



ENERGY PERFORMANCE CERTIFICATES

October 2008

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DEADLINE UPDATE - OCTOBER 1, 2008

Since October 1, 2008, all commercial buildings over 50m² now require an Energy Performance Certificate (EPC) when they are:

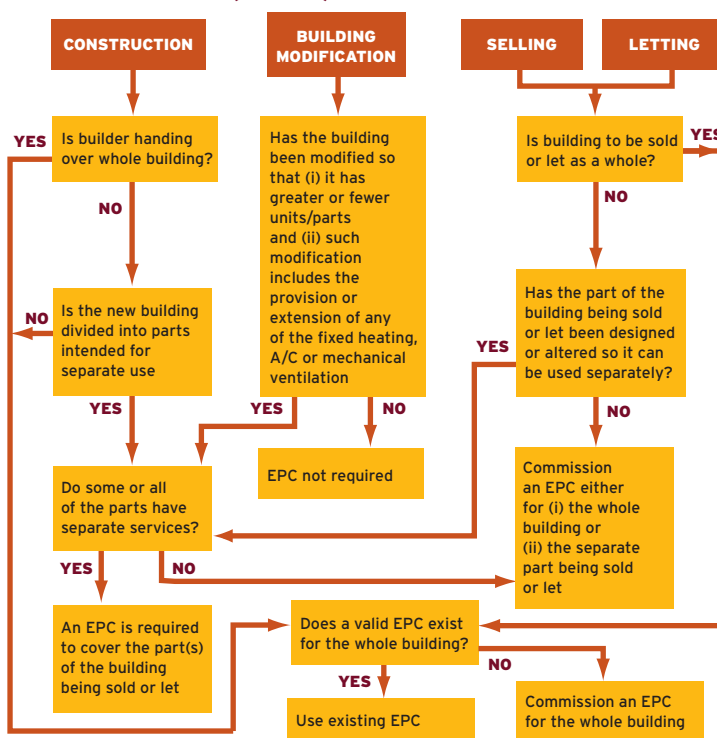
- **Newly constructed**
- **Marketed for Sale**
- **Marketed for Letting**

The government has recently revised the deadline for EPC requirement in respect of commercial properties which were on the market prior to October 1, 2008. In this case, the requirement is now that such properties must have an EPC in place before January 4, 2009. However, if the property is sold or let between October 1, 2008 and January 4, 2009, an EPC must be commissioned and handed over to the new purchaser or tenant as soon as is practicable. New commercial instructions placed on the market after October 1, 2008 still need an EPC in place straightaway.

The EPC summarises the energy performance of the building in an asset rating based on CO₂ emissions, and rates the performance of the building with a benchmark. An accompanying report offers suggestions on how the rating can be enhanced, with an indication of the payback period.

The flowchart below helps clarify the circumstances when a new or an existing EPC is necessary.

COMMERCIAL ENERGY PERFORMANCE CERTIFICATES (EPCS)



CASE STUDY 1

Property: A 4 storey 1960's unoccupied office block

Summary: Willis' Energy Consultants were appointed to provide an EPC for the building and analyse specific areas for energy improvements.

Conclusion: The building survey concluded that the property holds an asset rating of 91 with a D banding, which is in line with existing stock of this age and build.

Observations: Changes to lighting, lighting sensors, lamps and glazing were suggested. If the client chooses to implement all the recommendations they would see a revised asset rating for the building of 70, with a C banding. This would result in not only reduced energy bills, but also an increased attractiveness in the property to potential purchasers and tenants, as opposed to similar buildings with a higher asset rating.

CASE STUDY 2

Property: A mixed commercial portfolio of 50+ sites

Summary: Willis' Energy Consultants were approached to provide cost-effective energy performance advice for a substantial landlord.

Process: In tandem with a member of Willis' panel of expert Energy Assessors a thorough audit was conducted of all properties that may require an EPC in the immediate and short to mid-term future.

Conclusion: Willis' Energy Consultants were able to guide the property owner to the most cost effective solution that best fitted their needs. As a result, on several of the properties, where quotations were provided, Willis' Energy Consultants pricing was significantly more competitive than quotations received from alternative providers.



Aside from the legal requirement, EPCs present additional benefits to landlords:

- **Reduced running costs and services**
- **Improved co-ordination and control of energy supplies and distribution**
- **Reduced rental voids when re-letting**
- **Underpinning of rental values**
- **Marketable benefits to tenants**
- **Statutory compliance**
- **Corporate social responsibility**

Now that October 1, 2008 has passed, landlords must hold a valid EPC for any property that is subsequently put on the market: this will also include lease assignments, and sale and leasebacks.

More details of EPCs are:

- They will generally take a minimum of 10 working days to prepare
- Regulation will be enforced through Local Authorities
- Non-compliance could result in a maximum fine of £5,000 which we understand can be repeated
- We recommend that an appropriately qualified assessor be appointed at the earliest opportunity.

Willis Property Investors Division can assist you with the appointment of an Energy Assessor to undertake the building inspections and provide EPCs. We have relationships with several accredited energy assessors, who are already appointed to a number of property owners to facilitate the EPC process on their behalf. Please contact your usual Account Director, or any of the personnel shown on the right, for further assistance.

Should you require further copies of this newsletter, wish to receive future editions by email or notify us of any changes to your address please contact Kirstie Blyth on 020 3124 6656 or by email: blythk@willis.com

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