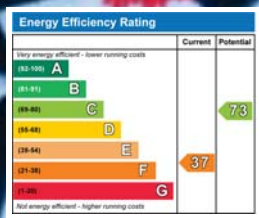


Energy Performance Certificates (EPCs) and renting homes: A landlord's guide





From 1 October 2008 landlords are required to provide an Energy Performance Certificate when they rent out a home.

An Energy Performance Certificate (EPC) gives information on the energy efficiency of a property you want to let.

What does this mean in practice?

You need to provide an EPC whenever a home* in the social or private rented sector is let to a **new** tenant.

You must make the EPC available **free of charge** to prospective tenants at the earliest opportunity. This should be when they are first given written information about the property or view it, and before any rental contract is entered into.

EPCs are valid for 10 years and can be reused as many times as required within that period. It is not necessary to commission a new EPC each time there is a change of tenant although landlords may commission EPCs for these properties at any time to prepare for a change in tenant.

If a newer EPC has been produced for a home within the ten year period, only the most recent one is valid.

The EPC provides prospective tenants with information about how energy efficient a property is that they are considering renting.

An EPC is not required for any property that was occupied before 1 October 2008 and which continues to be occupied after that date by the same tenant.

* An EPC is only required for a property which is self-contained. It is not required when a tenant rents a room and shares facilities, where a tenant has a separate contract with the landlord.

What is an Energy Performance Certificate?

An EPC is similar to the energy performance certificates now provided with domestic appliances such as refrigerators and washing machines.

The EPC provides a rating for the energy performance of a home from A to G, where A is very efficient and G is very inefficient.

The EPC shows two things about the house:

- the energy efficiency rating (this is based on how much the home would cost to run)
- the environmental impact rating (this is based on how much carbon dioxide is released into the environment because of the home).

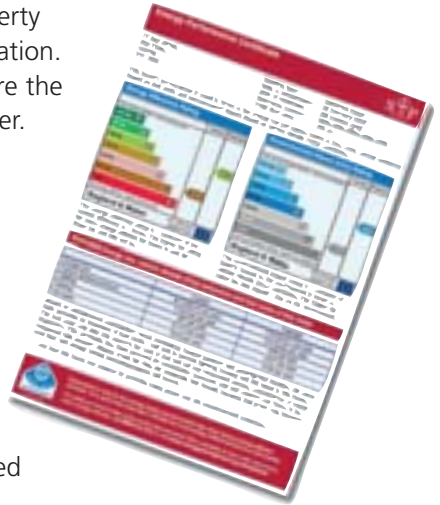
The rating is based on factors such as age, property layout, construction, heating, lighting, and insulation. The ratings are standard so a tenant can compare the energy efficiency of one home easily with another. The typical rating for a home is D or E.

The certificate also provides information about how much it is likely to cost the tenant to run the home. These estimated costs are based on:

- standard assumptions about a property which include the number of occupants and how long it is heated a day
- average fuel prices when the EPC was produced – these could be up to 10 years old.

The **actual** running costs will vary depending on the current fuel costs and the lifestyle of the tenants.

A recommendation report forms part of the certificate. This provides a range of improvement measures which could improve the energy performance of the home.



How do I get an Energy Performance Certificate?

EPCs must be produced by an accredited Energy Assessor. As a landlord you are free to seek accreditation for yourself and your employees and so become competent to certify your own properties.

If you use an independent energy assessor make sure they are a current member of an accreditation scheme, as this ensures your energy assessor is operating to professional standards. An EPC is only authentic if issued by an accredited Domestic Energy Assessor (DEA). Details of accredited DEA's can be found at www.epcregister.com

Each EPC has a unique number which will be entered on to a national register by the Energy Assessor. Once the EPC has been created, you can download further copies in the future by using the report reference number on the top right hand side of the certificate.

If you have recently bought a property and are considering letting it, you should have received an EPC as part of the Home information Pack which can be given to prospective tenants.



What does an Energy Inspection involve?

Once you have requested an EPC from an accredited energy assessor, the assessor will contact you to arrange a convenient time to visit your property. During the assessment the assessor will need to inspect your property and collect information. This will include external or internal measurements, details about the construction, and the type of heating/hot water used in your property.

The assessor will need to access all the rooms, the boiler and the loft. The assessor may need to take photographs of items such as heaters and meters.

The assessment of a 3 bed property normally takes up to 60 minutes; larger or complex properties can take longer.



