

What do residential landlords need to know about complying with Minimum Energy Efficiency Standards?

In April 2016, The Energy Efficiency (Private Rented Property) Regulations 2015 brought into force Minimum Energy Efficiency Standards (MEES) in the residential Private Rented Sector (PRS). These standards apply to private rented domestic properties in England and Wales that must have an Energy Performance Certificate (EPC) by law. Since 1 April 2020, properties covered by the MEES Regulations must be rated EPC E or higher.

An EPC is only required upon sale or let of an existing property.

About Exemptions

Properties only need to be listed on the PRS Exemptions Register if:

- ✓ They are legally required to have an EPC
- ✓ Cannot be improved to EPC E for one of the exemption reasons.

Landlords are only exempt from the PRS Exemptions Register if they have longstanding tenants where the 10-year EPC expired before 1st April 2018.

To register an exemption you will need:

- ✓ the address of the relevant rental property
- ✓ which exemption type is being applied
- ✓ a copy of a valid Energy Performance Certificate for the property.

Exemptions can currently be registered via the government website:

<https://prsregister.beis.gov.uk/NdsBeisUi/used-service-before>

Exemption	Additional notes
<p>'High Cost' Applies where the cost of the cheapest recommended energy efficiency improvement exceeds £3,500 inc.VAT.</p>	Where third party funding (ECO, grants, etc.) is unavailable and the landlord is using their own funding. Labour has indicated it may raise the cost cap to £10,000 in the future.
<p>'7 Year Payback' If the cost of buying and installing an energy efficiency measure won't pay for itself through energy bills in 7 years, an exemption applies.</p>	The landlord must submit three quotes from qualified installers on the cost of purchase and installation as proof. This lasts 5 years.
<p>'All Improvements Made' When all relevant energy efficiency improvements have been made to the property but it's still lower than EPC band E.</p>	The property cannot be let, or continue to be let after 1 April 2020, without being registered on the PRS Exemptions Register. This exemption lasts 5 years.
<p>'Wall Insulation' Where the landlord has expert advice saying cavity, internal or external wall insulation are not appropriate for the property, because it would damage structure or fabric (walls, roof, floors).</p>	The evidence must be uploaded to the register. This exemption lasts 5 years.
<p>'Consent' Where consent for an energy efficiency measure is refused by a third party, such as a tenant, mortgage lender, building landlord, etc., or given with conditions a landlord can't comply.</p>	Evidence must be uploaded to the register. This exemption lasts for 5 years.
<p>'Devaluation' Proof that an energy efficiency measure would devalue/reduce the market value of the property or the wider building by more than 5%.</p>	This report must be from an independent surveyor on the RICS (Royal Institution of Chartered Surveyors) register of valuers and uploaded to the Exemptions Register. The exemptions lasts 5 years.
<p>'New Landlord' A temporary exemption lasting 6 months from the date they became a landlord, based on it being unreasonable to ask them to comply with MEES immediately.</p>	The landlord must explain their circumstances on the Exemptions Register. After 6 months the property must be EPC E minimum, or another exemption is registered.



Domestic PRS MEES Timeline

1 April 2016

Domestic tenants given the right to request energy efficiency improvements to their properties.

Applies to domestic properties let under long-term assured (these guarantee you can live in it long term, or for the rest of your life) and regulated (usually those for low rent) tenancies.

Landlords cannot refuse consent.

1 April 2018

Minimum Energy Efficiency Standards (MEES) Regulations require new leases for residential property to be minimum EPC E.

1 April 2019

The £3,500 (inc. VAT) cost cap is introduced under MEES Exemptions.

This is for landlords where funding such as ECO is unavailable and they would be using their own funding to improve a property to EPC E.

1 April 2020

(CURRENT REGULATIONS)

Minimum Energy Efficiency Standards (MEES) Regulations require ALL new residential property leases to be minimum EPC E.

2021

The then-Department for Business, Energy and Industrial Strategy (BEIS) issued a consultation proposing EPC C minimum for new and renewed tenancies from 2025. It was indicated this would apply to ALL tenancies from 2028.

2024

The Labour Government confirmed the MEES consultation will be released in December 2024.

2030

Date recently announced by Ed Miliband MP for residential PRS properties to achieve EPC C.

Contact an Elmhurst Accredited Domestic Energy Assessor

Landlords and property agents are encouraged to act by commissioning an up-to-date Energy Performance Certificate which will identify the current rating (which may have changed over time), and recommend opportunities for improvement.

If you are in need of an EPC or have any questions relating to MEES, we would recommend contacting an Elmhurst Accredited Domestic Energy Assessor (DEA). You can find one local to you via the Elmhurst website:

<https://www.elmhurstenergy.co.uk/find-an-assessor/>