

MINIMUM ENERGY EFFICIENCY STANDARDS

NON-DOMESTIC PRIVATE RENTAL SECTOR

Did you know that in April 2023, MEES Regulations will apply to all existing leases in the non-domestic private rental sector?

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MINIMUM ENERGY EFFICIENCY STANDARDS IN THE NON-DOMESTIC PRIVATE RENTAL SECTOR

Did you know that in April 2018 new laws came into effect which directly affected the non-domestic private rental sector?

2016

1. Minimum Energy Efficiency Standards (MEES) is now law
2. It is estimated that up to 20% of non-domestic properties in England and Wales have an F or G EPC rating

2018

3. From April 2018- The regulations will be enforced upon the granting of a new lease as well as lease renewals.

2023

4. From April 2023- The regulations will apply to all privately rented property in scope of the regulations, including where a lease is already in place and a property is occupied.

2025
ONWARDS

5. The government has declared their wish to raise those standards further such that the minimum standard is likely to rise to a C by 2025 and a B Rating in 2030.
6. Financial penalties for non compliance could be as much as £150,000.

KEY FACTS

Minimum energy efficient standards (MEES)

What are the minimum energy efficiency Standards?

From April 2018 changes to legislation have made it unlawful to agree a new lease for a commercial property with an Energy Performance Certificate (EPC) rating of F or G.

Who will MEES apply to?

MEES will apply to new lettings and lease renewals on or after the 1 April 2018, the landlord/property owner will need to ensure that the property meets MEES before the lease is granted. However, as of 1st April 2023 all privately rented property will be required to meet MEES.

Who will MEES not apply to?

Properties that do not require an EPC under current regulations will not be required to meet MEES. Moreover, MEES does not apply to short lettings (6 months or less) and lettings over 99 years or more.

Are there any penalties for non-compliance?

Financial penalties for non-compliance are linked to the rateable value of the property, but could be as much as £150,000.

What are the key dates?

April 2018 - The regulations are enforced upon the granting of a new lease as well as lease renewals.
April 2023 - The regulations will apply to ALL privately rented property in scope of the regulations, including where a lease is already in place and a property is occupied.

Why is it being enforced?

The Energy Act 2011 contains a number of provisions that will affect owners of property; the most significant of these is MEES, which aims to improve the energy efficiency of the most energy inefficient properties.

KEY FACTS

Minimum energy efficiency standards (MEES)

MEES also contributes to the UK legislative targets of reducing CO₂ emissions for all buildings to around zero by 2050

Are there any exemptions?

Landlords can be made exempt from MEES if they are able to demonstrate one of the following:

- They have carried out all cost-effective energy efficiency improvements.
- Measures Identified by Green Deal or an alternative government scheme are not cost effective (devalue the property by 5% or more. Or fail to raise the EPC rating above an F)
- Or If third-party consents are not available despite reasonable effort

All of these exemptions will likely to have a time constraint attached to them.



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