

ARHM GOOD PRACTICE NOTE

ENERGY PERFORMANCE CERTIFICATES (EPCs)

- Anyone selling a property must provide an Energy Performance Certificate that is no more than 3 months old when the property is first marketed.
- EPCs do not assess the common parts of blocks of flats.
- Any sales particulars for a flat are required to include the graphs from the front page of the EPC or the full EPC attached.
- Landlords of all rented/let property are required to produce an EPC before any new letting.
- The responsibility for obtaining the EPC is on the leaseholders if selling or subletting. If a landlord sublets a house or a flat in a block, it is the responsibility of the landlord.
- EPCs can only be produced by qualified Energy Assessors.
- EPCs are also required for non-residential buildings
- Written air-conditioning inspection reports are required for air-conditioning units.

About the EPC

The procedure for calculating energy ratings and the main information on the certificate is automated via accredited software which the assessors must use. The assessor enters the information on the particular property and submits it to a central database of all EPCs. The central database holder issues the certificate with a unique reference number and the assessor then issues a copy to the property owner.

The certificate itself includes prescribed content. There are two ratings scores for residential property; the energy efficiency rating and the emissions/environmental impact rating. The ratings are expressed as a number and on a scale of bands A to G. The certificate also contains reference benchmarks to compare the rating of the property with others, and a recommendations report on ways to improve the energy performance of the property.

The EPC methodology is based on standard data. For new dwellings it uses the “SAP” method and for sales and rentals of existing dwellings Reduced Data SAP, known as RDSAP. The rating of a property is a relative one based on standard occupancy patterns.

Energy Assessors

National Occupational standards are in place and there are three categories of assessor:-

- Domestic Energy Assessor – can produce EPCs for existing dwellings.
- SAP Assessor – can produce EPCs for new and existing dwellings.
- Home Inspectors – can produce EPCs as part of a home condition report or separately for existing dwellings.

A qualification of Diploma in Domestic Energy Assessment is approved by the Government’s qualifications body and three bodies are accredited to award the qualifications: - National Association of Estate Agents, City & Guilds and Award Body for the Built Environment.

Lease Extensions

Lease Extensions are exempt because there is no transfer of ownership.

Tied Accommodation e.g. Scheme manager, Porter, Warden or Concierge

If the tenant pays a rent then an EPC will be required when let, (see below for rented dwellings). If no rent is charged, there is no requirement for an EPC.

New Build Properties

Physically incomplete homes marketed off- plan will require a predicted energy assessment which will not require a qualified energy assessor.

A full EPC must be available upon final completion of construction of new homes.

Mixed use buildings

For flats above shops or offices separate EPCs are required for the parts (except in the case of specially designed live – work units).

Rented Dwellings

An EPC must be available for a prospective tenant of a rented dwelling on request and a copy must be given to the tenant prior to contract.

If a tenancy is renewed by the same tenant, the need for an EPC does not arise.

Portfolios of similar properties are allowed EPCs of “representative” properties only, rather than surveying every one.

In the case of shared houses and HMOs where units share toilets, kitchens and bathrooms, one EPC for the building will be required.

The EPC for rented dwellings will be valid for up to 10 years and so renewal is not required for each new letting, unlike properties for sale.

Exemptions from EPC requirements

Sale of Freeholds of Blocks of Flats do not require EPCs

Portfolio sales of rented properties are exempt

Other Exemptions include

- Holiday lets
- Transfer of ownership within a family
- Death or intestacy
- Gift

- Transfer by Court Order
- Lease extensions
- Mobile Homes

Right to Buy/Acquire, Shared Ownership and Homebuy

EPC's are not required for Right to Buy/Acquire sales.

For new developments of shared ownership these are as per sales of properties. If marketing off-plan a predicted assessment should be provided and a full EPCs given on completion of the buildings.

For resales of shared ownership schemes the vendor will have to provide the EPC.

Staircasing of shared ownership leases do not require an EPC.

If a surrender lease reverts to the landlord, then the landlord will have to provide the EPC when marketing the property for resale.

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