

MEES – The Facts



What is MEES?

MEES refers to the Minimum Energy Efficiency Standards shortly to be imposed on the majority of rented commercial and residential property in England & Wales. It is estimated the standards will require 19% of all such property to be considered for energy efficiency improvement works, with the vast majority requiring physical works to be undertaken to permit future letting of the premises. This figure increases to 23% for offices.

Why MEES?

Under the Climate Change Act 2008 the UK has committed to reducing its greenhouse gas emissions by at least 80% by 2050, compared to 1990 levels.

As part of that commitment, the Government set the interim target of reducing emissions by 57% by 2030. The release of long awaited Government guidance on MEES also reinforced the commitment that MEES is happening, whether or not the country is in or out of the EU.

MEES comes into force under the Energy Efficiency (Private Rented Property) (England & Wales) Regulations 2015, a product of the above Climate Act.

When does MEES come into effect?

- From 01 April this year it will be an offence to let sub-standard commercial or residential property. This applies to lease renewals and extensions.
- From 01 April 2020 it will be an offence to continue letting sub-standard residential property, including all existing leases.
- From 01 April 2023 it will be an offence to continue letting sub-standard commercial property, again including all existing leases.

The mechanism.....

MEES will make it unlawful to let a commercial or residential property that has an Energy Performance Certificate (EPC) rating of 'F' or 'G' unless the term is for less than six months or greater than 99 years, or where the premises is Listed and the character and appearance of the property would be detrimentally affected by compliance.

Other exemptions apply, relating to the cost effectiveness of pay-back, potential devaluing of property and consent obstructions in undertaking the works, although these are likely to have effect on only a minimum of cases.

EPC's record the overall energy efficiency of a building taking into account the structure, fabric and services. Since 2008 a valid EPC has been required for the sale and letting of premises, the certificates being valid for a period of ten years.

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The implications...

19% of eligible property in the UK is estimated as having an EPC rating of 'F' or 'G', rising to 23% for offices. From 1st April such premises cannot be subject to a new letting and from 1st April 2023, those commercial properties (1st April 2020 for residential) cannot be subject to an ongoing letting at all, unless shown to be exempt and formerly registered as such on a national database.

Penalties for each occurrence of non-compliance include fines up to £150,000 and are based on the rateable value.

Buildings likely to fall into the above non-compliance bracket will include older premises with less thermal insulative structures and fabric and those with inefficient services. The latter should not be underestimated and it is likely that a considerable number of more modern buildings, incorporating relatively outdated and inefficient air handling and general HVAC plant, will fall short of the requirement.

The cost of improving a building's efficiency falls solely to the landlord (or a tenant sub-letting) and is generally not transferable onto tenants, either through service charge or formal dilapidations.

We would therefore advise that all landlords of premises likely to fall into this category promptly arrange an assessment of the likely implications of MEES and that strategies are put in place now to maintain letability and value.

Contact Us

For further information or to arrange a MEES briefing seminar, please contact Simon d'Arcy:



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