Getting ready for the assessment

The assessor will need know about how your home has been built. Finding supporting information before the assessor visits will ensure you get the most accurate rating for your property. The assessor will want to know:

- when the property was built (searches or deeds may provide evidence)
- whether or not your property has been extended and when
- if it has been double glazed, any certificates that may be available
- whether the walls have been insulated and if so whether this is cavity, internal or external insulation
- boilers and hot water cylinders – when these were installed and any manuals you may have
- location of room thermostats and heating timers
- location of gas and electricity meters
- the type of heating fuel you use and the types of heating you use for your rooms.

After the visit, the assessor will feed the information gathered during the assessment into an authorised software programme which will produce your EPC and recommendation report. Information collected about your property is protected from disclosure without your permission other than for strictly limited purposes.

Each improvement in the recommendation report is accompanied by the typical cost savings per year as well as what the performance rating could be after improvements are made.





What sort of recommendations will be made and what do they mean?

The recommendation report includes cost-effective recommendations split into low cost improvements (up to £500) and high cost improvements (over £500).

It also includes more advanced energy improvements that could be applied to a home to achieve the highest possible energy efficiency standards. Many of these will be more costly and have a much longer payback period.

Do I have to act on the recommendations?

The recommendations are for you (and your prospective tenant). There is no legal requirement to act on any of the recommendations. However, taking action on the recommendations is likely to improve the energy efficiency of your property and make it more attractive to prospective tenants. Financial assistance may be available to help with the cost of works (see Financial assistance for improvement works).

I already have a lot of data about my properties, can this be used?

If you hold extensive and up-to-date data about the energy efficiency performance of your properties, it may be possible for the assessor to use this data. Please see the detailed guidance for landlords available at www.communities.gov.uk/epbd for more details.

I have a number of similar properties, do all of them need to be visited to produce an EPC?

If you have a number of properties that are similar, it may be possible to produce EPCs for them all by assessing a sample. Please see the sampling methodology at www.communities.gov.uk/epbd for more details and to see whether this would apply to your situation. The accreditation scheme is required to operate a free complaints service.

What happens if I am dissatisfied with the energy assessment or EPC?

If you are concerned about any aspect of the energy assessment or the quality or accuracy of the EPC you should initially contact the Energy Assessor. If you are still concerned you should contact the accreditation body of your Energy Assessor. You can find contact details of the Energy Assessor and their accreditation scheme on your EPC.

To locate an Accredited Energy Assessor in your area: www.epcregister.com

What are the penalties if I do not provide an EPC?

The provision of EPCs is enforced by the Trading Standards department of the local authority. If they receive a complaint that an EPC has not been provided they can impose a penalty charge on you of £200 for each breach.

Financial assistance for improvement works

The Landlords Energy Saving Allowance (LESA)

The Landlords Energy Saving Allowance (LESA) allows private landlords who pay income tax to offset up to £1,500 spending on certain energy efficiency measures per dwelling (not per building) per year. The qualifying measures are loft, cavity, floor or solid wall insulation, draught proofing and hot water system insulation. More information on the LESA can be found at <http://www.hmrc.gov.uk/budget2007/bn63.htm> or by contacting the relevant local authority or local HMRC enquiry centre.

Warm Front

Warm Front is the Government's main scheme to help people who can't afford to pay fuel bills, and is open to most households in England who are claiming certain benefits. Grants of up to £2,700 are available (or £4,000 for dwellings with oil fired heating systems). As a landlord you do not need to be eligible personally: if your tenant qualifies then the property is eligible and the tenant needs to apply. Warm Front is not available for tenants of Housing Associations or local authority tenants. More information is available from <http://www.warmfront.co.uk/>

The Home Energy Efficiency Scheme

The Home Energy Efficiency Scheme operating in Wales has a similar function to Warm Front, with grants of up to £3,600 offered. More information is available at <http://www.heeswales.co.uk/>

For further information about EPCs:

Communities and Local Government

www.communities.gov.uk/epbd

For further information about energy efficiency, practical advice and grants:

Energy Savings Trust

www.est.org.uk

ACT ON CO₂ advice line: 0800 512012

To find an accredited Energy Assessor or to download a copy of an existing EPC

www.epcregister.com

A Welsh translation is available on request by calling 0870 1226 236.

Mae'r daflen hon ar gael yn Gymraeg hefyd drwy ffonio 0870 1226 236.

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