

New Minimum Energy Efficiency Standards for Privately Rented Non-Domestic Properties

The Government has published its interim response to consultations on strengthening the Minimum Energy Efficiency Standards (MEES) for non-domestic private rented buildings in England and Wales.

- From 2031, buildings over 1,000 square meters will need to reach a higher energy standard of EPC B.
- Buildings below 1,000 square meters will remain subject to the current minimum standard of EPC E. There is no commitment to raise this, yet.

MEES have applied to the non-domestic private rented sector since 2018, requiring landlords to ensure their buildings meet a minimum EPC rating before granting or renewing a lease. Since 2023, existing leases below the minimum EPC rating also became unlawful.

The current minimum standard is EPC E. Since 2019 the Government had been consulting on raising this, including a proposed intermediate milestone of EPC C by 2027. The proposed 2027 EPC C interim standard has now been scrapped, giving landlords more time to plan for the 2031 changes. Commercial landlords will want to start identifying their properties with EPC ratings below EPC B and assessing what measures can be taken to address the energy efficiency of these buildings.

The 7-year payback test — which means improvements are only required where the cost can be recouped within seven years through energy savings — and the existing exemptions framework will remain in place. The Government estimates that tenants in larger buildings stand to save up to £360 million per year on energy bills as a result of the higher EPC standard.

The Government has confirmed that secondary legislation will be required to raise the minimum standard to EPC B, meaning that we will not know the specific date of implementation for some time. We still await responses on a number of the other reforms raised in the consultation, including the suggestion of introducing obligations on tenants to contribute to MEES compliance.

If you would like to discuss how these changes may affect your lease arrangements, please contact the authors below or Winckworth Sherwood's [Commercial Real Estate team](#).



JAMIE BARTON

Partner
+44 (0)18 6530 6583
jbarton@wslaw.co.uk



EVIE MOLLITT

Trainee Solicitor
+44 (0)20 7593 5182
emollitt@wslaw.co.uk

This briefing note is not intended to be an exhaustive statement of the law and should not be relied on as legal advice to be applied to any particular set of circumstances. Instead, it is intended to act as a brief introductory view of some of the legal considerations relevant to the subject in question.