

Energy performance certificates - introduction

Relevant to: England and Wales

Introduction

On 4 January 2003, The EU Directive on the Energy Performance of Buildings (EPBD) came into force creating a common framework to promote the improvement of the energy performance of buildings across the EU. One of the requirements of the Directive, under article 7, is the introduction of energy performance certificates (EPCs) that must be made available whenever a building is constructed, rented or sold.

Energy performance certificates (Article 7)

An EPC is to be made available to the owner, prospective owner or tenant, every time a building is constructed, rented or sold. EPCs will include reference values such as legal standards and benchmarks for comparison with other similar buildings, and recommendations for cost-effective improvements to the building. For buildings with a useful floor area of over 1,000 square metres occupied by public authorities or providing public services, the EPC should be displayed in a place clearly visible to the public. These display EPCs will need to be renewed every year.

Social and private landlords and those selling dwellings in non-marketed sales will have to produce an EPC which is less than 10 years old. Dwellings put up for marketed sale must have an EPC which is less than 3 months old at the time the house is first put on the market.

When will the Directive come into force?

Member states were required to implement the Directive into their national law by 4 January 2006. However, the implementation of certain parts of the Directive can be delayed if there is a lack of suitably qualified independent experts. The final date for implementation is 4 January 2009.

England and Wales began the implementation of the Directive in January 2006, with the new Building Regulations, and will implement EPCs in 2007 and 2008.

Home Information Packs

The Housing Act (2004) provides the legislation behind the Home Information Pack (HIP), which is one vehicle for the EPC. The HIP will include various information documents on the property, such as building certificates, planning permissions and local searches¹.

For existing dwellings the HIP can also include a Home Condition Report (HCR) which gives information on the condition but not the value of the property. However, inclusion of a HCR is not mandatory.

The EPC will be a comprehensive energy report, which aims to encourage buyers and sellers to improve the energy efficiency of the property.

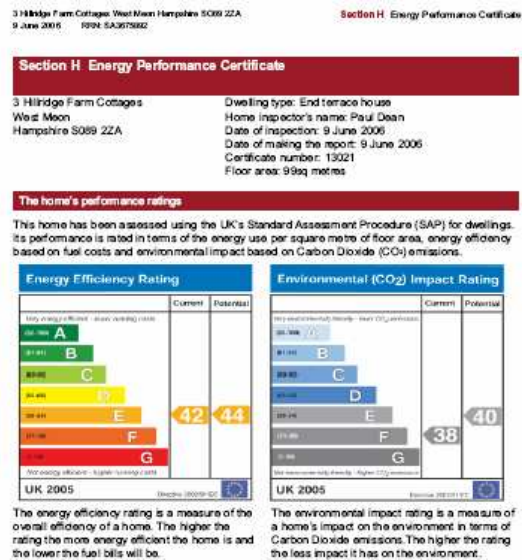


Figure 1: An example of an EPC.

The EPC will provide a summary of the energy performance of the property, in relation to features of construction, heating and hot water. In addition to the rating given on the certificate, tailored, cost-

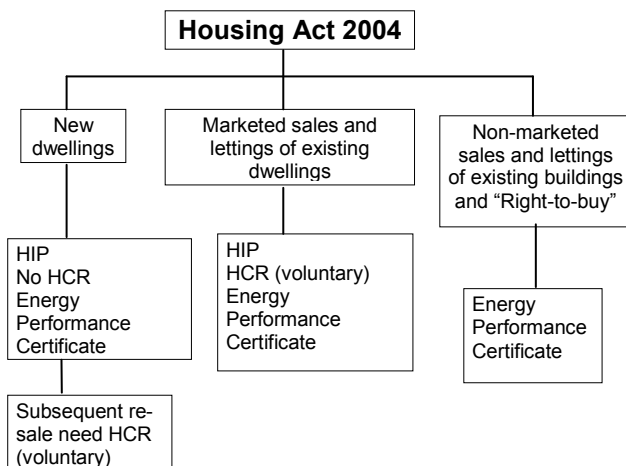
¹ For more information on HIPs please go to: www.homeinformationpacks.gov.uk.

effective measures will be suggested and the potential energy efficiency of the property if the measures are implemented will be given.

New dwellings need to have a HIP but do not require a HCR. Despite this, they will still need a stand-alone EPC to comply with the Directive.

When will they be implemented?

EPCs will be introduced from June 2007 (following a six-month 'dry-run') in the following stages:



Marketed sales

For marketed sales dwellings, HIPs will have to be available from June 2007.

Private rented sector

In the private rented sector the requirement for HIPs is expected to come into force in October 2008. However, this may yet be amended. Non-marketed lettings do not require a HIP or HCR but do require an EPC.

Social housing sector

Right-to-buy and non-marketed sales and lettings, as found in the social sector, do not require an HIP or HCR, but do require an EPC. This is also likely to come into force in October 2008.

Home Inspectors

The HCR will have to be produced by qualified home inspectors. It is estimated that from June 2007 approximately 2,500 to 4,500 home inspectors will be needed in England and Wales in order to supply the anticipated demand².

² For home inspectors information please go to: www.homeinformationpacks.gov.uk/inspectors.aspx

Implications for social housing providers

The cost of a stand-alone certificate is estimated to be £150, which the landlord is expected to cover. For the social housing sector, the responsibility lies with the individual local authorities and housing associations. However, Communities and Local Government (formerly ODPM) would encourage them to take a different approach, for example incorporating the cost of the certificate into stock surveys. The cost of the certificate will therefore depend on the approach taken.

Communities and Local Government is currently looking into the scope for representative certification. This would enable social housing providers to produce an energy certificate for one type of property, instead of for every single property of that type. This would bring costs down.

Further information

For further information please contact the Energy Saving Trust's Practical help advisory service.

The Energy Saving Trust offers a free enquiries service via our dedicated Practical help team – the team will undertake to answer any query regarding sustainable energy or sustainable road transport within a maximum of three working days.

Abbreviations used

EPBD	Energy Performance of Buildings Directive
EPC	Energy Performance Certificate
EU	European Union
HCR	Home Condition Report
HIP	Home Information Pack
ODPM	Office of the Deputy Prime Minister

At the time of publication and to the best of our knowledge, the information contained in this document was correct.

Practical help cannot vouch for any of the organisations involved.

Practical help

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