

MEES means Business

(How to make money, save money and not be sued)

Presentation to
TRADS

7 February 2024

Martin Gibbons MRICS



Lambert Smith Hampton career highpoint



Running order

- Reasons to upgrade
- How to upgrade
- Vital EPC Plus solution

Look out for these





COMPETITION



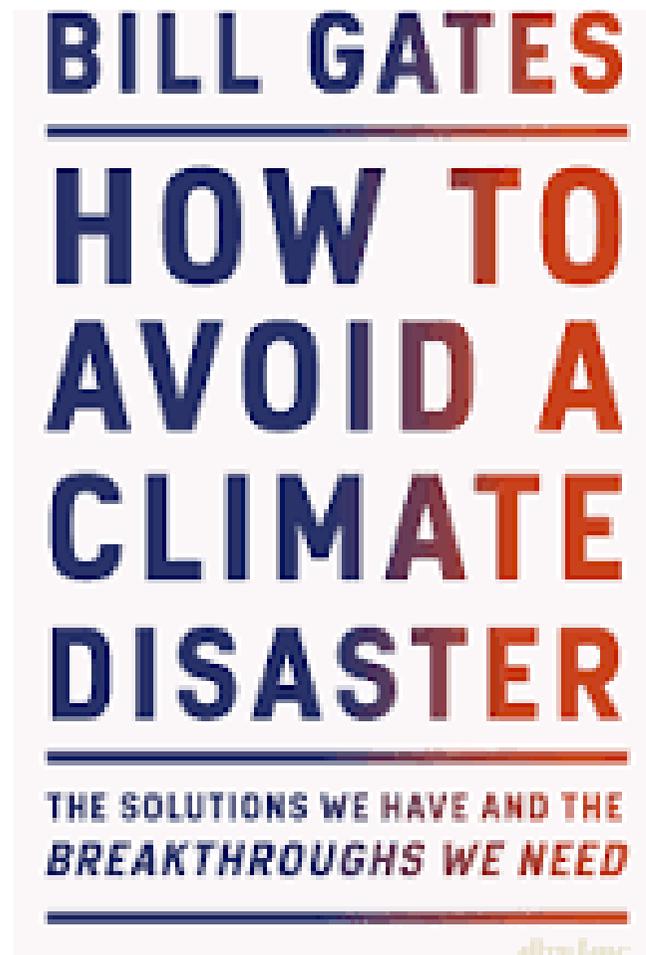


REASONS TO UPGRADE



Reason 1 - Climate Crisis

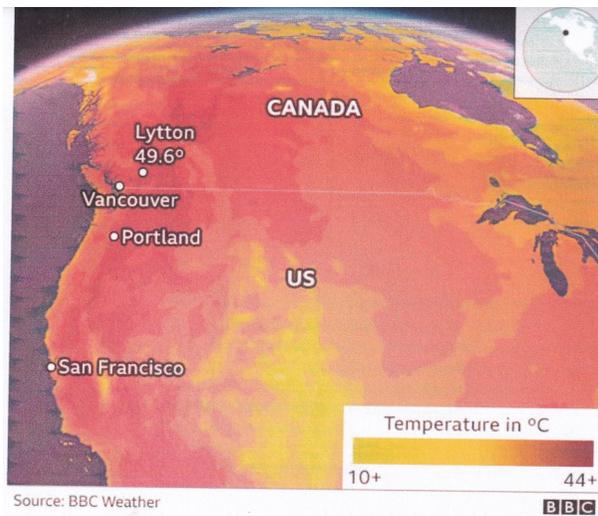
The Bill effect



Reason 1 - Climate Crisis

Eco systems starting to collapse

Summer 2021



Summer 2022



Summer 2023



Hawaii wildfires

Reason 1 – Climate Crisis

Peer pressure



- Minimum Grade B for refurbishments
- 15% of bonus for sustainability performance
- NEST mandate

Reason 2 - Cost

Millions in fuel poverty



Reason 2 - Cost

Electricity – 222% more expensive

TESCO

(Gas)
A **£120** shop per week



Harrods

(Electricity)
A **£386** shop per week!!



Reason 3 - Marketing

Something to shout about!

4 Paul's Row
High Wycombe

Home of
Chandler Garvey

Proud to be
Energy efficient & Low carbon

Energy Performance Certificate
Non-Domestic Building

2ND FLOOR
4 Pauls Row
HIGH WYCOMBE
HP11 2NG

Certificate Reference Number:
9431-3521-0539-0401-0725

This certificate shows the energy rating of this building. It indicates the energy efficiency of the building fabric and the heating, ventilation, cooling and lighting systems. The rating is compared to two benchmarks for this type of building: one appropriate for new buildings and one appropriate for existing buildings. There is more advice on how to interpret this information in the guidance document Energy Performance Certificates for the construction, sale and let of non-residential buildings available on the Government's website at www.gov.uk/government/collections/energy-performance-certificates.

