

Implications and Guidance on the new Minimum Energy Efficiency Standards (MEES)

What is the Minimum Energy Efficiency Standard (MEES)?
 What are the Exemptions?
 What are the penalties for non-compliance?
 How can Mecserve Help?

If you would like further information or advice on a particular project please contact: Nazli Dabidian, Head of Energy and Sustainability
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What is the Minimum Energy Efficiency Standard (MEES)?

This new legal standard, approved by Parliament in March 2015, sets out the minimum level of energy efficiency for private rented properties in England and Wales.

The below is an extract from these regulations, [published by Department for Business, Energy & Industrial Strategy](#).

New tenants or renewing tenancies:

From 1st April 2018, landlords of non-domestic private rented properties (including public sector landlords) may not grant a tenancy to new or existing tenants if their property has an EPC rating of band F or G (shown on a valid Energy Performance Certificate).

Continuing with the tenancy agreement:

From 1st April 2023, landlords must not continue letting a non-domestic property which is already let, if the property has an EPC rating of band F or G.

What are the Exemptions?

Where an EPC is not required

- Buildings that are industrial sites and workshops with low energy demand
- Non-residential agricultural buildings with low energy demand
- Room for residential purposes that are not dwellings
- Furnished holiday accommodation
- A temporary building that is due to be demolished

Duration of rent: if the property is let for a fixed, non-extendable term of six months, or if it is let on a tenancy which is granted for a certain 99 years or more, this regulation does not apply.

High cost exemption: Landlords are only required to install those measures which can be paid for either with Green Deal funding (this is currently not available), or where the costs of purchasing and installing improvements do not exceed a simple seven-year payback.



Impact on value exemption: Where a landlord obtains a written report from a registered surveyor that states that installing the measure will decrease the capital value of the property by more than 5%, they are temporarily exempt.

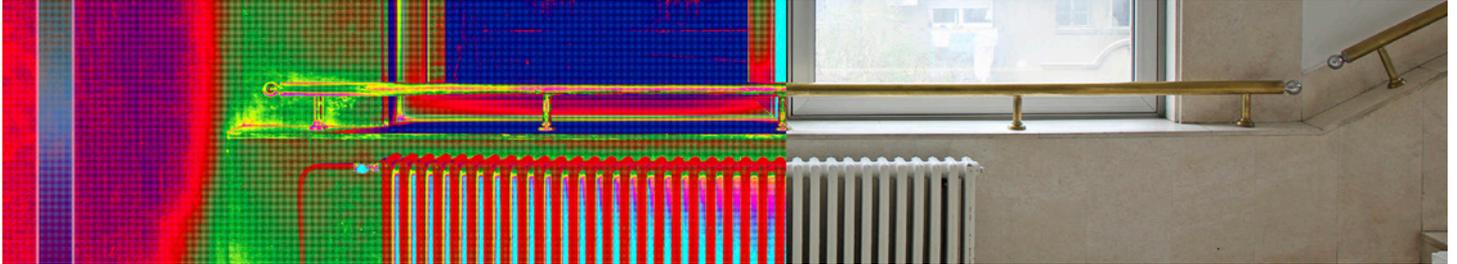
Unsuitable measures exemption: For wall insulation (either cavity wall or solid wall), where a landlord obtains a written report from a suitably qualified person advising that it is not an appropriate improvement, due to its potential negative impact on the fabric or structure of the property, or the building of which it forms part, they are temporarily exempt.

Consent exemption: where a landlord is unable to obtain any legally required third party consents (such as from a superior landlord, planning department, the tenant or other tenants of the building, a bank or financial institution with an interest in the property etc.), they are temporarily exempt. In the case of a tenant consent barrier, the exemption will only last as long as the tenant who refused consent remains the tenant (or for five years – whichever is soonest).

Exemption on grounds of recently becoming a landlord:

If a person becomes a landlord under a number of prescribed circumstances, they are exempt from meeting the minimum standard for a maximum of six months from the date on which they become the landlord.

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What are the penalties for non-compliance?

Penalty (less than three months in breach):

Up to either: **£5,000** or **10% of rateable value** (whichever amount is the greater).
Maximum penalty of **£50,000**.

Penalty (three months or more in breach):

Up to either: **£10,000** or **20% of rateable value** (whichever amount is the greater).
Maximum penalty of **£150,000**.

How can Mecserve Help?

If you have properties in your portfolio with EPC rating of band F or G, we can help you in achieving compliance with the following steps:

1. The first step would be to check and determine if the regulation is applicable to the property that has EPC rating of F or G. In the majority of cases, Mecserve can check to see if this regulation is applicable to the property with an EPC rating worse than E or if the property is exempt.
2. If the regulation is applicable, the most important action is to check the accuracy of the EPC certification for your property. In some instances, especially in the first couple of years after Energy Performance Certification became compulsory, some assessments may have been carried out using default values or assumptions as opposed to the actual specification of the property. We can carry out a high level review of the existing valid EPC for the property to establish whether producing a more accurate EPC would resolve the issue all together or determine if a more detailed analysis would be beneficial to allow the EPC rating to be improved.

Please do get in contact with the Mecserve team if you would like further information or advice on a particular project.

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- Mecserve has accredited Energy assessors (levels 3/4/5), with practical engineering backgrounds and more than a decade of experience in this area, so we could provide a more accurate EPC assessment for a building if appropriate.
3. Assuming the existing valid EPC is accurate and the rating is of a band F or G, we could complete a sensitivity analysis and establish the costs to implement the various recommendations including what is the payback period for each option. The outcome of this study will allow one of the following options to be considered:
 - a. To apply for an exemption on the basis of high simple payback period;
 - b. To plan a refurbishment to carry out the proposed and recommended remedial works.
 4. If any design or monitoring role is required as part of the above refurbishment, Mecserve has specialist teams that can assist and help with the delivery of these works.