



EPC Regulations

A commercial property update for 2023

Landlords - 1st April 2023 Are you ready?

Landlords will be familiar with the fact that since 2018 all commercial properties to be let must have a valid certificate at E or above.

They may not be aware however that from 1st April 2023, where properties have a current EPC certificate (certificates have a life of 10 years) the rating must be 'E' or higher. This means that properties which have an 'F' or 'G' certificate will not be compliant and landlords will be in breach of the law if they are continuing to receive rent on the property.

Properties without a current EPC are therefore not affected. This means that properties where the lease was granted in say 2012 or before and where the EPC has expired are excluded, although as mentioned in previous articles, this is likely to change on 1st April 2025.



Fines of up to £5,000

Over the next few years these regulations will become even more stringent, and by 2027 it is proposed that all EPCs will have to be a rating of at least a 'C', and by 2030 all ratings will need to be at least a 'B'. The UK Government considers that improving EPC ratings forms a vital role in achieving their goal of net zero carbon by 2050.

The consequences of not having an appropriate EPC include a fine of up to £5,000 or 10% of the rateable value (up to £50,000); not being able to let the property; not being able to raise funding and ultimately impacting on capital value. If the breach exists for more than 6 months then these penalties increase to up to either £10,000 or 20% of the rateable value (up to a max of £150,000).

How to prepare

The national EPC register can be checked at www.gov.uk/find-energy-certificate. This provides details of whether a building has ever been the subject of an assessment for an EPC; what the current rating is and when the certificate expires.

If you have commercial premises without an EPC or a rating below an E, then you are strongly advised to seek immediate professional advice.



Are there any exemptions to these changes?

Properties that are exempt from needing an EPC include...

- Temporary buildings (with an intended life of 2 years or less);
- Listed buildings (but only if compliance would unacceptably alter the character or appearance);
- Small buildings – standalone building of less than 50m²;
- Industrial sites or workshops with low energy demand (level not specified);
- Properties (e.g. warehouses) that do not use energy (i.e. heating or aircon) to condition the indoor climate;
- Properties to be demolished (in certain circumstances).

If you need further advice in understanding what to do to make sure that you comply with the most up to date MEES Regulations for your commercial premises, then contact Hicks Baker on 0118 959 6144 or email info@hicksbaker.co.uk