



Energy Efficiency in the Private Rental Sector

From the 1st April 2016 new laws came into effect which directly impact domestic landlords in the private rental sector.

2016	<ol style="list-style-type: none"> MEES (Minimum Energy Efficiency Standards) is now law According to government data 25% of properties in England and Wales have an Energy Performance Certificate (EPC) rating of E or below. Tenants are able to request that a landlord make improvements to a property, and if this can be delivered at no upfront cost, then the landlord cannot "unreasonably refuse".
APRIL 2018	<ol style="list-style-type: none"> A landlord cannot grant a new tenancy of the property with an EPC rating below an E.
APRIL 2019	<ol style="list-style-type: none"> Where third party funding is unavailable, landlords must use their own funding to cover the cost of improving their property to EPC band E. This requirement is subject to a spending cap of £3,500 (inclusive of VAT) for each property.
APRIL 2020	<ol style="list-style-type: none"> A landlord cannot rent any property with an EPC rating below and E.
2025 ONWARDS	<ol style="list-style-type: none"> The government has declared their wish to raise those standards even further such that the minimum standard is likely to rise to a D rating in 2025 and a C rating in 2030

Key Facts

Tenants' Energy Efficiency Improvements

What are the reinforcements to tenant rights?

From the 1st April 2016 all domestic tenants have the right to request energy efficiency improvements for the properties they rent.

Can a residential private landlord refuse a tenants request for Energy Efficiency Improvements?

Yes. Your tenant must show that improvements can be installed with no upfront cost to the landlord. Don't forget there is likely to be a scheme available, such as ECO or Green Deal, which is intended to facilitate energy efficiency without the need for upfront costs.

Who does this apply to?

This new regulation applies to domestic properties let under a longer term assured and regulated tenancies.

Are there any exemptions?

If the building is exempt from an EPC then you are not required to provide consent. Landlords are also exempt if required third-party consent, such as planning, for work cannot be obtained.

Are there any penalties for non compliance?

Yes. If a tenant considers that a landlord hasn't complied with the regulations, they can take the case to a First-Tier Tribunal General Regulatory Chamber.

Minimum Energy Efficiency Standards (MEES)

What are the Minimum Energy Efficiency Standards?

From the 1st April 2018 it became unlawful to let residential properties with an Energy Performance Certificate (EPC) with a rating of F or G.

What are the key dates?

April 2018- the regulations will apply to certain triggers such as granting a new tenancy (for further information see BEIS domestic private rented property minimum standard document)

April 2019- Landlords can no longer apply for 'a no cost to landlords' exemption. This means that where third party funding is unavailable, landlords must use their own funding to cover the cost of improving their property to EPC band E. This requirement is subject to a spending cap of £3,500 (inclusive of VAT) for each property.

Those who previously registered for the 'no cost to landlord' exemption will only have until April 2020 to improve their property to the required standards (this was previously 5 years).

April 2020- The regulation will apply to ALL privately rented property which is required to have an EPC.

Are there any penalties for non-compliance?

Yes. Failing to comply with a compliance notice could result in a fine up to £5000.

Why is it being enforced?

This new legislation attempts to ensure that all tenants enjoy a right to live in an energy efficient home. It also contributes to the UK legislative targets of reducing CO₂ emissions for all buildings to around zero by 2050.

Are there any exemptions?

Yes, there are some exemptions available for landlords. These exemptions should be registered through the PRS Exemptions Register. Further information regarding MEES exemptions can be found online.

What Next?

Given the risks to landlords it is clear that a full understanding of energy efficiency is required for your property assets, in order to see if you are meeting MEES.

Elmhurst Members can assess a property's energy efficiency and produce an EPC to ensure you have an understanding of your properties energy efficiency rating .

T: 01455 883 250

E: info@elmhurstenergy.co.uk

www.elmhurstenergy.co.uk

