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Landlords must comply with latest energy standards

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Landlords of residential property could face high fines if they do not meet the latest energy efficiency standards.

The latest stage of the Minimum Energy Efficiency Standards was implemented on 1 April 2020, making it unlawful for landlords to continue domestic residential tenancies where the property has a rating of F or G on its Energy Performance Certificate (EPC).

Two years ago, the first stage of implementation introduced the requirement for an E rating or above for all new tenancies granted. Now, that is extended to all existing domestic tenancies and in 2023 it will be extended to all commercial tenancies.

Where landlords continue to let domestic property, which fails to meet a minimum E rating, enforcement action and fines of up to £5,000 could follow. While there has been little enforcement since 2018, that has been attributed to the difficulty of identifying whether a property was subject to a 'new' or 'existing' tenancy, but those in the industry say it is likely that enforcement will be tackled now that all property let under a residential tenancy must comply.

Property lawyer, Peter Wright, explains:

"All domestic landlords need to check their property portfolios and undertake any work that is needed to increase the EPC rating or to register an exemption. There is some funding support available for landlords, and a cap on how much has to be spent, so it's worth checking out the government's <u>information and guidance</u> on how to meet the regulations."

Exemptions may be provided where a landlord has undertaken measures recommended in the EPC report up to a cap of £3,500 including VAT but the property still does not meet the E rating. Another route to exemption is



where any recommended upgrade option would exceed £3,500. Any exemption will last for five years after which the property must once more be upgraded.

"Properties listed for historic purposes are generally thought to be exempt, although it's not entirely clear from the EU Regulations and the Government's guidance. These say that energy performance compliance may not be required if the necessary works would unacceptably alter the character or appearance of a building, but do not provide an automatic exemption. Owners are well advised to get an EPC and then ask their local conservation officer to confirm where they stand if the property does not meet the new requirements."

The Regulations also allow the tenant to undertake energy improvements if the landlord gives their consent, even where there are restrictions on making improvements in the lease. If the tenant applies for consent the landlord may only refuse on reasonable grounds.

If you have a question about your property's EPC rating or the latest energy efficiency standards, call Peter Wright today.



Click here to make an online appointment

Note: This is not legal advice; it is intended to provide information of general interest about current legal issues.





