

Guidance

Non-domestic private rented property: minimum energy efficiency standard - landlord guidance

Guidance to landlords of privately rented non-domestic property on complying with the 2018 'Minimum Level of Energy Efficiency' standard (EPC band E).

From: [Department for Energy Security and Net Zero](#)

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Applies to England and Wales

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This page is for non-domestic private rented properties. There is different [guidance for landlords of domestic private rented properties \(https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance\)](https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance).

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 establish a minimum level of energy efficiency for rented property in England and Wales.

When you need to take action to improve your property to EPC E

Since 1 April 2018, landlords of non-domestic rented properties have only been permitted to grant a new tenancy, or to extend or renew an existing tenancy, if their property has at least an Energy Performance Certificate (EPC) E rating, unless they have registered a valid exemption.

From **1 April 2023**, the requirement for non-domestic landlords to obtain at least an EPC E rating, unless they have registered a valid exemption, applies to all privately rented non-domestic properties (even where there has been no change in tenancy).

If your property is currently empty, and you are not planning to let it, you don't need to take any action to improve its rating until you decide to let it again.

Read the [detailed version of the landlord guidance \(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1148676/non-dom-private-rented-property-minimum-standard-landlord-guidance.pdf\)](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1148676/non-dom-private-rented-property-minimum-standard-landlord-guidance.pdf) for more information.

Find out if your property is covered by the Regulations

The Regulations apply to all non-domestic rented properties that are legally required to have an Energy Performance Certificate (EPC). If the property you let has been marketed for sale or let, or modified, in the past 10 years then it will probably be legally required to have an EPC.

The regulations do not apply to non-domestic rented properties that are either:

- granted for a 'term certain' (the original term or time period granted by a tenancy) not exceeding 6 months (unless the tenancy agreement contains provision for renewing the term or extending it beyond 6 months from its beginning, or, at the time it is granted, the tenant has been in occupation for a continuous period of more than 12 months)

- granted for a 'term certain' of 99 years or more

Answer these questions to find out whether your property is covered by the Regulations:

- 1 Is your property not considered a domestic dwelling? (This would include most commercial and public sector buildings.)
- 2 Is your property legally required to have an EPC?
- 3 Is the tenancy granted for a 'term certain' between 6 months and 99 years?

If you answered 'Yes' to all the questions, and your property has an EPC rating of F or G, you must take appropriate steps to comply with the requirements of the Minimum Energy Efficiency Standards (MEES) Regulations. We explain how to do this below.

If you answered No to one or all of these questions, your property is not covered by the Regulations, and you don't need to take action to improve the property rating. You may let it with an EPC rating of F or G.

Find out more about your eligibility:

- [how to get a rating on your property \(https://www.gov.uk/energy-performance-certificate-commercial-property\)](https://www.gov.uk/energy-performance-certificate-commercial-property)
- [whether you have an EPC and what the EPC rating is \(https://www.gov.uk/find-energy-certificate\)](https://www.gov.uk/find-energy-certificate)
- [EPC requirements for non-dwellings \(https://www.gov.uk/government/publications/energy-performance-certificates-for-the-construction-sale-and-let-of-non-dwellings--2\)](https://www.gov.uk/government/publications/energy-performance-certificates-for-the-construction-sale-and-let-of-non-dwellings--2)

Cost effective energy efficiency measures

We do not expect that all properties will be able to meet the minimum EPC standard, but it is important that every property is undertaking improvements to achieve the highest EPC rating that a cost-effective package of measures can deliver.

For example, some recommended energy efficiency improvements may not be deemed cost effective for you, in which case you can register an exemption. This is done via the '7 year payback test' exemption. To demonstrate that you cannot improve your property to EPC E where cost effective, you must show that the cost of purchasing and installing a

recommended improvement, or improvements, does not meet a simple 7 year payback test. A measure, or a package of measures, will fail the 7 year payback test where the expected value of savings on energy bills that the measures are expected to achieve over a period of 7 years, starting with the date the installation is completed, are less than the cost of repaying it.

