

Government energises performance certificates

On Tuesday, the government finished consultation on how it could make better use of energy performance certificates in buildings. If the new government adopts its recommendations, it is likely that energy performance certificates (EPC) could move from the bottom drawer on to the front doors of buildings.

The consultation, driven largely by European Union legislation, sought views on:

- The introduction of compulsory display energy certificates (DEC) for all properties larger than 1,000 sq m, which would fall to 250 sq m in future.
- DECs would need to be renewed every year, rather than every 10 years for EPCs
- Requiring property adverts to show EPC ratings.
- Requiring EPCs for houses in multiple occupation when rooms are rented out, and for short-term holiday lettings
- Making better use of energy performance data by extending access to EPC data
- Enabling local authorities to use EPC data to support development of wider purposes such as support of local carbon frameworks. ■

By Richard Biedul, assistant solicitor at law firm Maples Teesdale

that one would not expect a company to seek expensive advice from a firm such as Linklaters and not act upon it. The inference can be drawn that it was this advice that resulted in such a course being followed and that the client would have acted differently otherwise.

The court therefore held that, if correctly advised, Levicom would have settled to begin with and avoided all the costs of the proceedings and it could, therefore, recover all the losses it had suffered from being incorrectly led down the litigation path.

The result of this case is that solicitors will now be wary about dispensing strong advice and in giving percentage chances of success at the level of 70% or above.

Jonathan Ross is head of property litigation at Forsters

Summing up: Levicom v Linklaters

- Linklaters told Levicom that, if it took action, it had a more than 70% chance of winning.
- Levicom's case was not that strong. It settled, and then sued Linklaters for its losses.
- The Court of Appeal said the advice was too bullish so Levicom could claim losses.

Skyscraping returns on going green

It survived King Kong in 1933. It survived a plane crash in 1945. And now the owners of the Empire State Building want to help survive changing attitudes to energy waste.

Last Tuesday, Jones Lang LaSalle hosted a sustainability event at the Piccadilly building of film and television body BAFTA.

Speakers set out how the Empire State Building Company is refurbishing its trophy 102-storey New York skyscraper; how green schemes perform better than non-green rivals financially; and how refurbishment will help fill the development gap as developers have delayed schemes.

Anthony Malkin, president of Malkin Holdings – which controls the Empire State Building Company with the Helmsley Estate – said the company was spending around \$450m of the \$550m project budget on energy measures. The rest will go on restoring areas such as the art deco lobby. The project is to be completed by December 2013.

Malkin looked at 67 measures to reduce emissions in the building, but opted for eight:

- Replacing 6,500 windows
- Installing barriers behind radiators to stop heat loss
- Reducing the power of lighting
- Upgrading the building's cooling system
- Improving the energy control system
- Raising the quality of ventilation
- And introducing a tenant energy management system.

These measures are anticipated to reduce the building's \$11m annual energy bill by 38.4%, or \$4.4m. He said this showed how other owners could make big savings: "If we only succeed at the Empire State Building, we have failed."

Alastair Young, head of property in Europe at accountant KPMG, said to get the green buildings they want tenants should put pressure on landlords.

KPMG started moving into a new 400,000 sq ft office at 15 Canada Square in Canary Wharf on 21 May, under a three-month programme that is due to end in August.

"We have to do something to compete with PricewaterhouseCoopers, Deloitte and Ernst & Young. We need to offer space that matches that requirement. As far as the war on talent goes, that's a direct link," said Young.

Paul McNamara, director and head of property research at Prupim, said his "greatest fear" was about tenants coming up too quickly with policies of only occupying buildings with an energy performance certificate rated A or B. He said this would trigger emissions for more new developments.

Chris Hiatt, head of national offices at JLL, said that the amount of office space being built

in the UK fell 62% between 2007 and 2009. With cities facing shortages of grade A space (see table), he said refurbishment projects would be able to fill this void.

There is a growing amount of green law, including the Carbon Reduction Commitment and government plans to extend the scope of energy performance certificates (see left). These mean that refurbishments will need to be energy efficient. ■

When will take-up of grade A office space start to equal supply?

Central London	2010
Edinburgh	2011
Glasgow	2011
Birmingham	2012
Leeds	2012
Manchester	2012
Western Corridor (including Thames Valley)	2014

SOURCE: JONES LANG LASALLE

