

Government Must Level Playing Field for Landlords and Tenants to Supercharge Solar PV Uptake in Commercial Leaseholds

8 months ago



Renewable energy firm, [RenEnergy](#) is urging the government to remove barriers to solar photovoltaic (PV) deployment in commercial leasehold properties, following the publication of a joint whitepaper with South Norfolk and Broadland District Council.

Entitled '[Solar PV on Commercial Leasehold Properties](#)', the whitepaper explores the legal, financial, and logistical challenges that have historically hindered solar adoption in leased commercial spaces. These are primarily centered around landlord permissions, asset maintenance responsibilities, and the upfront capital expenditure (CAPEX) required for installation.

For commercial tenants, the main obstacle is likely to be obtaining permission from the landlord to progress with the installation of solar panels. For landlords, any reluctance to grant the tenant with permission is likely to be the perception of risk, primarily the financial and administrative risk for maintaining the asset and/or risk of damage to the property.

Damian Baker, Managing Director at RenEnergy says: "The government should recognise that addressing these barriers would align with the UK's Clean Power 2030 Action Plan which aims to unlock the solar generating capacity of the UK and achieve 45GW of installed solar PV by 2030. Action needs to be taken such as encouraging or requiring property owners to include provisions in commercial leases that allow tenants to install solar panels, as well as providing grants to property owners to cover upfront remedial works that might be required. These types of solutions would ensure that the benefits of solar PV are equally available across the commercial sector."

The paper also seeks to demonstrate that despite the perceived complexity and cost of installing solar panels on leasehold properties, there are numerous financing options available which can be adapted to suit the specific structure of different leasehold agreements, and which ultimately provide a benefit to all parties. These include landlord-owned, tenant-owned or third-party ownership via power purchase agreements (PPAs).

Authors Rhiannon Williams, Consultant at RenEnergy, Jim Howlett, Business Development Manager at RenEnergy, and David Davies, South Norfolk and Broadland District Council and the Greater Norwich Manufacturing Group, originally developed the whitepaper as part of a research campaign. The council wanted to understand the barriers local businesses face in adopting solar PV in order to help shape future support, funding and workshops for local businesses. Thirty-four businesses were surveyed, 47% of which rent their property. The findings highlight some of the key misconceptions that the whitepaper aims to address including:

- 81% are concerned about high upfront costs
- 56% are concerned by the requirement to obtain permission from their landlord
- 56% are concerned about uncertainty on Return on Investment (ROI)
- 56% felt there is a lack of financing options available for solar PV

Damian added: "I think the top line benefits of solar PV are well understood across industry; aka it can generate cheaper, greener energy. Also, with ongoing reforms to EPC legislation in the non-domestic private rental sector, there's a compelling case for the adoption of on-site renewables as to boost EPC ratings and ensure compliance. This not only supports sustainability but also has a knock-on effect for landlords commanding higher prices. There's clear opportunity for both tenants and landlords right now; they just need the right government support and flexible financing options to seize it."

To read the full whitepaper, [click here](#), and for more information, visit www.renenergy.co.uk/solutions