

Energy Performance Certificates for Commercial Properties

Reference Guide

Energy Performance Certificates

Energy Performance Certificates (EPCs) measure buildings energy efficiency and include information about the current lighting, heating and air conditioning facilities as well as CO2 emissions.

The certificate includes an asset rating, based on the fabric of the building and the services it provides. The ratings are A (most efficient) – G (least efficient). The current benchmark for commercial properties is C; however, there are proposals under the Energy Act 2011 for the government to make regulations that specify a minimum level of energy efficiency for non-domestic private rented property in England and Wales, before the landlord can let the property. The relevant minimum standard will be linked to the EPC rating, however, to date no draft regulations have been published.

Each Certificate is accompanied by a recommendation report suggesting ways the energy performance can be improved.

Requirements

Following the implementation of the Energy Performance of Buildings Regulations 2010 as amended in 2013, it is now a requirement to commission an EPC on all buildings (domestic or non-domestic) before marketing for sale or rent. There is also an obligation to use all reasonable efforts to ensure that an EPC is obtained within 7 days of marketing a property. Under the 2013 EPC regulations, an advertisement in commercial media for the sale or rental of a building must state the asset rating of the building as shown on the EPC.

The seller or landlord must ensure that the ultimate buyer or tenant has received a valid EPC.

An EPC is not required on construction, sale or rent of the following:

- Places of worship
- Temporary buildings where planned use does not extend beyond 2 years
- Industrial sites and workshops with a low energy demand (where the air is not fully heated or cooled)
- Non-residential agricultural buildings with low energy demand
- Stand alone buildings with a total useful floor area of less than 50m² (530 sq ft).

Additionally, buildings intended for demolition may be exempt.

On all properties that are not dwellings and frequently visited by the public, the 2013 EPC regulations require a copy of the EPC to be displayed in the property.

Flats and other multi let buildings

Each dwelling must have their own EPC.

If a building is made up of separate commercial units but has a common heating system then either one EPC can be prepared for the whole building (which can then be used when any separate part is let or sold) or an EPC can be prepared for the part of the building which is being offered for sale or rent.

If an EPC is required for the whole building or common parts of the building then it is likely to be the landlord's responsibility. It is possible that this cost could be recouped, but this depends on the wording of the service charge clause in the lease.

Anyone who has an interest in or who is currently occupying the building has a duty to cooperate with and allow the landlord and energy performance assessor sufficient access to prepare an EPC.

Validity

An EPC is valid for 10 years, but is kept on record by the local authority for 20. It will be revoked if a new EPC is issued for the building. However, if an EPC is produced for part of a building, it will not revoke a previous EPC for the whole of the building.

Penalties

The regulations are enforced by Trading Standards / Weights and Measures department of the local council. Fines of 12.5% of the rateable value (subject to a minimum of £500 and a maximum of £5000) will be imposed if an EPC is not supplied on a sale or letting.