



Energy Performance Certificates (England and Wales only)

Background

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 were introduced to improve the energy efficiency of buildings in the domestic and domestic private rented sector in England and Wales. Energy Performance certificates (EPC) have been introduced with energy performance ratings from A, indicating the most efficient, to G for the lowest level of energy efficiency. Any property with a rating of F or G is considered substandard.

There are provisions for owners/landlords to apply for exemption from the new regulations. Such exemptions primarily relate to listed or specialist properties.

EPCs are required when a property is sold and are prepared by Energy Surveyors. The EPC is valid for a period of 10 years and landlords will be required to obtain an EPC for residential rental properties in order to comply with this legislation.

From 1st April 2018 all UK BTL properties will be required to have an Energy Performance Certificate (EPC).

The latest figures suggest that up to 400,000 buy-to-let properties in the UK – many of which were properties built before 1918 – could be affected.

How will this affect you?

Landlords will have to ensure their existing properties meet the minimum EPC rating of E, as properties that fail to meet the standards and are graded F and G will be treated as substandard under the legislation. Landlords will not be able to grant new tenancies, or renew existing tenancies on properties deemed substandard that do not have an exception, and may face fines of up to £4,000 for renting out a non-compliant property.

Anyone with a buy-to-let property in the UK should check the energy ratings as soon as they can to allow time to bring the property up to standard before the regulation changes on the 1st April 2018. This is also something that anyone thinking of buying a new buy-to-let property in the UK should be aware of.

The type of improvements that may help bring a property up to Minimum Energy Efficiency Standards range from introducing draught-proofing, duct or loft insulation, more efficient showers and hot water taps, to installing cavity wall insulation, new condensing boilers, or even air-source heat pumps. There are a lot of small improvements a landlord may be able to make to ensure a property is compliant, however in some instances, more substantial upgrades may be required.

Skipton International requirements

From 1st April 2018, all Landlords will have to ensure rental properties meet a minimum Energy Performance Rating of E in order to be able to create a tenancy (unless exempt under the current regulations).

Properties that are graded F or G are classed as substandard under the legislation and cannot be let. As such, Skipton International will only be able to provide mortgages against rental properties with an energy performance rating of A to E inclusive.

Skipton International will require applicants to supply a copy of a current EPC relating to the security property at the time of application. Skipton International reserve the right to request provision of EPC at any point during the life of your mortgage.

To check if your property meets the required standards, simply click on the following link, enter the postcode and download the EPC in PDF format.

<https://www.epcregister.com/reportSearchAddressTerms.html?redirect=reportSearchAddressByPostcode>

For further information and guidance, please visit the UK Government web site;

<https://www.gov.uk/government/publications/the-non-domestic-private-rented-property-minimum-standard-landlord-guidance>

Please call us on: +44 (0) 1481 730730
or visit: www.skiptoninternational.com

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YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE. Minimum age 18 years. All mortgages are subject to status and valuation. Skipton International Limited requires a first charge on the property. To help maintain service and quality, telephone calls may be recorded and monitored.

