



New rules for Greener Buildings

As part of the political impetus in England and Wales to combat climate change commercial buildings will be subject to requirements on their owners to produce Energy Performance Certificates from April 2008, similar to those required for domestic house sales. Display Energy Certificates will also be required. Air conditioning systems will be subject to mandatory inspections.

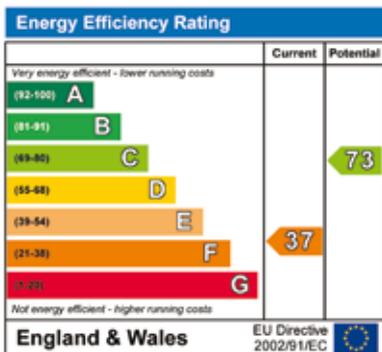
Energy Performance Certificate



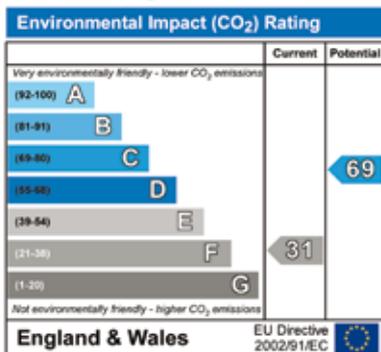
17 Any Street,
Any Town,
County,
YY3 5XX

Dwelling type: Detached house
Date of assessment: 02 February 2007
Date of certificate: [dd mmmm yyyy]
Reference number: 0000-0000-0000-0000-0000
Total floor area: 166 m²

This home's performance is rated in terms of the energy use per square metre of floor area, energy efficiency based on fuel costs and environmental impact based on carbon dioxide (CO₂) emissions.



The energy efficiency rating is a measure of the overall efficiency of a home. The higher the rating the more energy efficient the home is and the lower the fuel bills will be.



The environmental impact rating is a measure of a home's impact on the environment in terms of carbon dioxide (CO₂) emissions. The higher the rating the less impact it has on the environment.

Estimated energy use, carbon dioxide (CO₂) emissions and fuel costs of this home

	Current	Potential
Energy Use	453 kWh/m ² per year	178 kWh/m ² per year
Carbon dioxide emissions	13 tonnes per year	4.9 tonnes per year
Lighting	£81 per year	£65 per year
Heating	£1173 per year	£457 per year
Hot water	£219 per year	£104 per year

Based on standardised assumptions about occupancy, heating patterns and geographical location, the above table provides an indication of how much it will cost to provide lighting, heating and hot water to this home. The fuel costs only take into account the cost of fuel and not any associated service, maintenance or safety inspection. This certificate has been provided for comparative purposes only and enables one home to be compared with another. Always check the date the certificate was issued, because fuel prices can increase over time and energy saving recommendations will evolve.

To see how this home can achieve its potential rating please see the recommended measures.



Remember to look for the energy saving recommended logo when buying energy-efficient products. It's a quick and easy way to identify the most energy-efficient products on the market. For advice on how to take action and to find out about offers available to help make your home more energy efficient, call 0800 512 012 or visit www.energysavingtrust.org.uk/myhome

Key points:

- EPC on construction, sale and rental of non-dwellings of more than 10,000m² from 06/04/08
- EPC on construction, sale and rental of non-dwellings of more than 2,500m² by 01/07/08
- EPC on construction, sale and rental of all other non-dwellings from 01/10/08
- DEC for public buildings of more than 1,000m² from 01/10/08, renewable annually
- 5 yearly A/C inspections for units of more than 250kW by 04/01/09 and units of more than 12kW by 04/01/11

The EU's Energy Performance of Buildings Directive (2002) ('EPBD') has been transposed into UK law by means of the Energy Performance of Buildings (Certificates and Inspections) Regulations 2007 (the 'EPB Regulations') which apply to all non-domestic buildings in England and Wales.

The new EPB Regulations require that as from 1 October 2008 certain buildings must display a Display Energy Certificate ('DEC') and new or leased buildings that comprise more than 10,000m² from 6 April 2008 must have an Energy Performance Certificate ('EPC'). The latter will apply to all commercial buildings, of more than 2,500m² from 1 July 2008 and to all other commercial buildings from 1 October 2008.

All commercial buildings will be subject to requirements on their owners to produce Energy Performance Certificates from April 2008.

Energy performance certificate

The EPC is a measure of the energy efficiency of a building. Variables such as heating, lighting, insulation, air quality and CO₂ emissions will be assessed and compared to a benchmark. The system and the recommended graphics will be similar to the rating system for white goods. Buildings will then be allocated a rating between A (most efficient) and G (least efficient). The better the energy rating, the lower fuel bills are likely to be. An advisory report is to be supplied with the EPC and must be kept with it.

The requirement for an EPC is triggered on sale, grant, renewal, surrender of a lease or sublease and even where a building is to be subsequently demolished (unless conditions such as suitability for demolition and redevelopment, sale with vacant possession as well as intent to demolish can be proven). However, an EPC is valid for 10 years unless superseded by a new assessment giving rise to a new EPC.

Registered assessors who have been trained by a scheme accredited by the Secretary of State must undertake the assessment. EPCs and the reports are to be registered with the Local Authority and records kept for 20 years. Disclosure of the records is only required to comply with the Regulations or with other laws, to relevant bodies for the purposes of combating fraud, or to persons authorised to receive them (e.g. contractors working on the relevant building).

Mandatory Inspections of Air Conditioning Systems and advice on Boilers

Going forward, mandatory inspections of air conditioning systems will be required every five years. Initially this will apply to units of more than 250kW from 4 January 2009 and then to units of more than 12kW from 4 January 2011. Advisory reports on increasing efficiency must be supplied. These are also registrable.

