

Legal firm gives lowdown on new energy standards for UK landlords

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Residential landlords in the UK are at risk of financial penalties and being unable to let their properties if they fail to meet minimum energy efficiency standards (MEES) that come into play in 2018, it is claimed. Law firm Maples Teesdale has warned that the new standards equate to a ticking time bomb that could have a detrimental impact on rental income and property values if left unaddressed.

The non-domestic minimum energy efficiency regulations for England and Wales will mean that by 01 April 2018, all relevant properties will have to be improved to a minimum energy efficiency standard before being let to tenants, except where certain exemptions apply.

Additional Tenant's Energy Efficiency Improvement Regulations must be in force by 01 April 2016 and will empower tenants to request consent for energy efficiency measures that may not unreasonably be refused by the landlord.

'These regulations are likely to have a big impact on the private rented sector. They are presenting a straightforward ultimatum: bring your properties up to scratch in terms of energy efficiency, or risk losing income,' said Neil Sagoo, partner at Maples Teesdale.

The consequences for landlords who do not invest in bringing their properties up to minimum standards are likely to be severe, the firm warns. There will be financial penalties, possibly geared to the rent earned while the landlord is in breach, applied to those who fail to comply and, in extreme cases, a tribunal can force landlords to make the necessary changes.

'This means that landlords can no longer pay lip service to energy efficiency. Whereas it was once a worthy aspiration, it is becoming fundamental as fire safety or building regulations and is to be ignored at your peril,' added Sagoo.

Following a brief consultation at the end of last year, the Government has indicated that it aims to have the regulations in place ahead of the May general election. Implementation of MEES is likely to follow in stages, coming into effect on all new lettings from April 2018 and for remaining existing lettings from April 2023.