



Minimum Energy Efficiency Standards 2018

From 1st April 2018 it will be unlawful to let a property (new let or renewal) unless there is an EPC in place with a rating of "E" or above and from 1st April 2020 this will also apply to existing tenancies too. After this time, a property with an "F" or "G" rating will be considered sub-standard.

According to data released by Quick Move Now, 8% of the current rental market would be un-lettable, this equates to approximately 1 out of 12 properties being let now.



While there have been calls for a delay in the introduction of this legislation, the Government have, so far, stood firm.

Listed buildings do not currently require an EPC but it is unclear whether listed buildings or properties in a conservation area will be exempt from the minimum energy efficiency standards in totality.

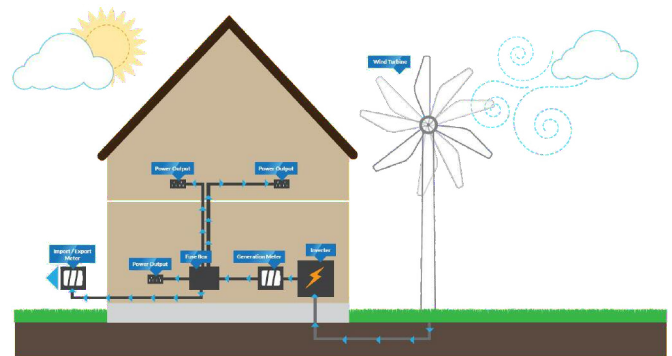
Since EPC's were introduced in 2007/2008 technology has improved considerably meaning that a property with a "D" rating in, say, 2010 could now potentially be an "E" or "F" rating if no energy efficiency improvements have been made.

So what can be done? Some of the simplest and most cost effective measures include:

- Insulation & draught proofing – roofs, lofts (inc hatches), walls, cylinders, pipe work, doors & windows
- Replacement double or triple glazed windows or secondary double glazing
- Boilers – Replacing old boilers with new condensing and/or energy efficient boilers
- Storage heaters – replace old heaters with new fan assisted storage heaters
- Thermostats – for boilers, hot water cylinders, room heaters and radiators
- Water saving – Introduce water saving shower heads
- Lighting – replace traditional bulbs with either LED's or compact fluorescent lamps

More complex and costly improvements can also include:

- Installation of additional services i.e. gas supply
- Internal and external wall and floor insulation
- Air, ground and water source heat pumps
- Waste water recovery
- Solar panels
- Wind turbines





Minimum Energy Efficiency Standards 2018 contd

Local authorities will be responsible for ensuring compliance and can issue compliance notices and impose financial penalties unless one or more exemptions apply (exemptions must be registered).

If sub-standard properties are found to have been let the landlord will be liable for penalties, as follows:

Non compliance	A fine of £ 2,000 and publication of non compliance
Providing misleading information	A fine of £ 1,000 and publication of non compliance
Renting out a non compliant property for less than 3 months	Fixed penalty of £ 2,000
Renting out a non compliant property for more than 3 months	Fixed penalty of £ 4,000

Landlords may qualify for an exemption from attaining the minimum "E" rating where they can prove that one of the following applies:

- A qualified expert (RICS Surveyor) states that the measure will reduce the property value by 5% or more.
- A qualified expert states in writing that wall insulation will damage or have a negative impact on the structure of the property.
- The tenants withhold consent for the work
- It is not possible to secure third party consent either legally or contractually (i.e. planning permission)

Most importantly:

- That they have undertaken improvements that are cost effective but still remain below an "E" EPC rating (Cost effective measures are those improvements which do not require up front expenditure)

All exemptions must be registered with the PRS Exemptions Register (1st April 2017) and the local authorities will require evidence to support any exemption registered.

Exemptions will last for 5 years and must be reviewed to see if the exemption is still applicable or whether the work must be carried out.

For more information:

<https://www.rla.org.uk/landlord/guides/minimum-energy-efficiency-standards.shtml>

<http://www.carbon2018.com/>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/401378/Non_Dom_PRS_Energy_Efficiency_Regulations_-_Gov_Response_FINAL_1_1_04_02_15_.pdf