The EPBD allows member states to either impose a requirement to have older boilers inspected, or to supply advice on increasing the efficiency of heating systems. In England and Wales the government has adopted the latter.

Commercial points

The EPB Regulations are likely to have a number of commercial implications, for example:

- Action is required before the first deadline of April 2008;
- It raises the question in a sale of part whether an EPC will be required only for the relevant part, or whether it will trigger the need for an EPC of the whole of the property. If the latter, landlords may wish to consider whether the cost of an EPC can be defrayed by the tenants through the service charge;
- There is predicted to be a significant shortfall of duly accredited assessors. For portfolio owners, implementing a structured plan with a preferred provider should ensure timely compliance;
- Even though the EPB Regulations allow for the case where a fast transaction does not leave sufficient time to obtain an EPC, the delay in obtaining EPCs could be used by environmentally aware tenants as a deciding factor in whether to take a lease;
- Recommendations in the reports are not mandatory requirements and landlords could risk forcing up rents if they choose to action costly recommendations;
- A two tier market could emerge differentiating between improved, energy efficient properties commanding higher values and higher yields, versus those which are not improved and consequently have lower values and yields;
- Leases and management service contracts may need to be amended to reflect responsibilities arising from EPC, DEC and air conditioning inspections.

*Action is required
before the first deadline
of April 2008.*

Display energy certificate

Buildings of more than 1,000m² of 'useful floor space' which are occupied by public authorities or bodies providing a public service, and are frequently visited by large numbers of the public will have an additional obligation to display a DEC in "a prominent place clearly visible". This will apply to buildings such as local authority buildings, courts, hospitals, schools and stations and similar.

The DEC records the asset rating (energy efficiency of the building) and the operational rating (energy use) averaged over the last three years. There is a formula that applies where the occupier has not been in the building for three years. The DEC must be renewed annually (it is valid for 15 months) and the attendant advisory report is valid for seven years. As for EPCs, an approved assessor must carry out the assessment.

Enforcement and Penalties

Implementation is achieved by amendments to the Buildings Regulations 2000 in respect of new buildings. A certificate of practical completion will not be able to be issued until an EPC is provided.

Enforcement is to be undertaken by the Trading Standards/Weights and Measures Department of the local council. The EPB Regulations specify fines, for example, a fine calculated as 12.5% of rateable value subject to a minimum of £500 and maximum of £5,000 for not supplying an EPC on a sale or letting and £1,000 for not displaying a DEC or for not having a valid report. It will be an offence to disclose an EPC or any report to someone not entitled to receive it, or to fraudulently obtain or to give wrong information on an EPC or DEC.

Display Energy Certificate

Building energy performance

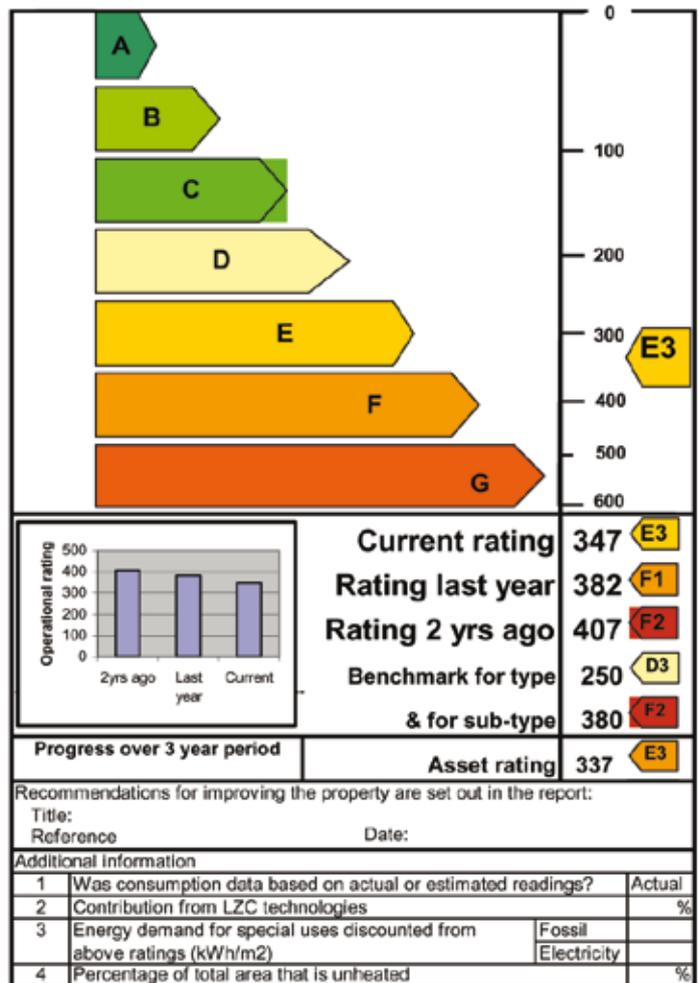
Measured Operational Rating

Building type: Office

Sub-type: air-conditioned

Certificate No: OR-Ukew-Off/17432/06

Expiry: 26-Jun-08



Administrative information

Building details	
Address:	A government office
Total floor area	2,927m ² Main heating fuel: Gas Service strategy A/C
Certification details	
Methodology	National calculation methodology DCLG circular 3/2006
Context	Whole office building Calculation tool: ORCalc v1.3b
Issued by:	A Assessor Company: Energy Audit Ltd Signed: _____
Accredited by:	ORCert - registration no: 06-10732 Date: _____
Related party disclosure: Facilities manager operating the building for Dept of Statistics	

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