



HM Government

Energy Performance Certificates (EPCs) and Non-dwellings: A guide for building owners, landlords and tenants

Improving the energy efficiency of non-dwellings



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From 1 October 2008 sellers and landlords will be required by law to provide an **Energy Performance Certificate (EPC)** for all buildings or parts of buildings when they are sold or rented. Those carrying out the construction of a building will be required to provide an EPC to the owner.

An Energy Performance Certificate gives prospective buyers or tenants information on the energy efficiency and carbon emissions of a building.

The certificate will be phased in from April 6 2008 when buildings sold, rented or built with a total floor area of more than 10,000sq m will require one.

From 1 July 2008, this extends to buildings with a total floor area greater than 2,500 sq m. From 1 October 2008 all remaining commercial buildings will require an EPC on sale or rental or upon construction.

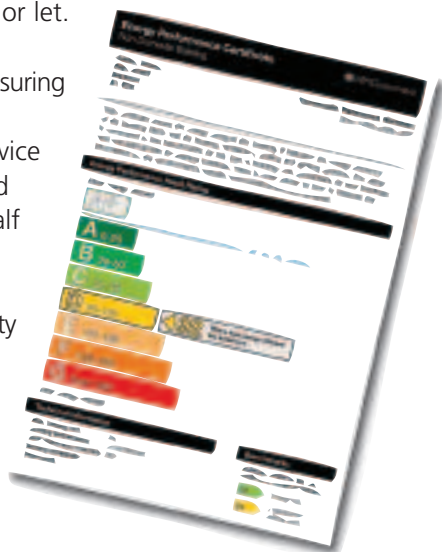


What does this mean in practice?

If you are offering any accommodation for **sale** or **let** (this includes sub-letting) you will need to make an EPC available that reflects the energy performance of the accommodation on offer. An EPC should be provided to a prospective buyer or tenant at the earliest opportunity and no later than when a viewing is conducted or when written information is provided about the building or in any event before entering into a contract to sell or let.

As a seller or landlord you are responsible for ensuring there is an EPC available for the accommodation being sold or let even if an agent or another service organisation is acting on your behalf. You should therefore ensure any agents acting on your behalf are complying with the Regulations.

When a building is constructed, it is the responsibility of the **person carrying out the construction** when the building is physically complete to give an EPC and recommendations report to the **owner of the building** and to notify Building Control that this has been done.



What is an Energy Performance Certificate?

The Energy Performance Certificate looks similar to the certificates now provided with domestic appliances such as refrigerators and washing machines.

It tells potential buyers and tenants about the energy performance of a building so they can consider energy efficiency as part of their investment or business decision to buy or occupy that building.

All EPCs come with a recommendation report which includes advice and suggestions on improvements you could make to save money and energy.

How long are EPCs valid for?

An EPC for a commercial building is valid for 10 years, or until a newer EPC is prepared. During this period the EPC may be made available to buyers or new tenants.

How do I know whether my building requires an Energy Performance Certificate?

If you have a building (with a roof and walls) that uses energy to condition the indoor climate (i.e. has heating, air conditioning or mechanical ventilation) then you will require an EPC when it is sold or let. Parts of a building designed or altered to be used as separate accommodation may require their own EPC.

The sale and let of commercial buildings can be complex with floors let to different tenants, and with a mixture of retail, office and residential accommodation.

The EPC required for any space you offer for sale or let must reflect the energy performance of the accommodation on offer.

Selling or letting part of a building, where the building has a common heating system: If a building has a common heating system then the seller or prospective landlord can prepare (or make available) an EPC for the whole building. This EPC may then be made available for **any** part of the building subsequently offered for sale or let. It is also possible to prepare (or make available) an EPC for a part designed or altered to be used separately, if required.

Buildings with separate parts and separate heating systems: An EPC should be prepared (or made available) for **each** part of a building that is being offered separately for sale or let. The EPC should reflect *the services in those part(s)* being offered for sale or let. A separate EPC should be provided for any common areas that exist solely or mainly for access to the part.

Selling or letting a building as a whole: You can prepare (or make available) an EPC for the whole building, even if that building has parts designed or altered to be used separately with separate heating systems. If the building has a common heating system, the EPC may subsequently be used for any part of the building offered for sale or let.

