Giles Wheeler-Bennett CHARTERED SURVEYORS & LAND AGENTS

Minimum Energy Efficiency Standards (MEES)

Residential lettings

As of April 2018 it is now illegal to let, or re-let residential property with an energy performance indicator of below Band E. Landlords must plan ahead for the implications this will have when a property next becomes vacant and requires re-letting or when an existing tenancy is renewed.

The legislation will have a 'soft start' only impacting newly-let and lease renewals from 2018. But from 2020 the legislation will extend to all let residential property.

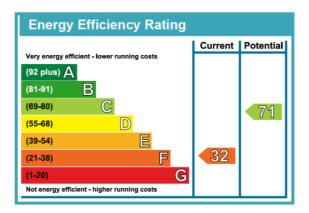
The energy performance indicator is found on an Energy Performance Certificate (EPC), these have been a requirement to display when selling or letting property for the past decade. For properties with a rating of F or G 'relevant energy efficiency improvements' must be installed prior to letting.

Generally, property owners need not be alarmed, once those relevant energy efficiency improvements have been identified there are a number of exemptions which can be applied. This means that in many cases the only improvements required to be undertaken are simple installations such as loft insulation, thermostatic radiator controls and in some cases boiler replacement.

Non-residential lettings

As with the residential sector, a minimum energy efficiency standard for commercial units is also coming into force from April 2018 for newly let and lease renewals. This will be rolled out to impact all existing lettings from April 2023. Again, properties with an EPC rating of F or G can no longer be let.

The legislation includes a seven-year payback rule where if the possible savings are not greater or equal to the initial cost of installation, over seven years, they need not be installed, therefore potentially ruling out high-cost installations.





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