Energy Performance Asset Rating

More energy efficient

64 This is how energy efficient the building is.

Less energy efficient

Rating	Score Range
A+	0-10
A	11-25
B	26-35
C	36-50
D	51-75
E	76-100
F	101-150
G	Over 150

Technical Information

Main heating fuel:	Grid Supplied Electricity
Building environment:	Air Conditioning
Total useful floor area (m ²):	260
Building complexity (MOS level):	3
Building emission rate (kgCO ₂ e/m ² per year):	44.76
Primary energy use (kWh/m ² per year):	264.72

Benchmarks

Buildings similar to this one could have ratings as follows:

A+	if newly built
B	if typical of the existing stock

VITAL
We keep buildings safe, secure and sustainable
vitaldirect.co.uk
0345 111 7700

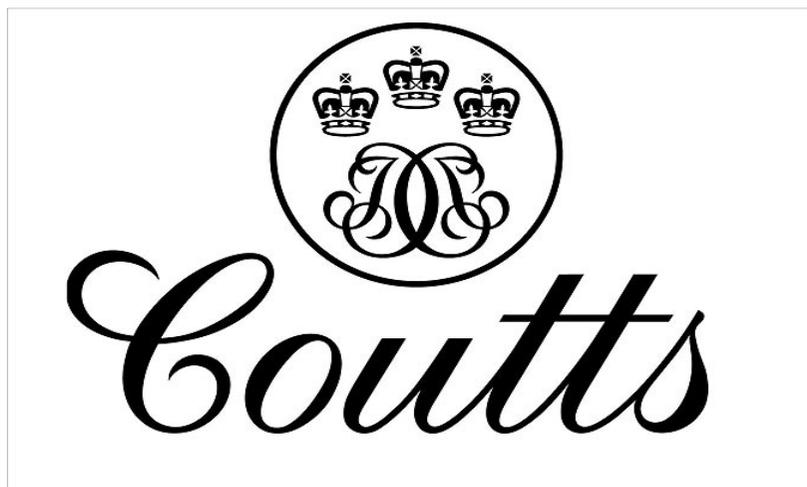
Reason 3 - Marketing

Impact on marketing



Reason 4 - Finance

Impact on lending



Reason 5 - Insurance

PI insurance



- Known since 2011
- No advice, no defence
- Licence for alterations
- Add to templates

Reason 6 - MEES

The Energy Efficiency Regulations 2015

- Energy Act 2011
- Minimum Energy Efficiency Standard (MEES)
- *“That F & G thing”*
- The Energy Efficiency (Private Rented Property) (England & Wales) Regulations 2015

Biggest impact - commercial



The Energy Efficiency Regulations 2015

Commercial

- Grade E-17%, Grade F-9%, Grade G-10%.
- Landlords must upgrade sub-standard F & G buildings.
- 1 April 2018 - new lettings & renewals
- 1 April 2023 - all other commercial leased buildings.
- £150,000 fines for non-compliance.

Next 6 years already mapped out - commercial


Department for
Business, Energy
& Industrial Strategy

The Non-Domestic Private Rented Sector Minimum Energy Efficiency Standards

Implementation of the EPC B Future Target

Closing date: 9 June 2021

March 2021

62 pages summarised

- Just for commercial rental buildings
- **April 2025** – all buildings require lodged EPC
- **April 2027** – all new and continuing leases must be EPC Grade C
- **April 2030** – all new and continuing leases must be EPC Grade B



So, over the next 6 years

Deadline	Commercial Rentals	Domestic Rentals
2008	EPC label required first day of marketing	EPC label required first day of marketing
April 2018	EPC Grade E minimum for new lettings	EPC Grade E minimum for new lettings
April 2020		All continuing leases must be EPC Grade E minimum
April 2023	All continuing leases must be EPC Grade E minimum	
April 2025	All commercial rental properties must have a lodged EPC on national database	Domestic rental properties must be EPC Grade C minimum for new lettings
April 2027	All new and continuing leases must be EPC Grade C minimum	
April 2028		Domestic rental properties must be EPC Grade C minimum for continuing tenancies
April 2030	All new and continuing leases must be EPC Grade B minimum	



HOW TO UPGRADE



Sweet Spot Timing for Upgrades

1. When the building is vacant and in between tenancies
2. Ahead of a lease renewal
3. Combined with essential maintenance works
4. Combined with planned refurbishment works

You can make a big difference

1. Get all buildings upgraded to EPC B
2. Go 'All Electric', replace gas/oil burning boilers
3. Get landlord and tenant electricity supplies over to 100% renewable tariffs. Write it into new leases.

