

Best Practices for Solar PV in Real Estate



Solar photovoltaic (PV) technology represents one of the most tangible and impactful opportunities for the logistics & industrial sector to lead the clean energy charge. Yet, seizing this opportunity requires more than just installing panels on the rooftops of properties. It demands a new way of thinking, a commitment to collaboration, and a strategic approach that turns potential into performance.

This article leverages the findings from our Solar Solutions research to provide a clear roadmap for developers, landlords, and occupiers ready to embrace solar PV. We will move beyond the "why" and focus on the "how," outlining actionable best practices to maximise the financial and environmental benefits of solar. From standardising agreements and targeting high-impact opportunities to fostering a culture of expertise, these strategies are designed to accelerate adoption and forge a path toward a more sustainable future.

## **Establishing Industry-Wide Best Practices**

The path to mass solar adoption across logistics and industrial property in the UK has been hampered by a lack of clear, standardised processes. Our Solar Solutions survey results show that over 80% of industry stakeholders agree that the market has yet to establish clear best practices. This is particularly evident in the complex negotiations around leasing, ownership, maintenance, and liability. To move forward, we must build a framework of excellence and consistency.

## **Standardise Agreements for Clarity and Speed**

One of the most significant hurdles in deploying solar PV is the time-consuming process of negotiating agreements between landlords and tenants. The lack of standardised documents for Power Purchase Agreements (PPAs), lease clauses, and maintenance responsibilities creates unnecessary complexity and risk for both parties.

As an industry, we must collaborate to develop and adopt template agreements. These documents should clearly define:

- **Ownership**: Who owns the solar array, the landlord, the tenant, or a third party?
- **Energy Pricing**: If using a PPA, how will the price of electricity be determined? Will it be a fixed rate, indexed to grid prices, or another model?
- Maintenance and Repairs: Who is responsible for the upkeep of the solar panels? Who is liable for repairs to the roof itself?
- **Liabilities and Insurance**: How are the associated risks and insurance obligations shared?

By creating a common language and a set of trusted, equitable templates, we can reduce negotiation times, lower legal costs, and make solar adoption a smoother, more predictable process for everyone involved. While landlord-owned arrays with tenant PPAs are emerging as a dominant model, understanding and standardising alternatives is crucial to providing flexibility.

## **Upskill Your People, Empower Your Decisions**

A frequently cited challenge in our survey regarding solar adoption is a "general lack of expertise." Many stakeholders simply don't know where to start.

To overcome this, we must champion a sector-wide commitment to education and upskilling.

Investing in our people is an investment in our collective success. A more knowledgeable industry is a more confident and capable one, ready to innovate and lead.



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#### Strategic Opportunities for Maximum Impact

A successful solar strategy is not about placing panels on every available roof. It is about making smart, data-driven decisions to deploy resources where they will deliver the greatest return. This requires a strategic mindset and a deep understanding of the market.

#### **Target Energy-Intensive Industries**

The financial case for solar PV is strongest in buildings occupied by energy-intensive businesses. Sectors like manufacturing, cold storage, and data centres have high and often consistent electricity needs, allowing them to consume a large portion of the energy generated on-site. This maximises savings by reducing reliance on expensive grid power.

• For developers: When planning new large-scale industrial properties, target energy-intensive businesses as potential tenants. Designing a building with a robust, integrated solar PV system can be a powerful differentiator in the market. You are not just offering space; you are offering a solution for lower, more predictable operational costs, which is a compelling value proposition for any high-energy user.

#### **Recommendations for Developers**

Your primary focus should be on future-proofing your assets. The goal is to design and configure a solar array that meets specific objectives without compromising the building's core functionality.

- Define the Goal: Is the array intended to meet ESG targets, generate ancillary income, or enhance marketability? Your design choices will flow from this primary motivation.
- Balance Amenities: A solar installation is a highly attractive feature, but it must complement, not conflict with, other essential amenities like roof access, HVAC systems, and natural light.
- Build Solar-Ready: Even if a full installation isn't viable at the time of construction, ensure new buildings are "solar-ready." This includes providing sufficient roof loading capacity and conduit pathways to drastically reduce the cost and complexity of future retrofitting. Over 85% of industry respondents to our Solar Solutions survey agree solar is a must-have on new builds; the market expects it.





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#### Strategic Opportunities for Maximum Impact

#### **Target Energy-Intensive Industries**

For landlords and investors: Conduct a portfoliowide analysis to identify properties with energy-intensive tenants. These buildings are your prime candidates for solar installations. Prioritising these "quick win" opportunities will deliver the best financial returns, build momentum for your solar program, and generate powerful case studies to guide future projects. Regions with high exposure to manufacturing, such as the North West and the West Midlands, represent particularly fertile ground for this strategy.

#### **Recommendations for Landlords**

Your focus is on maximising the value of your existing portfolio.

- Portfolio Analysis: As mentioned, identify buildings with suitable roof specifications and energy-intensive occupiers. This is your starting point.
- Embrace Partnerships: Accelerate progress by forming strong partnerships with tenants, energy providers, and solar consultants to navigate the complexities of installation and operation.
- Explore Monetisation Models:
  Understand the different ways to
  monetise the energy generated, from
  PPAs to fixed B rents. Choose the model
  that best fits your financial goals and
  your relationship with your tenant.





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## A United Industry for a Brighter Future

The logistics and industrial property sector possesses a unique and powerful opportunity to accelerate the UK's clean energy transition. Over 82% of our survey respondents agree that mass solar adoption is crucial for decarbonising our supply chains. However, turning this belief into action requires a determined, collaborative effort.

We must move forward as a sector committed to establishing best practices, sharing our knowledge, and pursuing strategic opportunities with precision and purpose. By working together, we can transform our properties from passive consumers of energy into active producers, creating a legacy of financial resilience and environmental stewardship.

<u>Click to download the full report</u> and explore the future of solar energy in UK logistics and industrial real estate.





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