

## MEES: Six months and counting



### CONTACT

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The Minimum Energy Efficiency Standards (MEES) regulations are due in six months time and are expected to have a significant impact for landlords and occupiers on private rented property in England and Wales.

From April 2018, the regulations will require all new lettings (including sub-lettings) to meet the minimum standard EPC rating of 'E'.

The MEES regulations are likely to have the greatest impact on landlords of property, but occupiers will be affected too. These risks may impact lease event negotiations, investor/occupier demand, valuations and debt provision.

From 1st April 2018, the regulations will apply to the granting of a new lease and the renewal of existing leases. Landlords will be required to ensure compliance before the lease is granted.

From 1st April 2023, the regulations will apply to ALL privately rented property in scope of the regulations, including where a lease is already in place and a property is occupied.

Properties that do not require an EPC under current regulations will not be required to meet MEES (for example stand alone buildings less than 50m<sup>2</sup>). Moreover, MEES does not apply to short lettings (6 months or less) and lettings over 99 years or more.

### MEES has a great potential to negatively impact property values as a consequence of:

- Reduced ability to attract and retain occupiers
- Reduced rental income
- Increased voids
- Additional capital required to bring the property up to standard.

### Can you rely on your existing EPC?

A significant number of EPC's were produced in 2008/9. Up until recently the requirements around the production of EPC's was fairly loose, with a number of default values or assumptions being made. The quality of these early EPC's is questionable. If you are reliant on an EPC produced between 2008 and 2015, then the risk of an inaccurate EPC is greater. The EPC could be poorly prepared which means the property falls foul of the MEES regulations unnecessarily.

### Rapleys can help manage your MEES risk by:

- Undertaking a risk assessment of your property or portfolio
- Accurately assessing the current EPC rating of your property or portfolio
- Providing strategic advice of how to meet the minimum required EPC rating
- Aligning risk assessment with life cycle building data to enable informed strategy decisions
- Providing advice on how MEES impact your dilapidations liability and claims.

**For any further help on your EPC risk assessment, please contact Balvinder.**