Then SHOUT about it

**You may already be well on the path to being
Net-Zero Carbon Emission in Operation**

Action 1

Sort the EPC paperwork

Action 1

An EPC is just a label



Know your limits



**1.7
UK
Units**

UK Chief Medical Officers
recommend
Adults do not regularly
exceed:

Men	3-4 units daily
Women	2-3 units daily

Avoid alcohol if pregnant or
trying to conceive

www.drinkaware.co.uk

FILTER CIGARETTES



Marlboro

Smoking
seriously harms
you and others
around you



Action 1

Hardly anyone knows this

Commercial EPCs

Carbon dioxide pollution calculation

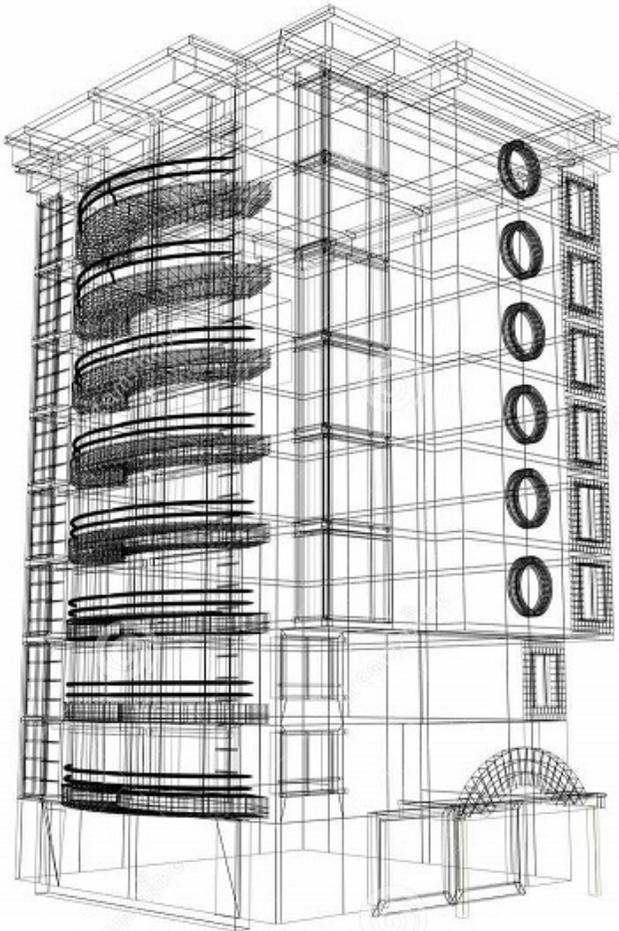
Domestic EPCs

Running cost calculation

But...there is also a second EPC grade on the certificate which states the carbon dioxide pollution calculation

Action 1

How we calculate an EPC



- Site visit or from plans
- Build 3D model
- Building envelope
- Lighting
- Heating and cooling
- Proposed use
- Draft result
- Lodge on database

Action 1



All residential and commercial EPCs
for England & Wales can be found at

www.epcregister.com

Top Tip: $\frac{1}{3}$ of postcodes are wrong so use

“search by street and town”

button on this website

Be curious - click around a bit



COMPETITION RESULTS

c

Action 1

EPC labelling roll-out

- As at 2022

Residential EPCs	22,782,552
Commercial EPCs	1,197,041

- 90% of all stock now assessed

Action 1

The new look EPC from September 2020

02/10/2020 Energy performance of buildings register

Energy performance certificate (EPC)

14 ETON STREET
RICHMOND
TW9 1EE

Energy rating
C

Valid until 30 September 2030

Certificate number
3916-0647-0415-4635-5784

Property type
A1/A2 Retail and Financial/Professional services

Total floor area
93 square metres

Rules on letting this property
Properties can be let if they have an energy rating from A+ to E.
If a property has an energy rating of F or G, the landlord cannot grant a tenancy to new or existing tenants, unless an exemption has been registered.
From 1 April 2023, landlords will not be allowed to continue letting a non-domestic property on an existing lease if that property has an energy rating of F or G.
[You can read guidance for landlords on the regulations and exemptions \(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/624018/Non-Dom_Private_Rented_Property_Minimum_Standard_-_Landlord_Guidance.pdf\).](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/624018/Non-Dom_Private_Rented_Property_Minimum_Standard_-_Landlord_Guidance.pdf)

Energy efficiency rating for this property
This property's current energy rating is C.

