



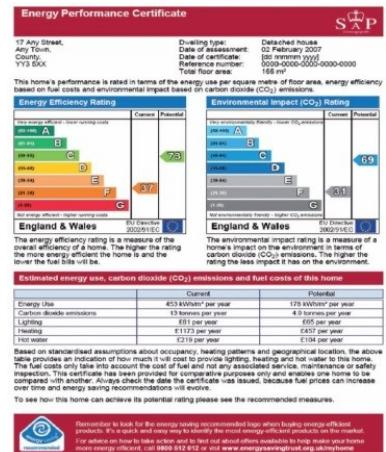
Update on MEES Regulations & Domestic PRS EPC C trajectory

Stephen Ryman,
November 2018



Minimum Standard Recap

- Since April 2018: landlords of privately rented properties in England and Wales need to ensure property has EPC rating of at least E before letting it;
 - 6% domestic properties (& 18% non-domestic property) currently F/G;
 - Standard applies to properties which are legally required to have an EPC, and which are let on either:
 - an assured tenancy (including an assured shorthold tenancy);
 - a regulated tenancy; or
 - a domestic agricultural tenancy
 - Approx 290,000 domestic properties across England and Wales;
 - Landlord's duty to ensure the property reaches E EPC rating higher), or that valid exemption is registered;
 - Current 'no cost to the landlord' rule!!





- Government Response on amending *The Energy Efficiency (Private Rented Property)(England and Wales) Regulations 2015* published;
- Amending regulations to be laid in Parliament – intention that new requirements come into force from 1 April 2019 (subject to Parliamentary debate time);
- Key changes include:
 - Introduction of a landlord financial contribution element: capped at £3,500
 - Any investment in energy efficiency made since October 2017 can be counted within the cap
 - Existing 'no cost' exemptions (about 3,000 of them) will now end on 31 March 2020



- Third-party funding, including Green Deal finance and local authority grant funding, may be counted within cap (if available)
- Establish a new 'high cost' exemption, available where substandard property cannot be improved to E for £3,500 or less. Will require the submission of three installer quotes where a landlord is registering such an exemption
- Removal of the consent exemption currently available where a tenant has withheld consent to a Green Deal finance plan (other types of consent exemptions will continue to be applicable)



- Once amended regulations come into force, they will apply upon the granting of a new tenancy to a new or existing tenant,
- From April 2020, the amended regulations will apply to all privately rented property in scope of the regulations, even if there has been no change in tenancy

48% of properties can be improved to E within the £3,500 cap, and all others can make some level of improvement;

So genuine enforcement opportunities here going forward!!



Enforcement Studies

THE DOMESTIC PRIVATE RENTED PROPERTY MINIMUM STANDARD

Guidance for landlords and Local Authorities on the minimum level of energy efficiency required to let domestic property under the *Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015*

October 2017

- About to kick off 12 month enforcement studies;
- Test how LAs can best approach enforcement of the regulations;
- Test how LAs can use their powers;

Plan to develop a comprehensive enforcement toolkit on the back of the studies;

Study results to inform new burdens calculations



The Exemptions Register

- enables landlords to register exemptions against relevant exemption types and upload supporting evidence;
- provides access to enforcement authorities to support monitoring and enforcement;
- allows members of the public to access high level (non personal) data related to exemptions; and
- enables enforcement authorities to publish (non personal) information related to breaches and penalties (none so far!).

The screenshot shows the GOV.UK PRS exemptions register homepage. At the top, there's a navigation bar with the GOV.UK logo, the title 'PRS exemptions register', and links for 'Home', 'BEIS', and 'PRS'. Below the navigation, the main title 'PRS exemption register' is displayed, followed by a sub-section titled 'Use this service to:' with two bullet points: 'register an exemption' and 'end an exemption'. It also states that 'Registering an exemption takes around 10 minutes'. A prominent green button labeled 'Start now >' is centered below this information. To the right, there's a sidebar with the heading 'Registered exemptions and penalty notices' and links for 'Search for registered exemptions' and 'Search for properties with a penalty notice'. At the bottom left, there's a section titled 'Before you start' with instructions about exemptions and proofs.

