



"Don't Be a Fool"

So, what is all this MEES business? MEES is the acronym for "Minimum Energy Efficiency Standards" which can be tracked all the way back to the Energy Act 2011 but was in fact introduced more formally in March 2015 via the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015. And as I am sure most of you know EPC stands for "Energy Performance Certificate". All fascinating stuff but why is this important? Let me explain.

Now that we are firmly in the clutches of 2017, the year 2018 all of a sudden seems a lot closer than it did only just one month ago. Specifically, the date of 1st April 2018 should be marked in your planner with an asterisk. Far from being an April-Fool, the 1st April 2018 is the date where the MEES Regulations really kick in, after which no new tenancies or leases can be agreed for buildings with an EPC rating of F or G. So anything below an E rating is no good and once the Regulations take effect, landlords buying a building with poor sustainability credentials, represented by an F or G EPC rating, will be unable to lease the building to new tenants.

Furthermore, from 2020 domestic landlords will no longer be able to let property with an F or G rating and from 2023, commercial landlords will be unable to renew an existing lease where an F or G rating exists.

So, if you are responsible for advising or managing a landlords' property interest, you ought to check whether that portfolio is at risk of becoming worthless, simply due to its lacklustre energy efficiency rating. This is particularly important for those of you who manage and advise on older building stock

Take Action - Time for EPC

So what to do next? In reality you will need to understand whether your building requires an EPC or not. There are exemptions which relate to either the type of tenancy or use of a building and there are also exemptions where the impact of any perceived improvement works would be considered unreasonable or overly detrimental to the use or value of the property in question. Other exemptions may also apply, for example where a building is listed or where buildings are located in conservation areas; but for the purposes of this article I will generalise in that the majority of commercial and domestic landlords will at least need to facilitate the undertaking of an assessment such that an EPC is produced.

Over recent years the quality of EPC's, in both the domestic and commercial markets, has been too often woefully inadequate. There are some reports that suggest that there are up to 250,000 fraudulent EPC's on the Governments' Landmark Register. So if someone is charging you £50 for an EPC don't be surprised if it turns out to be as accurate as an election pollsters' predictions. Relying on someone who has had 3 days training and quite possibly no other relevant experience is high risk to put it mildly.



Bad News

The software used has also been problematic. EPC software is often super flexible and has allowed assessors to make assumptions or enter 'don't knows', ". It then defaults to a fixed value, but it will still produce a certificate at the end of it. There have been reported cases where an assessor (probably the one with an impressive 3 days training and zero relevant experience) has carried out a domestic EPC for £30 and rather than visiting the property, just used Google Earth and put in 'default, default, default' and then waited for the software to spit out an EPC. Brilliant!

Good News

However, all is not lost. There are still some quality outfits that produce meaningful and accurate EPC's for domestic properties as well as commercial interests and which produce more than just an electronic tick box.

If instructing a domestic EPC, the sorts of information that you should be asking for include the following:

- Annual cost information of lighting, heating and hot water per year for a particular property
- Suggestions as to what measures can be taken to reduce running costs
- Suggestions on how to reduce the impact on the environment
- Outline exactly how much each measure will save on an annual fuel bill
- A highly functional and practical report, resulting in actual savings, energy and Co2 emissions

On the commercial side there are three EPC levels (Levels 3, 4 and 5).

- Level 3: Small buildings with simple heating systems and / or small local cooling systems
- Level 4: Purpose built buildings, with more complex heating and air conditioning systems.
- Level 5: Larger buildings that are complex in shape and services.

For Level 5 buildings the EPC certificate is produced by using Dynamic Simulation Modelling (DSM) Methodology software which builds a 3D model and simulates the energy for fabric and services using hourly weather data. This software can simulate many features of buildings such as blinds on windows, variable speed pumps / fans and free cooling obtained from mechanical and natural ventilation. It really is 21st Century stuff.

For Level 3 and 4 buildings the EPC certificate is produced using SBEM (Standard Building Energy Methodology) which uses banded weather data which cannot match the DSM software and level of EPC obtained but is nonetheless relatively accurate and reliable and suitable for the level 3 and 4 building types. In fact, although not widely known, it is possible to carry out all levels of EPC's using DSM Level 5 software.



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Running Out of Time (And Energy!)

Even Better News

Harris Associates in partnership with Pavey Engineering have the in-house expertise and software packages to not only improve your EPC's, but to advise on a myriad of other related issues. This includes providing advice on all building types in the context of property maintenance, running costs and expenditure forecasts, option appraisals, assessment of energy efficiency as well as the overseeing and implementation of improvement works, whether as part of an overall stock improvement programme or as a way of improving a specific EPC rating.

So, with the clock ticking towards the 2018 deadline now is as good a time as any to ensure that you and your clients don't become April Fools in a little over a years' time. Please do not hesitate to contact either Shaun Harris or Nigel Pavey for further details.

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