**The Energy Efficiency (Private Rented Property) (England and Wales)**

**Regulations 2015**

The regulations set out the minimum level of energy efficiency for homes in the domestic private rented sector for new tenancies from 1 April 2018 and for all tenancies from 1 April 2020. The minimum level is an Energy Performance Certificate (EPC) rating of Band E. Properties which fail to meet this level are known as sub-standard.

From 1 April 2018 landlords of domestic private rented properties which are rented out through an assured, regulated or agricultural tenancy may not grant a new tenancy to a new or existing tenant if their property has an EPC rating of F or G as shown on the EPC certificate. To continue letting out the property, the landlord will be required to carry out energy efficiency improvements to raise the EPC rating to a minimum of E.

The requirement to meet the minimum level of energy efficiency is triggered when a

new tenancy is created or when an existing tenancy with an existing tenant is

extended. **This includes situations where a fixed term tenancy such as a six**

**month assured shorthold tenancy expires and becomes a periodic tenancy.**

From 1 April 2020 landlords must not continue to let domestic property with an EPC

rating of F or G, even to existing tenants.

The regulations are intended to ensure that tenants who most need more efficient

homes, particularly vulnerable people, are able to enjoy a better living environment and lower energy bills.

There are exemptions which mean that a property can still be rented if the EPC is less than band E.  Please see this link to the Guidance on the Regulations which explain the exemptions starting at page 50 <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/669587/Domestic_Private_Rented_Landlord_Guidance_-_Updated_Version.pdf>

It is desirable that landlords improve the EPC of their properties.  However, you are entitled to apply for an exemption.  The register can be accessed by following a link on this page <https://support.elementsproperty.co.uk/knowledge-base/the-prs-exemptions-register/>.

You can apply for an exemption on the grounds that any recommended measure is not a “relevant energy efficiency improvement” because the cost of purchasing and installing it cannot be wholly financed at no cost to the landlord.  See pages 53 and 67 of the Guidance.  Please be aware however, that it is very likely that the Regulations will be amended so that the landlord will have to pay the first £2500 of installing measures to raise the EPC to band E.

From 1 April 2018, where the Council believes that a landlord may be in breach of

letting a property of an EPC rating of F or G, or a landlord has been in breach of the

prohibition at any time within the past 12 months, they may serve a compliance notice

requesting information from the landlord which will help us decide whether that landlord has in fact breached the prohibition. Where the landlord fails to provide information requested by the compliance notice or fails to register an exemption, a penalty notice may be served.

The amount of the penalty to be imposed is for the local authority to decide, however, maximum limits are set by the regulations. These are:

1. Letting a sub-standard property for a period of less than 3 months - £2000 (max) and may also impose a publication penalty (see below)
2. Letting a sub-standard property for 3 months or more - £4000 (max) and may also impose a publication penalty (see below)
3. Registering false or misleading information on the PRS Exemptions Register - £1000 (max) plus publication penalty (see below)
4. Failure to comply with the compliance notice - £2000 (max) plus publication penalty (see below)
5. Maximum financial penalty - £5000 per property and per breach of regulations
6. A publication penalty means that the council will publish some details of the landlords breach on a publically accessible part of the PRS Exemptions Register for a period of 12 months or more.

For more detailed information please see The Energy Efficiency (Private Rented

Property) (England and Wales) Regulations 2015.