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SOLICITORS

I understand that the proposed changes relating to Energy Performance Certificates (EPCs) for commercial properties have been scrapped and the proposed reductions are no longer scheduled to take place. Please can you confirm the current position for EPCs in 2024?

Yes, the government plans to reduce the minimum level of EPC rating for commercial properties from “E” to “C” have been delayed due to the cost-of-living crisis.

However, albeit that the proposed changes to EPCs for commercial properties have been “shelved” by the government for the timing being, EPCs continue to be very important for commercial landlords. Failure to comply with the current legislation can lead to a fine of between £500.00-£5,000.00.

A commercial landlord must still provide an EPC if they rent out or sell their premises; if the property is newly constructed an EPC must be commissioned when the construction is finished; and an EPC certificate must be provided each time changes are made to the property, which alter the number of parts used for separate occupation.

If a commercial Landlord purchases a vacant commercial property, then an EPC must be provided, but there is no minimum standard to meet. However, if you intend to let the property out, then a purchaser should be aware that works will need to be carried out to upgrade the energy performance level before the property can be let.

The current minimum level of EPC rating continues to be “E” unless the commercial property falls within one of the exempt classes of buildings. If the commercial property falls below a rating of E, then the landlord must carry out works to make the property more energy efficient before the property can be occupied by the new tenant.

However, landlords should be aware that the current “shelving” of these reforms is likely to be temporary and given the previously proposed changes from a minimum standard of “E” to “C”, if they are able to do so, Landlords would be advised to make preparations for these changes in the not-too-distant future.

Once I have an EPC certificate, other than providing it to my purchaser or tenant am I obliged to display it anywhere?

As a landlord you are obliged to fix a copy of the EPC certificate to your building, if all of the following requirements apply: 1) the total useful floor area of the property is over 500 square metres; and 2) the building is frequently visited by the public; and 3) an EPC has been produced for the buildings, sale, rental or construction.

In all other respects it is sufficient to simply serve a copy of the EPC on your Tenant.

Our expert team of lawyers are on hand to help if you need further advice or guidance.

Call us on **01904 528223**.

The above is not intended to provide advice.

By Tom Henry, Director