<https://find-energy-certificate.digital.communities.gov.uk/energy-certificate/3916-0647-0415-4635-5784>

1/4

02/10/2020 Energy performance of buildings register

Under 0	A+
0-25	A
26-50	B
51-75	C
76-100	D
101-125	E
126-150	F
Over 150	G

Net zero CO2

65 | c

Properties are given a rating from A+ (most efficient) to G (least efficient).
Properties are also given a score. The larger the number, the more carbon dioxide (CO2) your property is likely to emit.

How this property compares to others
Properties similar to this one could have ratings:

If newly built 26 | B

If typical of the existing stock 75 | C

Breakdown of this property's energy performance
[What is primary energy use?](#)

Recommendation report
Guidance on improving the energy performance of this property can be found in the [recommendation report \(/energy-certificate/0493-6858-1534-4346-2018\)](#).

<https://find-energy-certificate.digital.communities.gov.uk/energy-certificate/3916-0647-0415-4635-5784>

2/4

Action 1

EPC / Net Zero Carbon Portfolio Audit

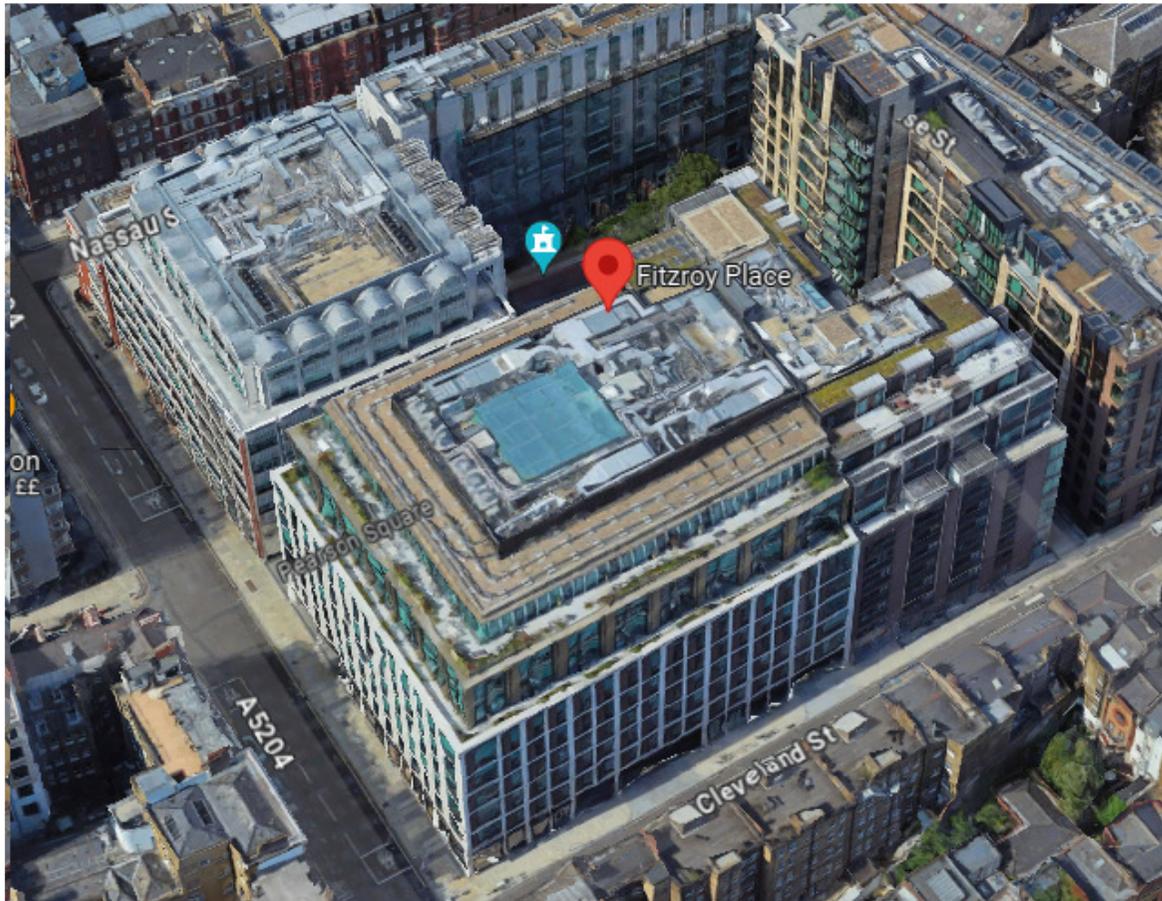


Address stated on the actual EPC including post code	Size of building from client's records	Size of building as stated on the actual EPC (EPCs are measured gross internal)	EPC Grade A-G	EPC Score for commercial smaller number is better	Full expiry date of EPC (EPCs are valid for 10 years)	Is building "All Electric"	Is building on 100% electricity tariff	Fossil fuel burning HVAC details
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Do recurring calendar reminder to review quarterly

