

PRESS RELEASE

STEPHENS & SON SOLICITORS

ENERGY PERFORMANCE CERTIFICATES NO LONGER A LUXURY BUT A NECESSITY

At the beginning of October, the final phase of a set of new regulations relating to Energy Performance Certificates or EPC came into force in England and Wales. This requires a commercial EPC for all commercial sales or lettings or a domestic EPC for any domestic property or dwelling that is let to a new tenant – although tenancy renewals are exempt*.

In order to keep their clients fully informed, Chatham based solicitors Stephens & Son LLP, one of the oldest firms in North Kent, have already sent out a fact sheet to their Landlord clients providing advice and information on critical dates so that

they can stay on the right side of this new legislation. And if the response from their clients is an indicator, many people who are affected by this change in the law have little or no idea this is on the horizon. Soon it will be the turn of the tenant clients who will receive their own fact-sheet.



Peter Daniels, a senior solicitor with Stephens & Son said the legislation was not altogether straightforward: “In amongst the regulations there are some exceptions. For instance, if a domestic property is divided into individual rooms and let under separate agreements and there are shared facilities such as kitchen and/or bathroom, an EPC is not required. However, where the entire building is let under one agreement, a single EPC will be required for the whole dwelling.”

He continued “Landlords failing to provide a valid domestic EPC will face a £200 fixed penalty fine (per dwelling, per incident) and be made to obtain an EPC. If a

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Landlord sells a portfolio of properties they will need a domestic EPC for each property – although it may be appropriate to have an ‘average EPC’ where the properties are the same type (i.e. form part of an estate and all constructed at the sale time).”

In future, banks, building societies and other mortgage providers will require EPCs on individual buy-to-let properties, so it is important for sellers and landlords to seek out the services of a surveyor who is a qualified to provide commercial or domestic EPCs. This will, of course, have cost implications but is vital when selling or letting. However, the domestic EPC should, in theory, be cheaper than its Commercial equivalent to achieve.

This Government initiative is being rolled out during 2008 and 2009 and is intended to introduce energy saving measures in three key areas: the inspection of air conditioning systems, boilers and energy certificates. And some of the provisions are already in place.

*Currently commercial EPCs and domestic EPC’s for lettings only are valid for up to 10 years and can be reused as many times as necessary throughout that period. If a property is sold to a tenant the EPC must be less than 12 months old – although a HIPS pack will not be necessary as the sale is not with vacant possession.

Notes:

Phase I began on 6th April when EPCs were mandatory for all new build dwellings and for the construction, sale or rent of buildings other than dwellings with a floor area over 10,000 m². Then on 1st July Phase II commenced and EPCs became obligatory for the construction, sale or rent of buildings other than dwellings with a floor area over 2,500 m².

This final phase on 1st October Phase III introduces EPCs on the sale or rent of all remaining dwellings; on the construction, sale or rent of all remaining buildings other than dwellings and Display Certificates will required for all public buildings over 1,000 m². At the same time EPC’s become mandatory on new lets on dwellings.

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