

Green leasing in Sweden – the case of the Swedish Energy Agency

7-202-19 ECEEE Summer study Panel 7 - Make buildings policies great again

Author: *Dr Mehmet Bulut, Swedish Energy Agency*

Co-authors: *Dr Sea Rothmann (IEA DSM Programme), Dr Kathryn Janda (UCL), Veronica Eade (Swedish Energy Agency)*

Sweden aims to become carbon neutral by 2045 and improving the energy performance of buildings plays a crucial role in achieving this target. The split incentive problem is among the primary barriers that prevent cost-effective energy efficiency retrofits in the commercial sector, which promises a significant energy saving potential. Green leases, allowing for mutually-beneficial agreements between the landlord and the tenant for the energy efficient operation of a building, may solve the split incentive issue and encourage energy efficiency in the commercial sector. The uptake of green leases on the Swedish market, however, has been slow due to several factors despite the existence of an industry-standard green leasing agreement.

The Swedish Energy Agency, with the help of national and international experts, identified the barriers to the wide-scale uptake of green leases for commercial buildings in Sweden. Some of the prominent barriers that were identified were as following: there is lack of awareness and willingness by building owners and tenants to use green leases more frequently; some green leases are considered “green washing” and therefore not effective; and, there is a perceived imbalance in benefits between tenants and landlords. The Swedish Energy Agency, which moved to a new building in October 2017 and signed a rental agreement that would entail the inclusion of a green lease clause, has developed, with the help of the experts, a green lease agreement that would minimise the identified barriers and contribute to the further adoption of green leasing practices in the country.

This work provides an overview on the use of green leases for commercial buildings in Sweden and presents the pilot project undertaken by the Swedish Energy Agency.

- Sweden carbon neutral 2045
- Energy performance of buildings in Sweden – role in 2045 goal
- Green leases – the idea and incentives
- Why not? The identified barriers
- What's missing?
- The Swedish Energy Agency's green lease and results.
- What's next?