Gryd

— SOLAR LEASES

A Simple Guide to Solar Leases: How They Work and Why They're Growing

How the arrangement actually works.

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As the UK accelerates its transition to clean energy, solar leasing is emerging as a powerful tool for housebuilders and homeowners alike.

A solar lease for new homes allows households to benefit from solar energy without the upfront cost of purchasing and installing a system. At the same time, it offers developers a no-CAPEX solar solution that supports sustainability targets while protecting development margins. Companies like Gryd are leading the charge, helping bring subscription solar panels to new build homes across the country and making solar more accessible than ever.

What Is a Solar Lease?

A solar lease allows homeowners to benefit from solar energy without paying for the solar equipment themselves.

Under a typical solar lease model, a provider funds and manages the solar system on the roof while the homeowner pays a fixed monthly subscription. The provider is granted rights to use the airspace above the roof – not the land itself – to install and operate the solar system. This legally defined arrangement ensures the provider can access the system for maintenance while the homeowner retains full control of their property.

In exchange for a third-party provider (like Gryd) deploying and maintaining the solar panels that provide the home energy, the homeowner pays a fixed monthly fee – which is designed to be lower than traditional energy bills.

Because the system is funded and managed by the provider, homeowners gain risk-free solar energy without equipment ownership.

This approach is particularly attractive for UK households seeking long-term fixed price energy without large upfront investments.

Earlier solar lease models, particularly in the U.S., sometimes included complex Power Purchase Agreements (PPAs) with escalating costs and transfer difficulties. These leases were often found to be overly restrictive on homeowners. However, the industry has evolved significantly since then.

UK Finance, the trade association representing the UK banking industry and all major lenders, has established guidance to combat the terms that made previous models so onerous and ensure modern solar leases are mortgage-friendly.

Modern solar lease agreements are much more straightforward than previous models, with clear terms and conditions that are designed to be approved quickly by mortgage providers. Gryd's solar leasing model has been developed with leading UK real estate law firms and independently reviewed to ensure full compliance with UK Finance guidelines. It meets the requirements of all major mortgage lenders, supporting a smooth path to approval and installation.

Benefits of a Solar Lease vs. Solar Ownership

Benefits to Homeowners:

While owning a solar system can be the right choice for some, leasing offers distinct advantages that make it attractive to many homeowners:

- Zero Upfront Costs: Unlike ownership, which often requires thousands of pounds in initial investment, a solar lease like Gryd's allows homeowners to enjoy solar energy with no upfront capital outlay.
- No Maintenance Responsibility: All servicing, monitoring, and maintenance of the solar system are handled by the provider. Homeowners don't have to worry about panel efficiency, inverter replacement, or system upkeep.
- Predictable Energy Costs: Lease models come with fixed or predictable payments, giving homeowners stable energy costs while reducing overall energy bills. Gryd's model guarantees households a fixed, low monthly subscription fee for the 25-year life of the solar system.
- Risk-Free Adoption: With no asset depreciation to worry about and no need to resell equipment, solar leasing minimises financial and operational risk.
- Ideal for Shorter-Term Homeowners: For those who don't plan to live in their homes long enough to see the full ROI of solar ownership, a lease offers immediate benefits without long-term commitment.

Benefits of Solar Leasing for Housebuilders:

For housebuilders, choosing leased solar over owned systems offers a range of benefits:

- Cost-Neutral Compliance with Building Regulations: Leased solar enables housebuilders to meet current standards as well as the forthcoming Future Homes Standard to deliver homes that are truly built for a net zero future – without bearing the system cost directly.
- Simplified Cash Flow: Since the cost of the solar hardware is not included in the housebuilder's capex, it preserves capital for other priorities.
- Sales-Ready Homes: With Gryd's pre-approved lease model, homes come ready with compliant solar systems that are attractive to buyers but don't add complexity to the sales process.
- Faster Build-Out and Planning Approvals: Local authorities increasingly favour developments that integrate renewable energy – and it will become a mandatory requirement from 2027 under the Future Homes Standard. Leased solar helps unlock planning permissions and improve site viability, especially in affordable and social housing.
- No After-Sales Support Burden: Because a third-party provider like Gryd owns and operates the system, housebuilders are not responsible for maintenance or service calls post-sale.
- Improved Buyer Appeal: Offering homes with solar leases can increase the property's appeal and speed of sale, especially as energy-conscious buyers look to reduce bills and their carbon footprint.

In short, leased solar helps housebuilders deliver greener homes, faster and more affordably – without becoming solar asset managers themselves.

How Solar Leases Transfer During Resale

A common question homeowners ask is: what happens to a solar lease when selling a property?

Modern solar lease transfers during resale in the UK are designed to be straightforward. With Gryd, our process typically follows these steps:

- Seller notifies the buyer: The seller should inform potential buyers that the property includes a Gryd solar lease.
- Lease flagged during conveyancing: Because Gryd's lease is registered on the property's title, it will automatically be highlighted by solicitors during the conveyancing process.
- Buyer has options: The incoming homeowner can either continue with the Gryd subscription or choose to buy out the lease and take full ownership of the system.
- Sale proceeds as normal: The house purchase completes as usual, with all parties aware of the solar lease and factoring it into the transaction.
- Lease transfers automatically: The new homeowner automatically inherits the lease as part of the property purchase – there's no need to re-sign unless they opt to buy it out.
- New owner registers with Gryd: After completion, the new homeowner registers with Gryd and starts benefiting from cleaner, cheaper energy from day one.

This streamlined process ensures that a solar lease doesn't hinder the home sale.

The success of solar leasing is already evident in the U.S., Australia and parts of Europe. Companies like Sunrun in the U.S. has surpassed 900,000 residential customers, with a 98% solar lease transfer success rate during home sales.

Solutions like Gryd's solar lease model offer a practical solution for homeowners and housebuilders wanting to benefit from renewable energy without significant upfront costs. With streamlined transfer processes, regulatory compliance, and support from financial institutions, solar leasing makes the benefits of solar accessible to millions more homeowners.

If you're a housebuilder looking to future-proof your developments, get in touch with our team to learn how solar leasing can power your next project.

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