a pan-European standard lease (as already outlined), real estate transaction costs, on which we produce an annual guide charting the different costs across Europe, or real estate investors, which are able to consult our 20 questions e-guide.

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