

# Minimum Energy Efficiency Standards (MEES) – Let Residential Property

(relevant to England and Wales only)

We hope you find the flow chart useful. If you have any queries, because there are complications with whether MEES applies to certain properties, please contact Keiran Crowe.

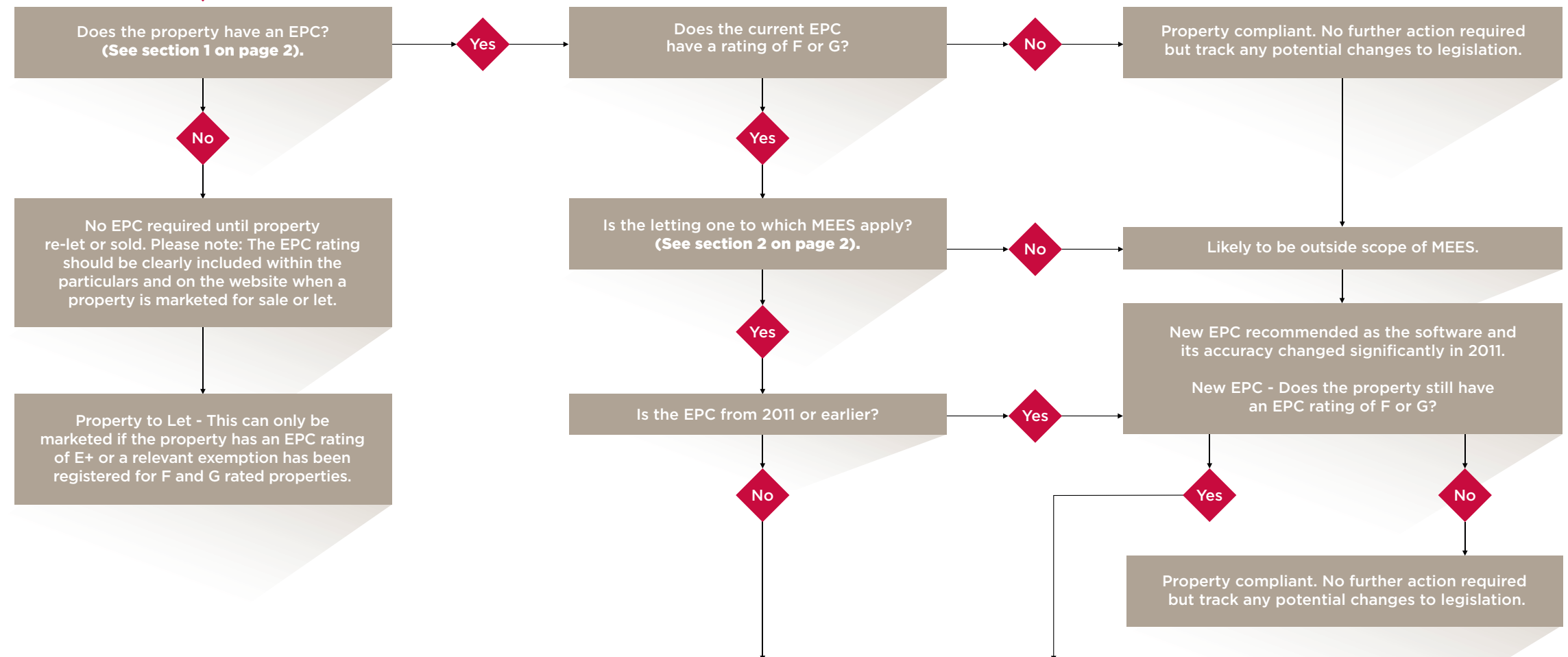
N.B. This document is designed to be printed on A3.



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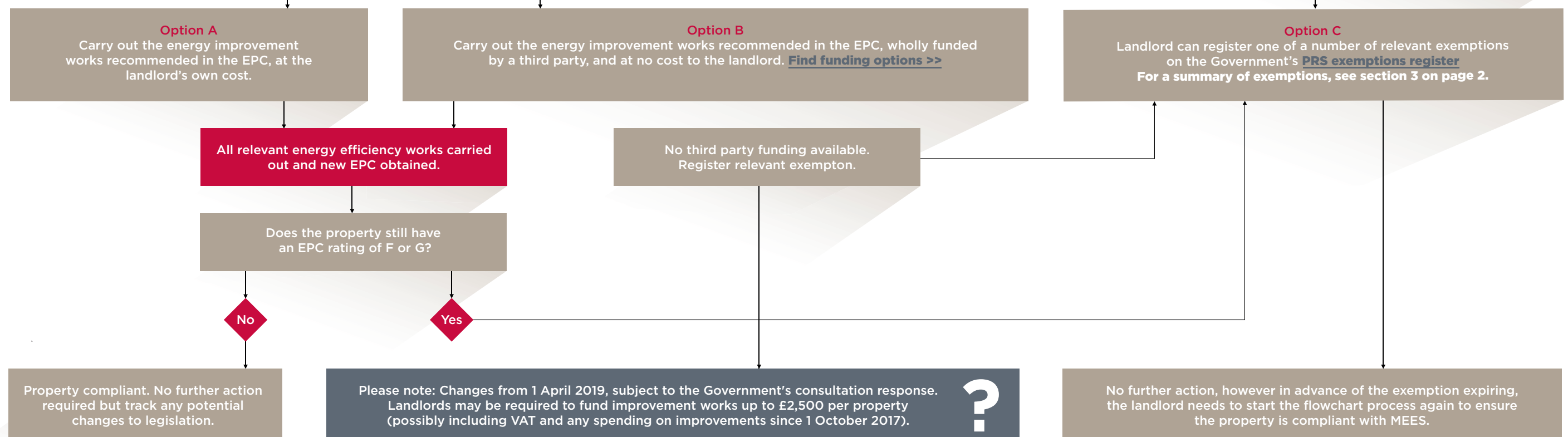
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## START HERE



## ACTION NEEDED

There are 3 options for landlords in order to comply with MEES on relevant domestic properties with a rating of F or G from 1st April 2018 (new lettings, including tenancies changing from fixed term to periodic term) or 1st April 2020 (all lettings).



