



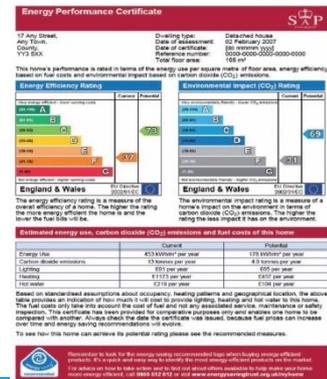
Department for  
Business, Energy  
& Industrial Strategy

# Private Rented Sector – Minimum Energy Efficiency Standards

October 2017

# The PRS Minimum Standard

- From April 2018 privately rented properties in England and Wales will need to reach a minimum Energy Performance Certificate (EPC) rating of E before they can be let (6% domestic properties & 18% non-domestic property currently F/G);
- Standard will apply to properties which are legally required to have an EPC, and which are let on either:
  - an assured tenancy (including an assured shorthold tenancy);
  - a regulated tenancy; or
  - a domestic agricultural tenancy
- Expected to impact on approximately 260,000 domestic properties across England and Wales;
- Landlord's duty to ensure the property reaches E EPC rating (or higher).



# Trigger Points

- Minimum standard to apply in a phased manner:
  - New tenancies (where there is an EPC) from 1 April 2018 (“soft start”)
  - All domestic tenancies – even if tenancy is long standing – from 1 April 2020 (“backstop”), where there is an EPC.
- Even when regulations apply to *all relevant property* (from April 2020 onwards) the consent exemption may apply e.g. if a sitting tenant refuses consent to improvements.



# Minimum Standard Costs

- Landlords required to install those measures which could be installed with no cost to the landlord (i.e. fully funded through Green Deal finance, ECO, or other grant funding);
- If landlord has installed all measures which can be fully funded they will have met their obligation, even if the property remains below E.

## Green Deal

- Finance mechanism to cover the upfront costs of making energy efficiency improvements to a property, with repayments offset by reduced energy costs;
- GD finance loan attached to electricity bill at property. Repayments not to exceed savings, and loan not to exceed expected lifetime of the measure;
- Loan stays with property upon sale or change in tenancy: disclosure to future bill payers.

## Energy Company Obligation

- ECO - a requirement that the Government places on energy suppliers to reduce the UK's energy consumption and support those living in fuel poverty;
- PRS properties eligible for ECO support under the carbon saving obligation (CERO) element and the Affordable Warmth element. Under Affordable Warmth, PR properties will be eligible if they are occupied by households who meet the Affordable Warmth criteria. ESAS (0300 123 1234) can offer advice.



# Exemptions . . .

Landlords may be eligible for an exemption from reaching E rating under one of a number of criteria, including where:

- they can show the property has installed all fundable measures (but remains below E);
- they cannot obtain required consents/permissions for improvement work, or consent is provided with unreasonable conditions;
- a suitably qualified expert has provided written advice that the measures will reduce a property's value by 5% or more, or that that a measure will damage the property.
- New landlord six month exemption

Compliance with the minimum standard will be enforced by local authorities in England and Wales



# The Exemptions Register

- enables landlords to register exemptions against relevant exemption types and upload supporting evidence;
- provides access to enforcement authorities to support monitoring and enforcement;
- will allow members of the public to access high level (non personal) data related to exemptions (from April 2018); and
- will enable enforcement authorities to publish (non personal) information related to breaches and penalties (from April 2018).

The screenshot shows the 'PRS exemptions register' page on the GOV.UK website. The page header includes the GOV.UK logo and the title 'PRS exemptions register'. Below the header, there is a breadcrumb trail: 'Home > BEIS > PRS'. The main heading is 'PRS exemption register'. Underneath, it states 'Use this service to:' followed by two bullet points: 'register an exemption' and 'end an exemption'. It also notes 'Registering an exemption takes around 10 minutes'. A prominent green button labeled 'Start now >' is visible. To the right, there is a section titled 'Registered exemptions and penalty notices' with two links: 'Search for registered exemptions' and 'Search for properties with a penalty notice'. At the bottom, a 'Before you start' section provides instructions: 'You need to know which of the exemptions apply and have the proof ready to upload.' and 'You can find out more about the exemptions and proofs in the [PRS minimum standard](#).'



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# THE DOMESTIC PRIVATE RENTED PROPERTY MINIMUM STANDARD

Guidance for landlords and Local Authorities on the minimum level of energy efficiency required to let domestic property under the *Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015*

October 2017

## The Guidance discusses:

- the steps a landlord should take to ensure their property complies with the minimum level of energy efficiency;
- how a landlord can identify appropriate energy efficiency improvements for their property;
- how a landlord can investigate availability of no-cost funding to cover the cost of improving a domestic property;
- Exemptions and exclusions: the exemptions framework and the steps a landlord should take to register a valid exemption;
- Enforcement: the enforcement framework and the options open to enforcement authorities when policing compliance with the minimum standards, including information on fines and other penalty options;
- The appeals framework: appeals will be heard by the First-tier Tribunal (part of the court system); the guidance discusses the steps a landlord will need to take to lodge an appeal, and how that process will be managed.



# Next Steps

- BEIS will be engaging with local authority and housing officer stakeholders over the coming months to discuss and develop enforcement implementation approaches.
- Also very keen to talk with landlords to understand any concerns around compliance and guidance.

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