

Minimum Energy Efficiency Standards - a brief description

What is it?

From the 1st of April 2018, it will be unlawful to let a property (domestic and non-domestic) with an EPC rating of F or G.

Why?

This legislation was put in place to meet obligations to improve our worst performing properties in terms of energy efficiency and to meet the CO2 targets of the UK.

Who does it affect?

This will affect Private Rental Sector (PRS) landlords when a lease is granted to a new tenant and renewals to existing tenants. Exemptions can apply in some cases, which are explained further on.

What needs to be done to comply?

The property needs to be brought up to the minimum energy efficiency standard of an EPC rating of E or above, and this can be done by undertaking cost-effective home improvements.

What happens when there is non-compliance?

Fines may be issued for non-compliance, as well as public notification of the offence. The fine is determined by the severity of the offence and the length of time that non-compliance has occurred for.

What are the exemptions?

- Tenancies of under six months and over 99 years.
- Properties exempt from an EPC (places of worship, temporary buildings etc.)

The below are possibilities, subject to a case by case basis:

- Improvements are not cost-effective
- The improvements will decrease the value of the property by 5% or more, or damage the property
- Third party consent cannot be obtained for the improvements (e.g. superior landlord) There will be an exemption register to monitor the above which will be live from October 2017.

What are tenants and landlords rights?

Tenants have the right to request reasonable and cost effective improvements to their properties. Landlords cannot refuse unreasonably, but are protected against unreasonable requests. The tenant has the right to raise a case with the First-tier Tribunal General Regulatory Chamber should they suspect the landlord is non-compliant with the minimum energy standard.

What to remember

- The landlord will need an EPC before the next time they lease a property
- An EPC rating of E must be achieved by 1st April 2018.