See [Registering an exemption](#) for more information on this and other exemptions .

Registering an exemption

There are various exemptions that apply to the prohibition on letting a property with an energy efficiency rating below E.

If your property meets the criteria for any of the exemptions, you will be able to let it once you have registered the exemption on the Private Rented Sector (PRS) Exemptions Register.

Information required for all exemptions:

- address of the property
- type of exemption you are registering
- copy of a valid EPC for the property

Where an exemption applies, the exemption must be registered by the landlord (or an agent for the landlord) before it can be relied on. This registration is made on a self-certification basis and an exemption will apply from the point at which it is registered.

Where an EPC F or G rated rented property is not covered by the Regulations, for example a property which is not legally required to have an EPC, or one not let on a relevant tenancy type, an exemption will not be required. In addition, properties which are covered by the Regulations and which have been improved to a minimum of EPC E will not need to be registered on the Register.

Please note: any exemptions from the prohibition on letting F or G rated property which are registered on the PRS Exemptions Register may not pass over to a new owner or landlord of a property upon sale, or other transfer. If a let property is sold or otherwise transferred with an exemption registered, the exemption will cease to be effective and the new owner will need to either improve the property to the minimum standard at that point, or register an exemption where one applies, if they intend to continue to let the property.

The following summaries outline the available exemptions and the evidence requirements for each, but landlords should read the full guidance on the

Minimum Energy Efficiency Regulations to fully understand their obligations before deciding on their course of action.

‘7 year payback’ exemption

Register this exemption where a recommended measure is not a ‘relevant energy efficiency improvement’ because the cost of purchasing and installing it does not meet the 7 year payback test (Regulation 28(3)).

The prohibition on letting a non-domestic property below an EPC energy efficiency rating of E does not apply if a landlord can show that the cost of purchasing and installing a recommended improvement or improvements does not meet a simple 7 year payback test. A measure, or a package of measures, will fail the 7 year payback test where the expected value of savings on energy bills that the measure (or package of measures) is expected to achieve over a period of 7 years, starting with the date the installation is completed, are less than the cost of repaying it. The formula for the 7 year payback test is set out in regulation 28(3) – (8) and is described in [Chapter 2 of the full non-domestic guidance for landlords](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1148676/non-dom-private-rented-property-minimum-standard-landlord-guidance.pdf) (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1148676/non-dom-private-rented-property-minimum-standard-landlord-guidance.pdf).

To register this exemption, you need to provide this additional information:

- the landlord should upload copies of 3 quotes for the cost of purchasing and installing the measure from qualified installers
- confirmation that the landlord is satisfied that it does not meet the 7 year payback rule
- the landlord should also upload copies of the cost calculations made to demonstrate this

This exemption will last 5 years. After this time it will expire and the landlord must try again to improve the property’s EPC rating to meet the minimum level of energy efficiency. If this cannot be achieved then a further exemption may be registered.

‘All improvements made’ exemption

Register this exemption where all the ‘relevant energy efficiency improvements’ for the property have been made (or there are none that can be made) and the property remains sub-standard (Regulation 25).

The requirement to meet the minimum level of energy efficiency (EPC E) does not apply where a landlord has made all the relevant energy efficiency improvements that can be made (or there are none that can be made), and

the property remains below EPC E (please see the landlord guidance documents for the definition of 'relevant energy efficiency improvements').

If this is the case, the situation must be registered on the PRS Exemptions Register before the property can be let on a new tenancy or to allow it to continue to be let after 1 April 2023 in the non-domestic sector.

