Commercial EPCs in the changing Market

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agenda

- Who should be up to speed with Minimum Energy Efficiency Standards (MEES)? (All property influencers ...YOU!)
- EPC Journey to date and time line going forward.
- What's the Government objective to this..WHY?
- What buildings are affected?
- Buildings that are exempt.
- Penalty…They are significant for Landlord and Agent.
- **High Street EPC's approach to this new challenge.**

Plan to meet New Minimum Energy Efficiency Standards(MEES)

- Landlords, Energy Managers, Surveyors, property influencers for Commercial and residential Buildings in the UK

PLEASE SIT up and Pay Attention...Your world is changing!!

If you influence landlords in any way please inform them of the CURRENT and future Minimum Energy Efficiency Standards.

Commercial EPCs..Journey!

- 2007 Residential EPCs introduced
- 2008 Commercial EPCs introduced
- 2016 All Domestic tenants have the right to request improvements
- 2018 MEES regulations enforced on new leases and lease renewal… **E GRADE MINIMUM NEEDED OR YOU CAN'T RENT!!**
- 2020 MEES to include all residential leases including existing (in other words you can't rent if under E grade!)
- 2023 MEES to include all commercial leases including existing. (You cant rent if earned under E grade!)
- 2025 Government have declared intention to raise minimum grade requirement to D. You can't rent or prepare a new lease if below this grade.
- 2030 Intention to raise to C. As above, no renting below this grade!

5 Key Dates to Know: MEES

Timeline

Minimum Energy Efficiency Standards



2016

The Minimum Energy Efficiency Standard (MEES) is now law.

All domestic tenants have the legal right to request energy efficiency improvements to their properties.

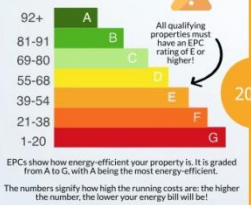
Landlords will be prohibited from refusing consent to a tenant's request for energy efficiency improvements.



2018

From April 1, MEES regulations will be enforced on the granting of new leases, as well as lease renewals.

It will be illegal to grant new leases of residential or commercial property with an EPC rating below "E".



EPCs show how energy-efficient your property is. It is graded from A to G, with A being the most energy-efficient.

The numbers signify how high the running costs are: the higher the number, the lower your energy bill will be!

2020

From April 1, MEES regulations will apply to all privately rented residential property which is required to have an EPC.

This includes property where a lease is already in place and a property is occupied.





2023

MEES will be extended to include ALL commercial leases, including existing ones.



2025 & on

The UK government has declared their intention to raise MEES standards further so the minimum will rise to D by 2025, and C by 2030.

Financial penalties for non compliance could be as much as £150,000.

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What is the objective of MEES?

- The MEES was introduced in March 2015.
- The objective is to improve the energy efficiency of the most energy inefficient properties.
- MEES Contributes to the UK Legislative targets of reducing CO2 emissions for all buildings to around **ZERO by 2050**

What Buildings are affected by the minimum energy efficiency standards?

- MEES have applied to new lettings and lease renewals since April 1st 2018.
- Property Owners, Agents, & Solicitors will need to ensure that the property meets MEES before the lease is granted.
- As of 1st April 2023 all privately rented property will be required to meet MEES.

Landlords can be made Exempt from MEES if they are able to demonstrate one of the following:

- They have carried out all the cost effective energy efficiency improvements.
- Measures do not meet the Seven Year Payback Rule
- If third-party consents are not available despite reasonable effort.
- Recommended Measures devalue the property by greater than 5%
- Tenancies of more than 99 years.
- Recently becoming a Landlord

What about Penalties for non compliance?

- Enforcers… Local Weights and Measures Authorities have power to impose civil penalties.
- Non-compliance penalties are linked to the rateable value of the property (from 10% - 20%) depending on how long MEES is breached.

Fines begin at £5000 but could reach £150,000!

If an EPC fails??

What makes High Street EPC different?

- Our point of difference is that we take it to draft and then run a number of scenarios to understand what investment is needed to meet an E grade or above.

We do this for no extra cost.

We review:
Lighting
Heating Systems
Windows
Insulation

How Can High Street EPC help you.

- We take a proactive approach to grade minimums and advise Landlords, Agents, Property managers, Solicitors and Surveyors to do the same.
- We have a consultancy service that, in simple terms, figures out how buildings are performing in terms of their current grade and we then work out what investment (if any) is needed to raise the building grade to E, D and possibly C for 2030.
- We urge property 'influencers' to take this approach in advance of selling or renting.

Take action now to enable financial planning and ultimately cost savings!

High Street EPC Limited

- If you require **Commercial epcs**, **Asbestos Surveys**, **Fire Risk Assessments**, **Electrical and Gas Certificates** **please contact Mark.**
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