



Compulsory Energy Performance Certificates

From 1st October 2008 new regulations come into force for anyone who is involved in letting property. Landlords of both residential and commercial premises will need to have an Energy Performance Certificate (EPC).

What is an EPC?

An EPC contains two comparative graphs, one being the Environmental Impact Assessment, the other the energy efficiency of the property. As with domestic appliance ratings, the closer to Grade 'A' on both scales the more efficient the property and less of an impact it has on the environment.

The report also contains recommendations where the property scores could be improved. Some are as simple as changing over to energy efficient light bulbs. More costly recommendations can include double-glazing, cavity wall insulation and replacement of heating apparatus. The recommendations are not mandatory, but can save money following the initial expenditure.

Comply, or face a fine

Landlords will have to obtain a new certificate once every ten years at their own expense and make them available to all prospective tenants before any tenancy agreement, rental contract or lease is signed. Landlords who do not produce an EPC when asked, either by a tenant or local Trading Standards, will face a fine.

An EPC can be issued by a Domestic Energy Assessor, a Home Inspector or the landlord. In the latter case, the Landlord must have attended and passed an approved accreditation scheme.

General guidance

The Department for Communities and Local Government has provided some guidance for landlords as follows:

- EPCs will be mandatory on 'whole' or 'parts' of buildings where the 'parts' are self-contained units of accommodation. They will not be required for Houses in Multiple Occupation where there are shared facilities.
- The definition of commercial buildings and residential properties (i.e. houses and flats) will include holiday letting properties and student accommodation.
- EPCs will be mandatory whenever there is a change of tenant. EPCs will not, however, be required where a tenant who is already in residence continues after October 1st, even when a tenancy agreement is renewed.
- The same EPC can be produced for up to ten years, even if the landlord updates the accommodation with improved insulation or other enhanced energy measures. However, if the landlord decides to sell the rental property, the EPC will expire after one year of issue.
- Other than Houses in Multiple Occupation, the only other exemption is for emergency accommodation provided by landlords for tenants needing to relocate urgently. Even so, EPCs must be provided as soon as possible.

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- Do not assume that EPCs apply only to sellers of houses or commercial properties – as explained above, they apply to landlords as well.
- Plan ahead to ensure you have an EPC as any tenant could ask for it at any time – so could Trading Standards.
- Ask your Barnes Roffe partner should you have any questions.

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