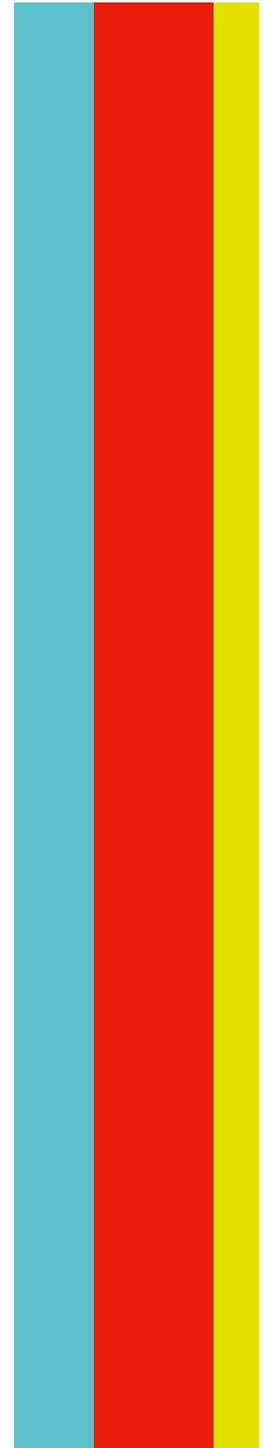


Alan Jones
Business Development Manager
Nov 2017

Minimum Energy Efficiency Standards in the Private Sector

Prepared for ALEO East Pennines
17th November 2017

e.on



The Minimum Energy Efficiency Standards (MEES)

What, Where and Why?



Department
of Energy &
Climate Change

What?

From April 2018, these Regulations make it unlawful to let residential properties with an EPC Rating of F or G

Where?

- 2011 Energy Act
- The Energy Efficiency (Private Rented Sector) (England and Wales) Regulations 2015

Why?

To help UK meet our 2020 and 2050 Carbon Reduction targets

Government data shows 25% of properties in England and Wales have an E rating or below

The Minimum Energy Efficiency Standards (MEES)

Timelines and Key Dates

1st April 2016

1st April 2018

1st April 2020

1st April 2023



Domestic tenants can request energy efficiency improvements to properties – reasonable requests cannot be refused.



All privately rented buildings where new leases are granted or are renewed must have an EPC with an 'E' rating or above.



All privately rented domestic buildings must have an EPC with a rating of 'E' or above.



All privately rented non domestic buildings must have an EPC with a rating of 'E' or above.



The Minimum Energy Efficiency Standards (MEES)

Are there exemptions to the Regulations?



Possible exemptions

- Reduction in capital value
- Economic Efficiency
- Consents
- Negative Impact on the Fabric
- EPC Exempt
- Lease Term

Exemptions Register

- In order to rely on any exemption, the landlord must register details of the exemption with supporting information
- A registered exemption will remain valid for five years (or until the end of the current tenancy).

The Minimum Energy Efficiency Standards (MEES)

What are the penalties and risks?

Penalties and Enforcement



- Enforced by Trading Standards
- Suspected breach – compliance notice served
- Failure to comply – Penalty notice issued
- For a breach less than three months a fine of £2,000 can be imposed.
- For a breach exceeding three months a fine of £4,000 can be imposed
- Fines of up to £1,000 for false or misleading information to the PRS Exemptions Register
- Penalties are cumulative up to £5,000 max per offence
- Potential publication of failure “Naming & Shaming”

The Minimum Energy Efficiency Standards (MEES)

Impact on financial lenders

What does it mean for financial lenders?

The regulations pose a significant risk for lenders:

- A negative impact on property value and a consequent increase in the loan to value ratio
- Increased void rates, impacting the ability of the borrower to pay back the loan
- Taking possession following default – regulations then apply to the lender
- Requiring additional capital expenditure to raise the property above the minimum standard

What does it mean to future lending?

- EPC grading with valuers flagging non-compliant properties
- Improvement works as a condition of the loan



What can EON Energy Installations Services do for you?

Services that can support private landlords

- Assess current energy efficiency and energy performance risk across your portfolio and for individual assets.
- Produce a bespoke risk management plan for your properties to implement any necessary energy efficiency improvements
- Provide a fully costed investment proposal for achieving the minimum standards required.
- Install any necessary improvement works required.
- Provide energy performance reports and ratings for statutory compliance and marketing purposes.

Offer – for energy improvement measure installed by E.ON

- A free EPC
- A free smoke alarm
- A free Carbon Monoxide alarm
- Free RLA membership

Don't get caught out by the new Minimum Energy Efficiency Standards

Get in touch to see how we can help



The Minimum Energy Efficiency Standards is a new set of government legislation that comes into place from 1 April 2018.

From then, all new or renewed tenancies on rental properties must have a minimum energy efficiency rating of E as set out in their Energy Performance Certificate (EPC). This will be extended in 2020 to include existing private tenancies and in 2023 to all commercial tenancies of between 6 months and 99 years.

What does it mean for me?

Without an EPC rating of E or above it will be illegal to renew or start a tenancy agreement for your property from April 2018 onwards.

Meeting the Standards makes good business sense too. Energy saving improvements could increase your property value by an average of 14%. In some parts of the UK the increase could even reach 38%.*

What should I do?

If you let, or sub-let domestic or commercial property, you should make sure you've got a recent EPC. If your property has an EPC rating of F or G you should **act now** to protect your investment.

How can we help?

- An experienced team of fully qualified energy assessors who can provide an EPC for each of your properties
- Whole house solutions, working with you to achieve cost effective improvements in energy efficiency
- End-to-end solutions including EPC, planning, project management, installation and product warranties.

Plan ahead, contact us now

Get in touch with your E.ON contact today to see how we can help you plan for the future.

Helping our customers.
We're on it.

e-on

*Source: Department of Business, Energy and Industrial Strategy. gov.uk/government/news/energy-saving-measures-boost-house-prices

Finance available - 0% interest on boiler replacements

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E.ON Landlord Service



Are you a Landlord?
E.ON Landlord is our online service to help you manage energy in your residential letting properties.

Find out more at landlords.eonenergy.co.uk

- Simple and easy** (thumbs up icon)
Access a new way of managing your properties and tenants.
- Save money** (piggy bank icon)
Take advantage of the E.ON Landlord tariff, available exclusively for vacant properties.
- Save time** (clock icon)
Add, manage and edit your properties in just a few clicks.
- Smart meters** (checkmark icon)
Find out about using smart meters in your properties.

Helping our customers. We're on it. 

- E.ON have recently launched an online portal for private landlords
- Submit change of tenancies at your convenience without having to call
- The portal allows you to register your property portfolio, submit readings and process change of tenancies
- E.ON have also launched a dedicated landlord tariff offering private landlords up to 30 days **FREE** energy during the void period (terms apply)



For more information contact:

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The E.ON logo consists of the lowercase letters 'e.on' in a white, sans-serif font, positioned on a solid red rectangular background.