

Real Estate Tip of the Week: MEES - Upcoming Important Dates

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There are 2 important upcoming legislation updates that Landlords should be aware of:

1) Minimum Energy Efficiency Standards

As many landlords are aware, from 1 April 2015 the Minimum Energy Efficiency Standards (“MEES”) Regulations 2015 have required landlords to provide a valid energy performance certificate (“EPC”) to tenants on all new commercial and residential lettings and properties must have an energy efficiency rating of ‘E’ or higher.

The applicability of MEES is set to expand shortly. Where previously only new tenancies were subject to the requirement to provide an EPC, from 1 April 2023 existing commercial tenancies will also be subject to this requirement. This means that commercial tenancies which commenced before 1 April 2018 will be unlawful if the EPC shows an energy efficiency rating of ‘F’ or ‘G’. The same will apply to residential tenancies from 1 April 2020. Consequences for breaches of MEES standards include penalties of 10 or 20% of the rateable value of the Property (capped at £50,000 - £150,000), with the possibility of enforcement action by the local authority being taken against unlawful tenancies.

There is still time to bring properties into compliance to avoid any MEES-related issues with existing lettings.

2) Electrical Inspections - New Regulations Laid in Parliament

The Ministry of Housing, Communities & Local Government (“MHCLG”) has recently introduced regulations relating to landlord requirements for electrical installation inspections and 5 year testing on private rented sector (“PRS”) properties.

Following its consultation and announcement in July 2019 that tenancies in PRS buildings would soon require electrical inspections and 5 year testing, the MHCLG has announced that it laid new regulations in Parliament last week to govern this mandatory electrical testing, which will commence from July. Further detail will follow on this as it becomes available.

Authors