Action 1

Let's look at where we are sitting



1 Fitzroy Place 6 Mortimer Street LONDON W1T 3JJ	Energy rating B
Valid until 11 December 2024	Certificate number 0797-0224-4630-6790-3403

Property type	B1 Offices and Workshop businesses
Total floor area	15,949 square metres

2 Fitzroy Place 8 Mortimer Street LONDON W1T 3JJ	Energy rating B
Valid until 11 February 2025	Certificate number 9996-3039-0750-0400-0771

Property type	B1 Offices and Workshop businesses
Total floor area	9,409 square metres

Both are gas burners

Action 1

The Power of a Digital Twin



Pollen Estate / Norges Bank

- 8 years to achieve total MEES 2030 compliance
- Now focusing on total decarbonisation

Action 1

Your own home

- Get a new draft EPC
- Lodge new EPC if Grade C or better
- Diary note to repeat in 5 years time
- Read meters last day of month & on Excel

Action 2

Heating, cooling, ventilation, hot water, lighting

Action 2

LED revolution



Action 2

Burning gas is now not cool

- June 2022 - New commercial EPC software
- Lower carbon emission grid electricity
- 'All Electric' heated buildings – EPCs improve
- Gas burning buildings – EPCs punished
- Heating fuel stated on first page of EPC
- Redo 'All Electric' EPCs – nice bonus
- **Can you rely on EPCs pre-June 2022??**

Action 2

British Success Story



- Hornsea 2 world's largest offshore wind farm
- 40% of UK's electricity now from renewables

Action 2

Air-con split heat pumps (air-to-air)



Powrmatic condenserless heating/cooling for flats



Dan Mullins
www.cool-sleep.co.uk

Octopus Cosy 6 with £7,500 subsidy



Action 2



Our first all-electric hotel!



Premier Plus

Swindon Town Centre

A great base for Wiltshire breaks, right next to the Brunel Shopping centre and Wyvern Theatre.

Facilities:    

Premier Inn
Rest easy



Why we're a Force for Good



98% of our UK hotels are powered entirely by renewable electricity, with over 180 hotels having solar panels. And, we're in line with our 2024 Net-zero target!

