

Minimum Energy Efficiency Standards

What are the Minimum Energy Efficiency Standards (MEES)?

As of 1st April 2018 it is unlawful to let a residential property with an EPC (Energy Performance Certificate) rating below an 'E'. These regulations apply at a tenancy change, i.e. when a new tenancy is granted to a new (or existing) Tenant; please see below for more information on the relevant 'trigger' points.

From April 2020, the regulation will be expanded and will apply to all privately rented residential property which requires an EPC, whether a new tenancy is being granted or not.

Why is this happening?

According to government data 25% of properties in England and Wales have an EPC rating of 'E' or below, and the aim of the new legislation is to ensure that all Tenants enjoy a right to live in an 'energy efficient' home. It also contributes towards the UK legislative targets of reducing CO₂ emissions for all buildings to around zero by 2050.

What are the trigger points for MEES?

Until 1st April 2020 it is a change to a tenancy which is the trigger point for compliance with MEES. Examples of a tenancy change are:

- The property is let to a new Tenant on a new tenancy agreement.
- The current tenancy agreement is extended by way of a formal agreement between Landlord and Tenant.
- The property is re-let to an existing Tenant on a new fixed-term tenancy agreement.
- The current tenancy agreement expires but an existing Tenant continues to occupy the property without signing a new tenancy agreement (often known as 'rolling over'); at this point the original fixed term tenancy agreement expires and the law automatically grants a new periodic tenancy.
- An additional Tenant moves into the property, requiring an amendment to the tenancy agreement (or a Tenant is removed from an existing tenancy agreement).
- The original Tenant sub-lets the property (in which case it is the responsibility of the original Tenant to ensure that the property is MEES compliant).

What tenancy types do the MEES regulations apply to?

The MEES regulations apply to **assured tenancies** (the most common in England & Wales being **assured shorthold tenancies**), **regulated tenancies** and **agricultural tenancies**.

What does this mean for Landlords and Agents?

An EPC is already required to let a property legally, but the new regulations as detailed above mean that if the current EPC for a property shows a rating of 'F' or 'G', improvements will need to be made to raise the rating to at least an 'E' at (or before) one of the above trigger points. Once the improvements have been made a new EPC should be commissioned to prove that the property has attained at least an 'E' rating. The recommendations on improving the current ratings are shown on an EPC (on page 3 for recent EPCs) together with the estimated rating after such work has been carried out.

Currently the regulations are based upon **no cost to the Landlord**. This means that where a property requires improvements to obtain at least an 'E' rating, a financing route should be taken. The most common financing routes are:

- **Green Deal**, where the cost of improvements are added to the electricity bill.
- **Energy Company Obligation (ECO)**, which is a Government backed funding scheme financed by the larger utility companies.
- **Central Government Grants** and **Local Authority Grants**, which may be available from time to time.

A good place to start is to contact the **Energy Saving Advice Service** on **0300 123 1234** or e-mail **energy-advice@est.org.uk**

Please note, if any work has been carried out to a property since the current EPC was created (such as changes in light bulbs, addition of thermostatic radiator valves, change of boiler/cylinder, change of windows, etc.) this will likely have an impact on the validity of the existing EPC rating and therefore the current recommendations. In this case we would recommend commissioning a new EPC to obtain an accurate current rating (which may in fact be an 'E' depending on the works already carried out). Please also note that if work is carried out to improve an EPC rating on a property, it is vital to make evidence of this available when a new EPC assessment is carried out (in the form of receipts, guarantees, builders letters, FENSA certificates, etc.), particularly where the work is not visible.

What happens if my property cannot achieve an 'E' rating?

Under certain circumstances a Landlord may be able to claim exemption from the MEES regulations. In such cases an exemption must be registered on the **National PRS Exemptions Register**. Exemptions last for 5 years at which time improvements must be made, or another exemption must be registered. Please note that exemptions cannot be passed to a new property owner; either improvements would need to be made by the new owner, or a new exemption would need to be registered.

An exemption would normally be allowed in one (or more) of the following circumstances:

- All the relevant recommended energy efficiency improvements have been completed (or there are none available) and the property remains below an 'E' rating.
- A required improvement cannot be wholly financed at no cost to the Landlord.
- A required improvement cannot be installed due to its negative impact on the buildings fabric.
- Third part consent cannot be obtained for a required improvement (i.e. planning permission, consent from Tenant, etc.).
- A required improvement would reduce the property's market value by more than 5% (a Chartered Surveyors report would be required).

What happens if my existing EPC has expired?

Once an EPC reaches its 10 year expiration date there is no automatic requirement to produce a new EPC for the property until a legal trigger point is reached (i.e. the property is marketed for let to a new Tenant, is marketed for sale, or is modified to have more or less parts than it originally had). In the case of letting, MEES compliance would also need to be ensured at this point.

The full Government document 'The Domestic Private Rented Property Minimum Standard' is available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/698541/Domestic_Private_Rented_Landlord_Guidance_-_March_18.pdf