



WELCOME TO YORK PLACE

**Energy Performance Certificates
Residential & Commercial Buildings**

August 2008


Energy Performance Certificates

What is it?

- One of the essential documents in the Home Information Pack
 - Required on residential sales – Domestic EPCs
- Required on commercial sales or lettings – Commercial EPC
- Phased introduction throughout 2008 to cover commercial property
- From 1 October 2008 all residential dwellings will also be affected
 - Private landlords & letting agents

What does an Energy Performance Certificate look like?

- “Fridge style” ratings for buildings
 - A = most efficient
 - G = least efficient
- Contains Recommendation Report, with suggested efficiency improvements:
 - Cost-effective alterations to the building
 - Measures that require a higher level of expenditure, such as installation of renewable energy systems
- On dwellings it is in the HIP each time a dwelling sells
- On commercial buildings the EPC lasts for 10 years
- On rented dwellings the EPC lasts for 10 years

ENERGY EFFICIENCY RATING		
	CURRENT	POTENTIAL
VERY ENERGY EFFICIENT - LOWER RUNNING COSTS		
(93-100) A		
(81-92) B		83
(66-80) C	70	
(51-65) D		
(36-50) E		
(21-35) F		
(1-20) G		
NOT ENERGY EFFICIENT - HIGHER RUNNING COSTS		
UK 2005	DIRECTIVE 2002/92/EC 	

EPC Implementation Dates

- For non-dwellings EPCs will be required from the following dates**:
 - Already in place for buildings over 10,000m²
 - 1 July 2008 on construction, sale or lease of buildings over 2,500m²
 - 1 October 2008 on all other buildings (other than exempt buildings)
- The measurement in each case is the total useful floor area

** The Government announced on 13 March 2008 transitional arrangements for buildings already on the market at 6 April. Any building which is on the market before then and remains on the market afterwards will need an EPC by 1 October at the latest. If it is sold or rented out in the mean time, an EPC must be commissioned and then handed over as soon as reasonably practicable. This is intended to make it easier for owners and landlords of large buildings to comply with the legislation. Similar provisions will apply for the introduction of EPCs on buildings over 2,500 m² in July, expiring also on 1 October 2008. For rental dwellings, requirement is from 1st October 2008.

A building needs to be defined.

- EPCs are required when **buildings** are constructed, sold or leased
- **What is a “Building”:**
 - a roofed construction with walls
 - only where energy is used to “condition” the indoor space
- No heating or cooling – no EPC

Are there exempt buildings?

Yes

- Buildings which are used primarily or solely as places of worship
- Temporary buildings with a planned time of use of 2 years or less
- Industrial sites, workshops and non-residential agricultural buildings with low energy demand
- Stand-alone buildings with a total useful floor area of less than 50m² which are not dwellings

Demolition

- EPCs are not required when the property being sold is due for demolition

The CLG have defined this:

- The seller must be able to demonstrate that:
 - The building is to be sold with vacant possession,
 - The building is suitable for demolition, and
 - The resulting site is suitable for redevelopment

When is an EPC required?

- The landlord or seller must provide an EPC “at the earliest opportunity” and in any event on the first to occur of:
 - Provision of written information about the building to a person who has requested information
 - A prospective buyer or tenant viewing the building
 - A contract being entered into to sell or rent out the building
- In other words, as soon as any form of enquiry is made or sales particulars produced

How to deal with “dreamers & messers”

- No obligation to provide an EPC if the seller or prospective landlord has reason to believe that the prospective buyer or tenant is:
 - Unlikely to have sufficient means to buy or rent the building;
 - Not genuinely interested in buying or renting a building of a general description which applies to the building; or
 - Not a person to whom the seller or landlord is likely to be prepared to sell or rent out of the building

Building alterations & modifications

- EPC is required if:
 - The resulting building now has a different number of units (greater *or* fewer), in addition to:
 - The modification includes the provision or extension of any of the fixed services for heating, hot water, air conditioning or mechanical ventilation.
- Both of the above items need to happen to trigger an EPC
- Building owners should note that it is the contractors responsibility to produce an EPC, it will be necessary as part of "Building Regulations"

What will it cost?

- To be provided free of charge to the buyer or tenant
 - Cost £275 plus VAT up to £10,000+ plus VAT for most complex buildings
- Contractor is responsible for provision with new-builds / modifications, they need to provide the EPC for building regulation purposes anyway
- Landlord unlikely to be able to recover through the service charge
 - Could not charge to incoming tenant
 - "Modification" EPCs will be hidden in the builders quote

Parts of Buildings

- “A reference to a building includes a reference to a part of a building which has been designed or altered to be used separately” (CLG Website)
- So a “building” is either:
 - The whole of the building, or
 - part of a building, where the part is designed or altered to be used separately
- Multiple EPCs are a distinct possibility in each building.

Multi-let Properties - How many EPCs per property?

- Common heating system:
 - Only one EPC required for the whole building
 - Mixed use property:
 - + Dwellings always need their own EPC
 - + Certification of the commercial parts is a separate EPC
- Separate heating systems per “part” of a building
 - Each part requires its own certificate
- Where the unit is part of a block, the certificate can be based on the assessment of another representative unit in the same block (sometimes known as cloning)

Sales/Lets of parts of a building

- The EPC should reflect the space being sold / rented
 - Common heating system: EPC of part is based on the energy usage of the whole (then proportioned into the space being sold/let)
 - Landlord and Tenant are not able to share the cost
- The EPC should also include any use made of common parts
 - Only relevant if energy is used to “condition” the indoor space of the common parts
 - Common part use apportioned based on floor area

- EPCs will not be required on:

- Lease surrenders

- Lease renewals

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How do I get an EPC - Who?

- Prepared by an accredited assessor, or provider such as York Place
- Accreditation is limited to certain types of buildings:
 - Level 3: existing simple buildings
 - Level 4: new and existing buildings that do not fall within Level 3
 - Level 5: new and existing complex buildings (mainly done by mechanical engineers and will apply to very few buildings)

Regulation

- Building Control regulate EPCs for new buildings
- Trading Standards regulate for existing buildings
- Fines for non-compliance
 - 12.5% of the rateable value
 - Capped at £5,000 (but how often?) – not defined
 - May be issued on multiple occasions if EPC remains outstanding

Emergency situations

- EPC has been requested 14 days before required but is not yet available
- “Emergency Lettings”
 - Tenant requires urgent relocation
 - Landlord does not have the EPC and there is insufficient time to obtain one
- In both cases seller or landlord must provide the EPC at the earliest opportunity
- No fine provided the above can be demonstrated

Finally

Other types of EPC you may come across:

- Display Energy Certificates – applies to Government owned public buildings
- “On Construction” or “Predicted” EPCs – these are for dwellings under construction, they all need an EPC
- “SAP” reports – these apply to new dwellings and we convert them to EPCs



Contact Points

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