To register this exemption, you need to provide this additional information:

- for an exemption of this type, the landlord may be relying on information contained within the property's EPC, which is one of the pieces of information which must already be uploaded to the Register for any exemption type
- however, if a landlord is relying on information contained in a separate report, they will also need to upload a copy of this relevant report to support the exemption

Once registered, this exemption will last 5 years. After this time it will expire and the landlord must try again to improve the property's EPC rating to meet the minimum level of energy efficiency. If this cannot be achieved then a further exemption may be registered.

Wall insulation exemption

Register this exemption if the only relevant improvements for your property are:

- cavity wall insulation
- external wall insulation
- or internal wall insulation (for external walls)

You must also have:

- obtained written expert advice showing that these measures would negatively impact the fabric or structure of the property (or the building of which it is part)

This exemption will last 5 years. After this time it will expire and the landlord must try again to improve the property's EPC rating to meet the minimum level of energy efficiency. If this cannot be achieved then a further exemption may be registered.

To register this exemption, you need to provide this additional information:

- a copy of the written opinion of a relevant expert stating that the property cannot be improved to an EPC E because a recommended wall insulation measure would have a negative impact on the property (or the building of which it is part)

Third-party consent exemption

Register this exemption if the relevant improvements for your property need consent from another party, such as a tenant, superior landlord, mortgagee, freeholder or planning department, and despite your best efforts that consent cannot be obtained, or is given subject to conditions you could not reasonably comply with.

This exemption lasts:

- 5 years
- or, where lack of tenant consent was the issue, until the current tenancy ends or is assigned to a new tenant

In either case, once the exemption comes to an end, you need to try again to improve the EPC rating of the property, or register a further exemption.

To register this exemption, you need to provide this additional information:

- copies of any correspondence and / or relevant documentation (such as a letter from your tenant, or a planning department decision notification) demonstrating that consent for the recommended measure was required and sought, and that this consent was refused, or was granted subject to a condition that you were not reasonably able to comply with

Property devaluation exemption

Register this exemption if you have evidence showing that making energy efficiency improvements to your property would devalue it by more than 5%. In order to register this exemption you will need a report from an independent surveyor. This surveyor needs:

- to be on the Royal Institute of Chartered Surveyors (RICS) register of valuers
- to advise that the installation of the relevant improvement measures would reduce the market value of the property, or the building it forms part of, by more than 5%

This exemption lasts 5 years. After that it will expire and you must try again to improve the property's EPC rating to E. If it is still not possible, you may register a further exemption.

To register this exemption, you need to provide this additional information:

- a copy of the report prepared by an independent RICS surveyor that provides evidence that the installation of the recommended measures would devalue to property by more than 5%

Temporary exemption due to recently becoming a landlord

If you have recently become a landlord under certain circumstances (see [section 3.1.3 in Chapter 3 of the full non-domestic guidance for landlords document](#)

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1148676/non-dom-private-rented-property-minimum-standard-landlord-guidance.pdf) for details of those circumstances) you will not be expected to take immediate action to improve your property to EPC E. You may claim a 6 months exemption from the date you became a landlord.

This exemption lasts 6 months from the date you became the landlord. After that it will expire and you must have either:

- improved the property to EPC E
- or registered another valid exemption, if one applies

To register this exemption, you need to provide this additional information:

- the date on which you became the landlord for the property
- the circumstances under which you became the landlord

How to register an exemption

- create an account
- enter the address of your property
- state the type of exemption you want to register
- upload all the required evidence, including a copy of a valid EPC for the property (the Register can accept pdf, png, jpg, jpeg, doc or docx files, with a maximum size of 4 MB per file)

Exemption data cannot be amended once the data has been submitted. Make sure you have checked everything carefully before submitting.

All exemptions apply from the point you register them.

If you improve an exempt property to E after having registered an exemption (or stop renting the property out) you can cancel the exemption by going to your account 'dashboard' page and selecting 'View or manage my exemptions'.