Going Net-zero

Action 2

Condensation solution



Action 3

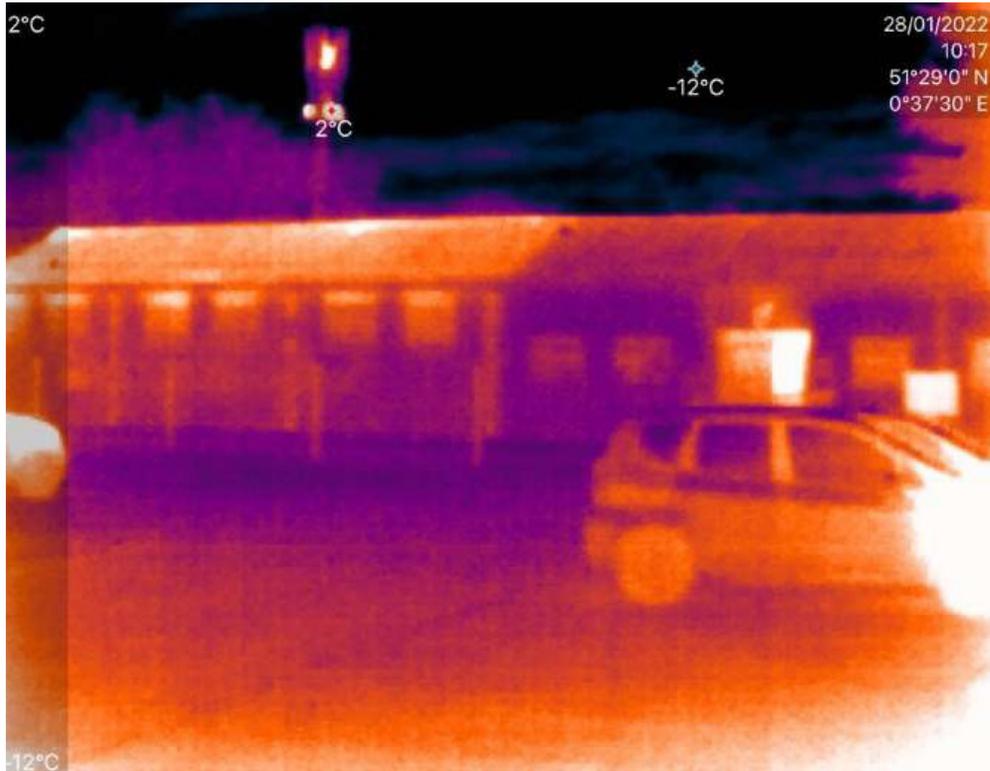
Insulate and draught-proof

Action 3

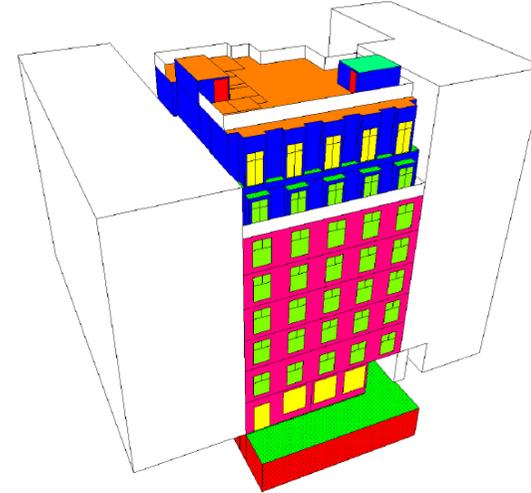
Reskin & add insulation



Tata composite roof panel – 120mm solid insulation



Queen's House, 64 St James's Street, London



Energy performance certificate (EPC)

BASEMENT, GROUND, 1ST, 2ND, & 3RD 64-66, St. James's Street LONDON SW1A 1NF	Energy rating G	Valid until: 3 September 2024 Certificate number: 0280-3982-0304-0972-5054
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Property type	B1 Offices and Workshop businesses
Total floor area	1,008 square metres

Rules on letting this property

! You may not be able to let this property.

This property has an energy rating of G. The landlord cannot grant a tenancy to new or existing tenants, unless an exemption has been registered.

From 1 April 2023, landlords will not be allowed to continue letting a non-domestic property on an existing lease if that property has an energy rating of F or G.

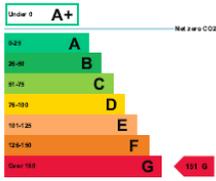
Properties can be let if they have an energy rating from A+ to E. The [recommendation report](#) sets out changes you can make to improve the property's rating.

Energy rating and score

This property's energy rating is G.

Properties get a rating from A+ (best) to G (worst) and a score.

The better the rating and score, the lower your property's carbon emissions are likely to be.



Energy Performance Certificate HM Government
Non-Domestic Building

Queen's House Offices v5
64-66 St James's St
London
SW1A 1NF

Certificate Reference Number:
6231-9651-9576-9961-9891

This certificate shows the energy rating of this building. It indicates the energy efficiency of the building fabric and the heating, ventilation, cooling and lighting systems. The rating is compared to two benchmarks for this type of building; one appropriate for new buildings and one appropriate for existing buildings. There is more advice on how to interpret this information in the guidance document *Energy Performance Certificates for the construction, sale and let of non-dwellings* available on the Government's website at www.gov.uk/government/collections/energy-performance-certificates.

Energy Performance Asset Rating



Technical Information

Main heating fuel:	Grid Supplied Electricity
Building environment:	Air Conditioning
Total useful floor area (m ²):	1810.676
Building complexity:	Level 5
Building emission rate (kgCO ₂ /m ² /per year):	7.42
Primary energy use (kWh _m /m ² /per year):	79.14

Benchmarks

Buildings similar to this one could have ratings as follows:	
15	If newly built
60	If typical of the existing stock

