



Sproull Solicitors LLP Fact Sheet

The Energy Performance of Buildings

The directive relating to energy performance of buildings was agreed by all members of the European Union in January 2003.

As a Member State of the EU, the UK is required to put this directive into practice through its own legislation. Originally this was to have been completed by January 2006, however unfortunately it was not and implementation is now expected for June 2007. As you may be aware this is also the date when the Home Information Pack legislation is due to come into force.

The Directive has been introduced in an effort to reduce the effects of climate change and lower greenhouse gas emissions. Buildings are a major source of greenhouse gas emissions both in their construction and energy usage during their lifetime. This Directive is based on trying to make buildings energy efficient and cost effective in reducing greenhouse gas as well as energy costs for householders and other occupiers.

All residential, public and commercial buildings, including offices, hotels, schools, hospitals and leisure organisations will require energy certificates. Each time that any of these buildings, whether new or existing, is sold or let, an energy performance certificate of no more than 10 years old will have to be shown to prospective purchasers or tenants.

The certification process will cover the current level of the building's energy efficiency as well as recommending measures for cost effective energy performance improvements. New builds and major renovations will also be affected. There are also requirements for regular inspections of boilers, heating systems and air conditioning.

If an owner or occupier intends to spend more that £8,000.00 on the envelope of the building an extra 10% for energy efficiency must be added.

If you are a landlord or a property developer, you will need to have an energy performance certificate available for the next time you wish to sell or rent your property.

Those who rent properties should receive an energy performance certificate on change or renewal of their lease. Certificates will also have to be available prior to purchase for prospective buyers of new or existing properties.

It is estimated that there will need to be 6,000 certifiers in the UK and the certification process will need to be carried out by "independent experts". All potential certifiers will need appropriate training ahead of the new rules coming into force and the Royal Institute of Chartered Surveyors is helping to develop a system for accreditation with government departments industry and professional bodies to devise a strategy for England and Wales.

It is envisaged that in the future local authorities will be monitoring whether recommendations are carried out by owners/occupiers of properties. If they are not there will be an increase in Council Tax to cover the lack of energy efficiency of that particular property.

This is an ever changing procedure at this time and needs to be looked at on a regular basis until the process comes into force.