GOV.UK PRS exemptions register

Home > BEIS > PRS

PRS exemption register

Use this service to:

- register an exemption
- end an exemption

Registering an exemption takes around 10 minutes

Start now >

Before you start

You need to know which of the exemptions apply and have the proof ready to upload.

You can find out more about the exemptions and proofs in the [PRS minimum standard](#).

Registered exemptions and penalty notices

[Search for registered exemptions](#)

[Search for properties with a penalty notice](#)



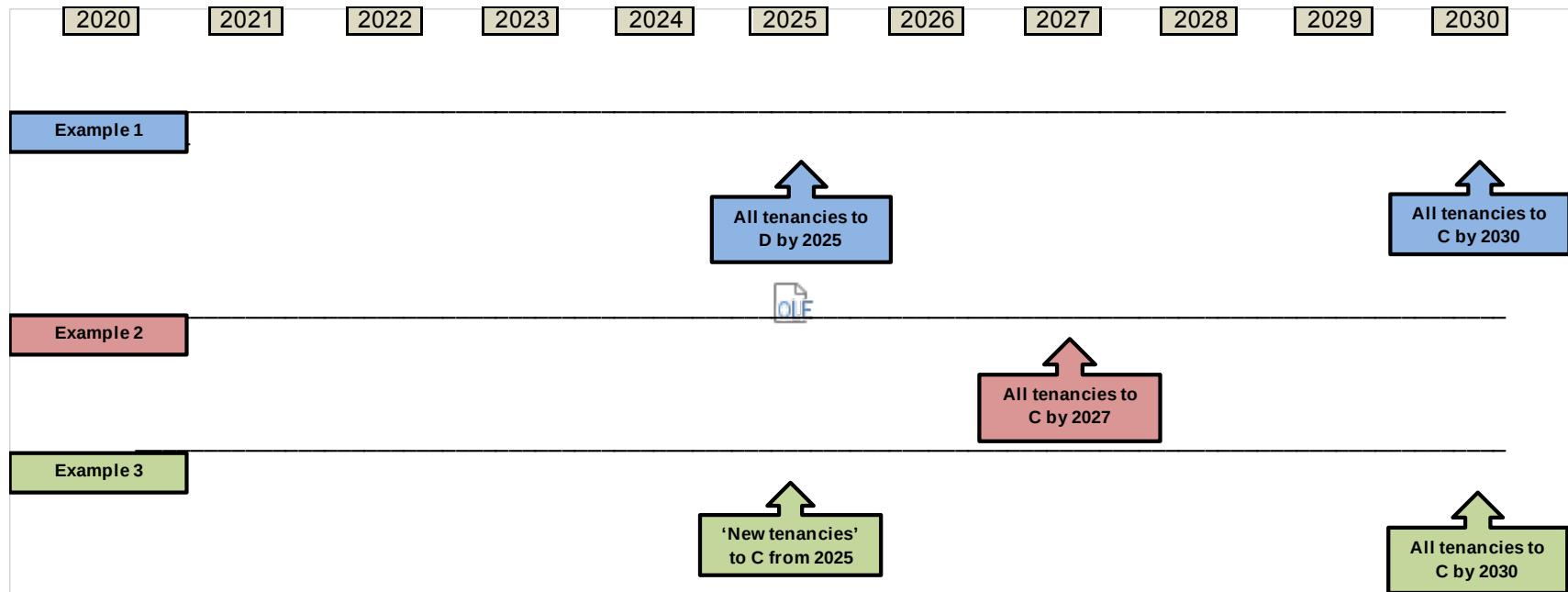
Domestic PRS EPC C Trajectory

- *Clean Growth Strategy* committed Government to "*look at a long term trajectory for energy performance standards across the private rented sector, with the aim of as many private rented homes as possible being upgraded to EPC Band C by 2030, where practical, cost-effective and affordable.*"
- Currently over three million PRS properties below EPC C;
- We are currently looking at policy options for a Domestic PRS EPC C 2030 Trajectory;
- Policy options paper likely to be published this December/January; followed by a Government Consultation during Spring 2019;
- Expert working group (including LGA) has been running since October 2018 and is looking at some of the overarching policy design questions.



Policy Options

Possible stages for a trajectory (illustrative only)





Policy Options

New Restrictions on marketing of ‘substandard’ properties?

Restrictions on mortgagees? Landlord insurers?



Thank you