Action 3

Warm Shed = More Rent



- Air-con splits for heating (all electric)
- Insulated roof panels and walls

- Destratification fan
- Efficient LED lighting

Action 3

270mm is the way to go



50mm of Celotex on inside of external walls



Perfect for ugly buildings

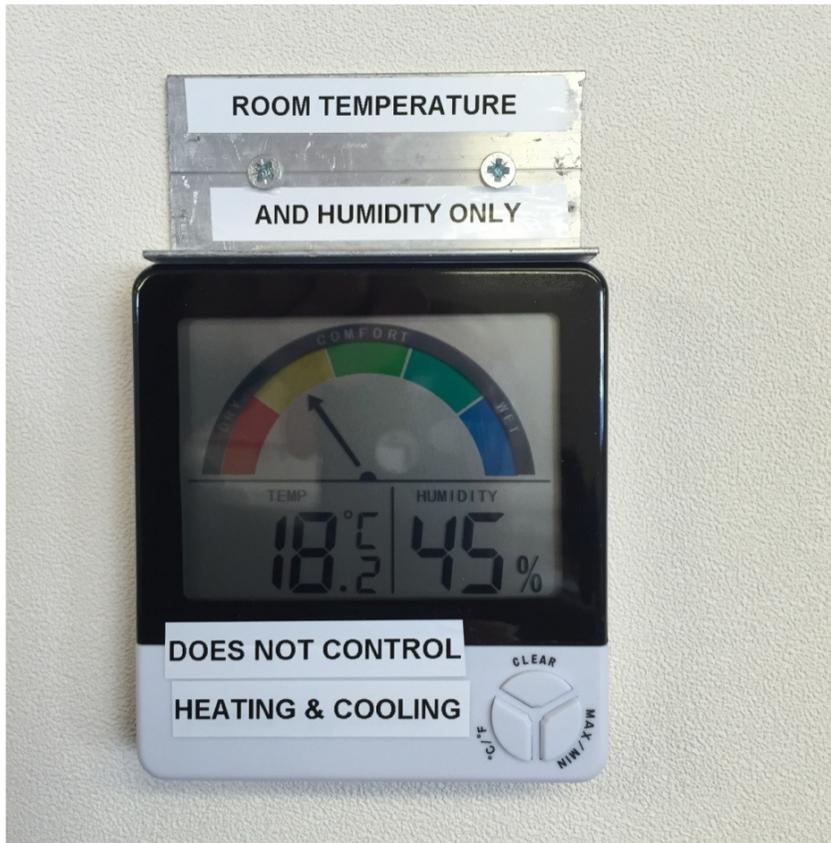


Action 4

Controls and metering

Action 4

Low tech is best



£10 digital room thermometer



Govee Wi-Fi room thermometer & App

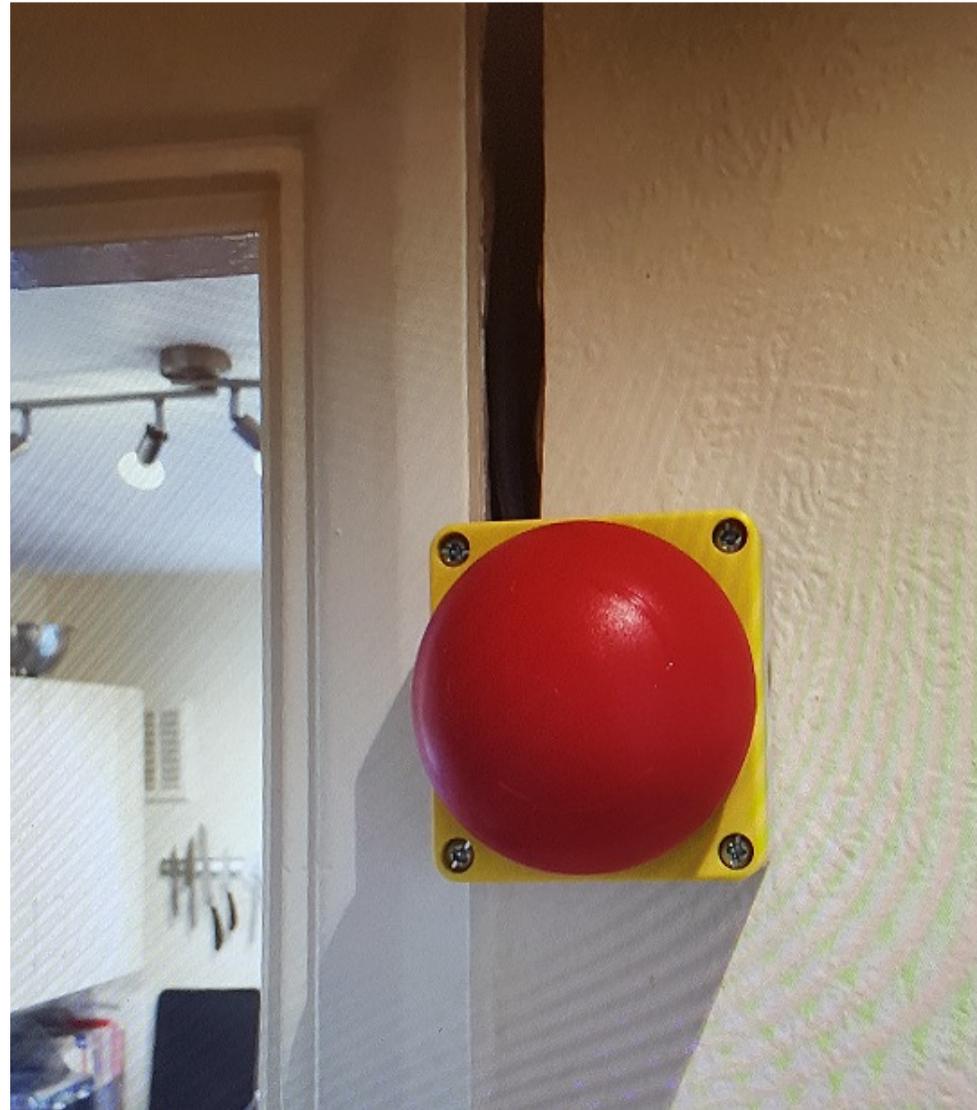
Action 4

Smart heating controls



Action 4

The kill switch





Action 5

Renewables



Action 5

Renewables - we'll have everything!



