

## bray fox smith

**Occupier Services** 

Upcoming statutory changes to Energy Performance Certificates (EPC's) and potential implications for your current and future workspace

June 2023



This Factsheet relates to Energy Performance Certificates (EPC) and Minimum Energy Efficiency Standards (MEES) Regulations and Requirements as currently set out by the Government for non-domestic properties as at 2<sup>nd</sup> May 2023



All non-domestic properties are currently legally required to have an EPC unless exempt.



EPCs are currently valid for a 10 year period and are not required to be renewed each time there is a change of tenancy or ownership.



Exemptions include; a lease term certain of less than 6 months (extensions are prohibited) or for a term certain of 99 years or more.

## Important Dates



### **April 2023**

From April 1<sup>st</sup> 2023, it is now a statutory legal offence for landlords to lease or sell a non-domestic building with an EPC lower than an 'E' EPC rating. This also now captures all let properties even if there has been no change in tenant.

### **April 2025**

From **April 1**<sup>st</sup> **2025**, it is currently a statutory legal offence if non-domestic rented properties within the scope of MEES regulations do not have a valid EPC. Meaning that when the current EPC expires, a new EPC must be in place, regardless of whether the building is being marketed, otherwise penalties will be incurred.

#### **April 2027**

There are proposed changes to current Legislation which, whilst are still in Government Consultation, are fully expected to become mandatory. If this Legislation is formally passed then from 1<sup>st</sup> April 2027, all non-domestic rented buildings will require a minimum **EPC rating of at least 'C'**, regardless of whether the property is occupied or not.

#### **April 2030**

As per the proposed changes to Government Legislation set out above, **From 1**<sup>st</sup> **April 2030**, all non-domestic rented buildings will require a minimum **EPC rating of at least a 'B'**, regardless of whether the property is occupied or not.

# What should you be doing now?

Work in conjunction with BFS to protect your position to achieve the best possible environmental and commercial outcome.

●→◆ ↓ ■←● Assessing your short to long term occupational strategy in context of the current and proposed changes and requirements of MEES & EPC legislation. And also in the context your own organisations ESG policy and goals.

Undertaking a complete EPC audit to understand risks and associated costs.



Are you and your existing or new landlords strategies for achieving the requirements with this aligned. A full and frank dialogue should be entered into asap to assess potential future potential liabilities that may arise.



The Government has proposed that shell and core buildings submit a temporary exemption, and that once let, the tenant must have occupied a property for a minimum of six months before the landlord is required to be within MEES compliance.



#### **Clare Lane** Director

Clare has over 15 years' experience in the Suburban London and Greater London office markets. Clare's clients have included: Close Brothers, Allocate Software, Consilient Health, Zonin Wines and Kinetico.

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#### lan Leather Director

Ian has over 30 years' experience in London and the Home Counties with a detailed knowledge of key markets and a wealth of experience working for occupiers on their estates strategy. Ian's clients have included: Opus Energy, REED, DoTerra Europe, MHA MacIntyre Hudson Accountants, Symrise and Bluefish Group.

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#### Simon Knight Director

Simon has over 30 years' experience and throughout his Career has specialised in the south east and particularly West London and the Thames Valley and has a detailed knowledge of all of the main business centres within this established commercial area.

Simon's clients have included: Heineken, Tullow Oil, The British Museum and The FIA.

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## Why Bray Fox Smith?

#### **Best In Class Services**

Our clients entire project will be co-ordinated through a single point of contact and unlike other advisors always ensuring the best in class partners are chosen.

#### **Forward Thinking**

We seek to be at the forefront of our profession, providing the most creative, thoughtful advice to innovative companies.

#### Tenacious

Without exception, we will pursue our client's interests with relentless determination, drawing upon detailed, local knowledge and sophisticated negotiation tactics.

#### Partnership

We are organised as a partnership and approach our client relationship in the same way. Our goal is to become your trusted partner.

#### Knowledge

We have worked on various projects across the UK, with our only goal to secure the best possible terms for our clients. We have purchased and sold over £350m of office space throughout the UK.

#### Award Winning

Winner of "OAS Deal of the Year", Runner-up of Costar "Deal of the Year."





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