# Additional information

## Section 1

### What is a valid EPC and when is an EPC needed?

- 1.1 The Energy Performance of Buildings Regulations 2012 (2012 Regulations) state that a valid EPC must be in place when a building is to be sold or rented out. Lease renewals and extensions are not considered to be “renting out” for this purpose.
- 1.2 Current guidance on EPCs for listed buildings states ‘an EPC is not currently required for a listed property or building within a conservation area when it is sold or rented in so far as compliance with minimum energy performance requirements would unacceptably alter its character or appearance’. In our view it is necessary to produce a draft EPC to understand if the efficiency measures recommended in it would alter the character and therefore determine if an EPC is legally required. If an EPC is legally required, then the listed property must meet the MEES. There is an element of subjectivity here – it is up to the owner of the property to decide whether the change in appearance or character is unacceptable, possibly after consulting the local authority conservation officer.
- 1.3 An EPC is not required when a property was let before 1st October 2008 and there has been no change of tenant.
- 1.4 If the EPC expires during the term of the tenancy, there is no requirement to renew the EPC until a new lease is granted.

## Section 2

### Does MEES apply to the letting?

- 2.1 If the property is not required to have an EPC (refer to point 1.2 and 1.3 in section 1), the property is outside the scope for the MEES Regs and these Regs do not apply.
- 2.2 From 1 April 2018 all new tenancy agreements are affected by MEES.
- 2.3 The following types of property DO FALL within the MEES regulations:
  - a. Property let under an Assured Shorthold Tenancy under the Housing Act 1988;
  - b. Property let under an Assured Tenancy under the Housing Act 1988;
  - c. Property let under a regulated tenancy under the Rent Act 1977;
  - d. Property let under an Assured Agricultural occupancy;
  - e. Property let on a protected occupancy or statutory tenancy under the Rent Agriculture Act 1976.
  - f. Residential property sub-let within an Agricultural Tenancy Act 1995 tenancy and Agricultural Holdings Act 1986 tenancy. N.B. It is the farm tenant as the immediate landlord that is responsible for complying with MEES.
- 2.4 The following types of property DO NOT FALL within the scope of “domestic property” for the purpose of the MEES regulations:
  - a. Holiday lets (used for less than 4 months of the year);
  - b. Dwellings at low rental levels (£1,000pa in London / £250pa elsewhere) and dwellings at high rental levels (£100,000pa);
  - c. Where the property is let with a resident landlord;
  - d. Accommodation for asylum seekers;
  - e. Property let on a licence;
  - f. Property let on a service occupancy agreement;
  - g. Property let on an agricultural tenancy (land exceeding 2 acres and a dwelling);
  - h. Tenancies granted before 15 January 1989 unless granted on a regulated tenancy under the 1977 Rent Act, the Rent Agriculture Act 1976, or an Assured Agricultural occupancy;
  - i. Where there has been a succession to a Rent Act 1977 / Rent Agriculture Act 1976 tenancy;
  - j. Property let pre 1 October 2008 when there was not an obligation to have EPC at the start of the tenancy and no change of tenant.
- 2.5 From 1 April 2018, all new tenancy agreements including lease renewals and tenancies changing from fixed term to periodic are affected by MEES.

## Section 3

### Register a relevant exemption

There are a number of exemptions which must be registered on the Private Rented Sector (PRS) Exemptions Register: (NB. Landlords can register several types of exemption against a property and upload supporting evidence)

- A Recommended energy efficiency improvements (which means those covered by the Green Deal and identified as suitable for the property by a Green Deal Assessor or surveyor) are not possible or practical.
- B Improvements cannot be made at no cost to the landlord using Green Deal, Energy Company Obligation (ECO) or third party grant funding, such as from a local authority. This can include not having suitable installers in your area. Any ‘no cost’ exemptions registered after 1 October 2017 may now end in April 2019, subject to the recent consultation. (NB. The Green Deal has been privately owned since January 2017, by the Green Deal Finance Company, and provides lower levels of funding than originally anticipated).
- C All relevant improvements have been installed and the property remains below an E.
- D A recommended improvement is not appropriate for the property due to its potential negative impact on the fabric or structure of the property.
- E The landlord cannot obtain required consents / permissions for improvements, or consent is provided with unreasonable conditions. This includes consent from superior landlords, mortgage providers, local authority planners, conservation or building control officers. (NB. The exemption for a tenant refusing consent may be removed, subject to the recent consultation; it would have applied for the shortest of the period of the tenant’s tenancy or five years. The consultation ended in March 2018 and the Government intends to respond in Summer 2018, with amended Regulations published in autumn 2018, and coming into effect in April 2019).
- F The landlord has obtained written advice from a qualified expert that an improvement will reduce a property’s value by more than 5%. (NB. The landlord is still expected to carry out other improvements).
- G The landlord has only recently become the landlord (six month exemption).

The PRS exemptions register is open to the general public and local authorities to access, so they can see data related to exemptions, monitoring and enforcement.

If a property changes ownership during the exemption period, the current exemption will cease and the new owner needs to apply.