

What are the Minimum Energy Efficiency Standards (MEES)?

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015, otherwise known as the Minimum Energy Efficiency Standards (MEES) are regulations set by the UK government to improve energy efficiency in commercial buildings. As of April 2018, landlords will no longer be able to renew or grant a new tenancy of longer than 6 months if their commercial property has an Energy Performance Certificate (EPC) rating of F or G.

When will MEES be implemented?

- 1st April 2018 – All privately rented domestic and non-domestic properties must not be let on a new tenancy or extended on an existing tenancy where they don't have an EPC rating of E or higher.
- 1st April 2020 – These requirements will then apply to all private rented properties where there are changes in tenancy and even where there are no changes for domestic properties.
- 1st April 2023 – These requirements will then apply to all private rented properties where there are changes in tenancy and even where there are no changes for non-domestic properties.

Does it affect me?

MEES will affect all commercial properties with an EPC rating lower than E, with the exception of the following:

- Buildings that do not require an EPC.
- Tenancies of less than 6 months.
- Tenancies of over 99 years.

What are the industry risks?

Legal Issues – some properties may be illegal to let unless they improve their EPC rating to an E or higher.

Valuation – properties' valuation could be affected. For more regarding this topic, [download our white paper on MEES: The implications for rent reviews, lease renewals and valuation.](#)

Dilapidations – assessments for dilapidations may also be affected.

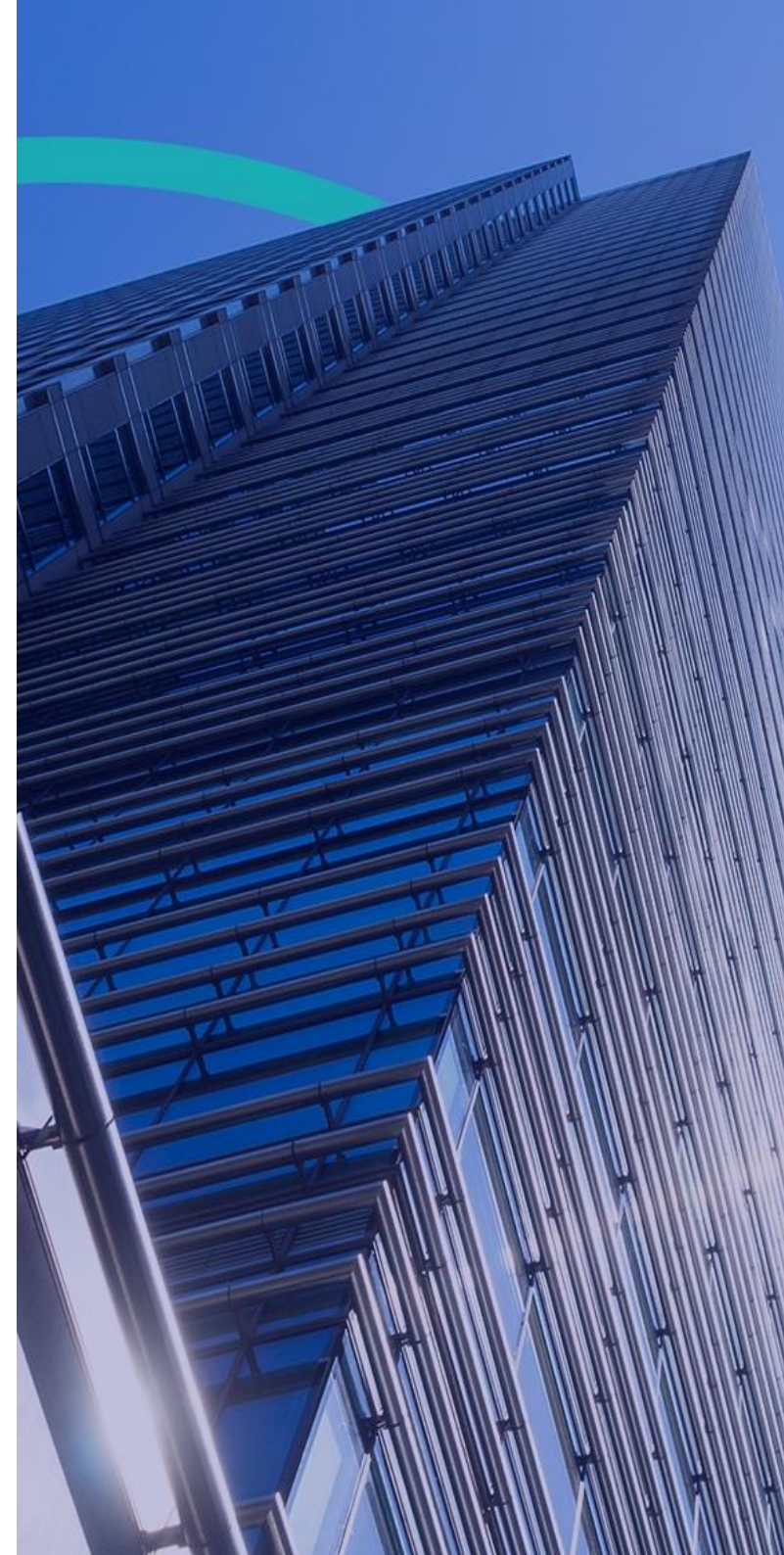
What are the operational risks?

There will be large amounts of EPC information to decipher, therefore, it is a challenge to centralise as this can be expensive and time consuming.

Are there any exemptions?

Yes, there are a number of MEES exemptions:

- The 'Golden Rule' – If the landlord has carried out cost-effective improvements advised by a surveyor, EPC assessor or Green Deal assessor, that payback in 7 years, and the property still doesn't meet MEES requirements. They must prove that these measures have been undertaken and must lodge this as an exemption on the PRS Exemptions Register.





- Devaluation - A qualified expert determines that the energy efficiency improvements made to the building are likely to decrease its valuation by 5%, or work would damage the property.
- Third party consent – Consent to undertake improvement works is refused by a third party, such as a local authority.

PRS Exemptions Register

If landlords seek to rely on an exemption, they will have to record details of the exemption on the PRS Exemption Register with accompanying evidence. Certain details will also be made public on the PRS Exemption Register including: address of properties with exemptions, names of landlord of exempt properties, details of the landlord of exempt properties, details of the exemption, a copy of valid EPCs for exempt properties and the dates on which the exemptions were registered.

Are there any penalties?

MEES will be enforced by Local Weights and Measures Authorities who will have the power to impose civil penalties on the rateable value of the property.

Next Steps

With the countdown well and truly on until MEES 2018, there is no better time to start getting prepared. Our arbn consult software has the ability to deliver EPC retrofit strategies in minutes.

A number of the benefits include:

- Managing MEES risk.

- The ability to re-run historical SBEM EPC models through the latest version of SBEM to identify changes in EPC rating.
- Detailed costing and in depth technical knowledge delivered in minutes.
- Ability for energy consultants to personalise our asset energy reports and rebrand as their own, therefore, generating more business.
- A one-off fee for 12 months access to the unlimited model simulations.

Register today for a free trial of [arbn consult](#).

Resources

Our Resources page contains a range of MEES related content:

White paper – Our detailed white paper focuses on the MEES implications for rent reviews, lease renewals and valuation. [Download now](#).

Blogs – Many of our blogs are centred around MEES, such as one which explains how £16.5bn could be wiped off the UK's commercial property portfolio as a result of MEES. [Read full blog here](#).

CPD Presentation – Our event at Construction Scotland Innovation Centre focused on the risks and opportunities of MEES. [Download the full presentation](#).

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