[Register an Exemption \(https://prsregister.beis.gov.uk/NdsBeisUi/used-service-before\)](https://prsregister.beis.gov.uk/NdsBeisUi/used-service-before)

Assisted Digital support to register an exemption

If you need assisted digital support to register an exemption please get in touch by email: esn@cust-serv-details.com or call the digital helpline on 0800 098 7950.

The Assisted Digital service provides digital support in lodging an exemption on the register, but it is the responsibility of the landlord to ensure that their property meets the eligibility criteria for an exemption. The service is not able to provide advice on whether individual properties meet the criteria for an exemption.

Members of the public can:

- [search the Exemptions Register for details of exempt properties](https://prsregister.beis.gov.uk/NdsBeisUi/register-search-exemptions) (<https://prsregister.beis.gov.uk/NdsBeisUi/register-search-exemptions>)
- [search the Exemptions Register for details of penalty notices issued by enforcement authorities](https://prsregister.beis.gov.uk/NdsBeisUi/register-search-penalties) (<https://prsregister.beis.gov.uk/NdsBeisUi/register-search-penalties>)

Enforcement

These minimum energy efficiency standard regulations are enforced by Local Weights and Measures Authorities, who have a range of powers to check and ensure compliance.

If the enforcement authority believes a landlord has failed to fulfil their obligations under the Regulations, they can serve the landlord with a compliance notice. If a breach is confirmed, the landlord may receive a financial penalty.

Non-compliance with the Regulations

The enforcement authority may check for different forms of non-compliance, including one or more of the following:

- from 1 April 2018, you let your property in breach of the Regulations
- from 1 April 2023, you continue to let your property in breach of the Regulations
- you have registered any false or misleading information on the PRS Exemptions Register

Compliance notices

If the enforcement authority believes a landlord may be in breach, they may serve a compliance notice requesting information to help them decide whether a breach has occurred. They may serve a compliance notice up to 12 months after a suspected breach occurred.

A compliance notice may request information on:

- the EPC that was valid for the time when the property was let
- the tenancy agreement used for letting the property
- information on energy efficiency improvements made
- any Energy Advice Report in relation to the property
- any other relevant document

More detail

To find the full details, read:

- [Non-domestic property: guidance for landlords](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1148676/non-dom-private-rented-property-minimum-standard-landlord-guidance.pdf) (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1148676/non-dom-private-rented-property-minimum-standard-landlord-guidance.pdf) (PDF, 1.4 MB, 71 pages)

Legal disclaimer

Please note that the Department for Energy Security and Net Zero (DESNZ) cannot provide legal advice or a definitive interpretation of the law, as this is a matter for the courts. If you have questions that aren't covered here, you will need to seek independent legal advice.

Related content

- [Energy Performance Certificates guidance](https://www.gov.uk/government/collections/energy-performance-certificates) (<https://www.gov.uk/government/collections/energy-performance-certificates>)
- [Energy Performance Certificates for the marketing, sale and let of dwellings](https://www.gov.uk/government/publications/energy-performance-certificates-for-the-construction-sale-and-let-of-dwellings) (<https://www.gov.uk/government/publications/energy-performance-certificates-for-the-construction-sale-and-let-of-dwellings>)
- [Non-domestic Private Rented Sector minimum energy efficiency standards: EPC B implementation](https://www.gov.uk/government/consultations/non-domestic-private-rented-sector-minimum-energy-efficiency-standards-epc-b-implementation) (<https://www.gov.uk/government/consultations/non-domestic-private-rented-sector-minimum-energy-efficiency-standards-epc-b-implementation>)
- [PRS Exemptions Register](https://prsregister.beis.gov.uk/NdsBeisUi/used-service-before) (<https://prsregister.beis.gov.uk/NdsBeisUi/used-service-before>)
- [Display Energy Certificates and advisory reports for public buildings](https://www.gov.uk/government/publications/display-energy-certificates-and-advisory-reports-for-public-buildings) (<https://www.gov.uk/government/publications/display-energy-certificates-and-advisory-reports-for-public-buildings>)

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