



BRINGING OUR NEW EBOOK ON

# COMMERCIAL PROPERTY ENERGY CHANGES

We will help landlords and agents  
keep compliant

# Why would I want to make my property more energy efficient?

A more energy efficient property means cheaper bills and a reduction in carbon footprint. More and more tenants are concerned with the energy bills they are likely to face when they lease a property. The more energy efficient your property is, the more attractive it will become to prospective tenants.

## The Current Legislation

### **MEES Explained**

Any commercial property that has an EPC rating lower than an 'E' cannot be rented out to new tenants or renew any existing tenancy contracts until at least an 'E' rating is obtained. From April 2023, MEES will apply to all existing commercial leases.

### **Fines and Penalties**

If a landlord continues to let a property in breach of MEES for up to three months, they will face a fine of 10% of the property's rateable value, up to a maximum of £50,000. Letting out a non-compliant property for longer than three months will result in a fine of 20% of the property's rateable value (capped at £150,000).

### **What are the MEES exemptions?**

There are some exemptions that which will enable a landlord to let, or continue to let, a substandard property:

1. 'Seven-year payback test': you will only be required to make energy efficiency improvements that have an expected payback of seven years or less. However, many measures are likely to meet the payback test. Lighting retrofit programmes, for example, or building control systems, can typically deliver savings well within the seven-year timeframe.
2. Where all the "relevant energy efficiency improvements" for the property have been made (or there are none that can be made) and the property remains sub-standard
3. Certain type of wall Insulation exemption
4. Third Party Consent exemption
5. A temporary exemption of six months can be granted to new landlords
6. A property can be exempted if it is found that efficiency measures would decrease the property's value by 5% or more

Landlords who currently think their properties are compliant may find that upon renewal of the Energy Performance Certificate for their buildings that they are no longer compliant and therefore unable to rent out their properties.

# The Proposed Changes

Currently, the proposal is in open consultation, so everyone can have a chance to have a say. But it may be best to start planning as if this is going to happen as energy efficiency continues to be a hot topic.

The current proposal is to have two compliance windows.

## **Compliance Window 1 (2025 to 2027)**

Within this window, all Non-Domestic rented buildings would be required to have a valid EPC. The building owner will need to keep this EPC valid for the duration of the tenancy. This EPC will need to be submitted online to the Private Rented Sector compliance and exceptions database.

At the end of the period, the minimum requirement for an EPC will be a C rating. So by the 1st April 2027, all buildings must either have a valid EPC with a C rating or file an exemption.

## **Compliance Window 2 (2028 to 2030)**

Landlords will be required to present a valid EPC. If the EPC already has a rating of B or above, the property will be compliant. If the property has a rating of less than B, then the landlord will be required to undertake any works necessary in order to achieve an EPC rating of B, or have registered a valid exemption by 1st April 2030.

# How can Assessment Hive help?

Assessment Hive can help you become more energy efficient and MEES compliant in several ways depending on your needs. We can have as little or as much involvement as you wish. Whatever the circumstance, it is best to start preparing now to avoid any nasty surprises that may occur later.

We can assess your current energy efficiency and energy performance risk across your portfolio and for individual assets.

When the assessment(s) have been done, we will work with you to find the most practical and cost-effective method to improve the rating. We can create a bespoke risk management plan ("Energy Efficiency Plan") for your buildings, a fully costed investment grade proposal and where applicable apply for an exemption.

On completion of any works, we will update the energy performance certificate and provide you all the completion certificates for your EPC File. We have several packages to suit your needs and budget, please feel free to enquire with one of our assessors.

# Call Us On 020 3745 1093





ASSESSMENT HIVE

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