Residential accommodation: Any separate residential accommodation that is self-contained will require its own EPC (using SAP or RdSAP as appropriate). Residential space that can only be accessed via commercial premises (i.e. a house with a shop in a downstairs room or a shop with accommodation where the access is through the shop) will be assessed with the commercial premises as a single building (where SBEM is more appropriate).

Modifications to a building: If a building is modified to have more or less parts that are designed or altered to be used separately **and** the modification includes the provision or extension of heating, hot water, air conditioning or mechanical ventilation then an EPC for the building must be provided on completion of the work.

Further guidance on whether buildings require an EPC can be found in “*a guide to energy performance certificates for the construction, sale and let of non-dwellings*” which can be downloaded from the Communities and Local Government website.

Are there any circumstances where I don't need an EPC?

EPCs are not required before the construction of a building is completed. Nor are they required on the sale, rent or construction of:

- places of worship;
- temporary buildings with a planned time of use less than 2 years;
- stand alone buildings with a total useful floor area of less than 50m² that are not dwellings;
- industrial sites, workshops and non-residential agricultural buildings with low energy demand.

As the purpose of EPCs is to enable potential buyers or tenants to consider energy performance of a building as part of their investment, transactions which do not involve a new owner or tenant may not require an EPC. Examples might include:

- lease renewals or extensions to existing tenants
- compulsory purchase orders
- lease surrenders.



How do I get an Energy Performance Certificate?

By law, EPCs can only be produced by an **accredited Energy Assessor**. The accreditation schemes protect builders, owners, landlords and tenants by making sure Energy Assessors have the appropriate skills to carry out energy assessments, and that EPCs are always of the same high quality.

You can find an accredited Energy Assessor at www.ndEPCregister.com, or by contacting an accreditation scheme on the Communities and Local Government website. An agent may also help you locate an assessor.

The energy assessor will need to understand the internal layout of the building, how it has been constructed, what it is designed to be used for, the services and lighting and controls used. This is to understand the energy demands of each individual space (zone) in accordance with its designed use.

This information is fed into a Government approved software package which will produce your EPC. At the same time recommendations will be produced by the software and reviewed by the assessor with their knowledge of your building to produce a recommendations report to accompany your certificate.

All EPCs must be registered and stored in the national register at www.ndEPCregister.com. with a unique reference number. This must be done by the Energy Assessor in conjunction with their accreditation scheme.





What happens if I do not have an Energy Performance Certificate?

The penalty for failing to make an EPC available to any prospective buyer or tenant when selling or letting non-dwellings is fixed, in most cases, at 12.5% of the rateable value of the building, subject to a minimum penalty of £500 and a maximum of £5,000. There is a default penalty of £750 where the formula cannot be applied. A formula is used as the costs of producing an EPC for non-dwellings are expected to vary according to the size, complexity and use of the building. The EPC will still be required.

What happens if I am not happy with the energy assessment or the Energy Performance Certificate?

If you are concerned about any aspect of the energy assessment or the quality or accuracy of the EPC, you should contact the Energy Assessor in the first instance. If the matter is not resolved you should contact the accreditation scheme of the Energy Assessor who produced the EPC (the contact details will be on your EPC).

I would like to become an Energy Assessor, how do I find out more information?

Details of the accreditation schemes can be found on the Communities and Local Government website. Two organisations award qualifications for non-dwelling energy assessment: ABBE (Awarding Body for the Built Environment) and NFOPP (National Federation of Property Professionals) formerly known as the NAEA (National Association of Estate Agents).

For more information, see the following

Energy Performance Certificates

Communities and Local Government

Phone: 0845 365 2468

E-mail: help@epbduk.info

Website: www.communities.gov.uk/epbd

The Carbon Trust

"The Carbon Trust works with organisations to reduce carbon emissions, energy and costs. To find out how to turn your EPC recommendations into carbon, energy and cost savings contact the Carbon Trust Advice Line on 0800 085 2005 or visit www.carbontrust.co.uk/energy."

Building Regulations Part L

Website: www.planningportal.gov.uk

For further information about non-dwelling Energy Assessor qualifications:

The Awarding Body for the Built Environment (ABBE)

www.abbeqa.co.uk

Tel: 0121 331 5174

National Federation of Property Professionals (NFOPP)

www.nfopp.co.uk/qualifications

Tel: 01926 417 794