Action 5

Solar PV Top Tips

Roof Mounted

- Independent structural calculation
- Mansafe gantries
- 1,000s litres water – tap on roof

Low Level



- Helimotion

Action 5

Change to renewable tariff



“Good News” sign for a building Reception

THIS IS A NET-ZERO CARBON EMISSION IN OPERATION BUILDING
 All the electricity we use comes from 100% renewable energy sources.



100% RENEWABLE ENERGY Certification

The company certifies that 100% of the power supplied by United Gas & Power Limited to:

Omvale Ltd C/O Mellerst & Harding LLP
 has been generated from renewable energy sources.

All fees will be charged in your behalf, in accordance with the terms and conditions below.

Issued on: *16/08/2022* Valid until: *31/08/2022*
 Issued by: *UGP* Certificate number: *1000-10000000-10000000*



WE BURN NO GAS
 Doing the right thing and leading by example...

Energy Performance Certificates		
1st Floor 10 Argyll Street LONDON W1F 7TQ	Energy rating A	Valid until: 31 August 2022 Certificate number: 1000-1000-1000-1000
2nd Floor 10 Argyll Street LONDON W1F 7TQ	Energy rating A	Valid until: 31 August 2022 Certificate number: 1000-1000-1000-1000
3rd Floor 10 Argyll Street LONDON W1F 7TQ	Energy rating A	Valid until: 31 August 2022 Certificate number: 1000-1000-1000-1000
4th Floor 10 Argyll Street LONDON W1F 7TQ	Energy rating A	Valid until: 31 August 2022 Certificate number: 1000-1000-1000-1000
5th Floor 10 Argyll Street LONDON W1F 7TQ	Energy rating A	Valid until: 31 August 2022 Certificate number: 1000-1000-1000-1000



100% A

OBSERVATORY

10, Argyll Street, LONDON, W1F 7TQ

All companies now need a good green story



New Vocabulary

- Lodged EPC
- Draft 'as is' EPC
- Draft 'predicted' EPC
- EPC Plus (*upgrade report*)
- EPC verification survey
- MEES 2030 compliant
- Net Zero Carbon Emission in Operation
- Air-con split (*that also heats*)
- VRF air-con (*Variable Refrigerant Flow*)

How to get it sorted

Client

Set a company policy: legal minimum – average – EPC B or A

Client

Complete EPC Portfolio Audit

Vital

Undertake up-to-date draft “as is” EPCs

Vital

Produce Vital EPC Plus analysis report

Client

Give Vital EPC Plus to Chartered Building Surveyor

Building Surveyor

Specify upgrade works

Vital

Final draft predicted EPC check

Building Surveyor

Tender and project manage

Vital

Verification inspection and lodge new EPC

Client

Relax for 10 years and promote your success

Vital's unique "EPC Plus" service



Grenville Court, Britwell Road, Burnham, Slough SL1 8DF
 0345 111 7700 vitaldirect.co.uk

EPC PLUS RATING IMPROVEMENT REPORT

EXAMPLE

6,000 sq ft Offices

2020

UK-wide services

- Energy Performance Certificates
- Air-conditioning Inspections
- Fire Risk Assessments
- Land Registry Plans
- Energy Efficiency Upgrades
- Facilities Management
- EPC Plus Upgrade Reports

We keep buildings safe, secure & sustainable



Option	Measure	Indicative Budget Cost (Cumulative)	Potential EPC Rating (Cumulative)	EPC Score Improvement (Cumulative)	Pounds per Point (Cumulative)	CO ₂ Emission Savings (kg/CO ₂ /yr) (Cumulative)	Energy Operational Costs per annum (Cumulative)	Savings per annum (Cumulative)	Simple Payback Period (Cumulative)
	Baseline EPC		F 150				£21,704		
1	Install flat roof insulation to achieve a U-Value of 0.25 W/m ² k	£30,000	E 120	30	£1,000	14,200	£17,243	£4,460	6.7 years
1+2	<u>Above plus:</u> Replace existing HVAC system with high efficiency VRF system	£80,000	D 79	71	£1,127	32,961	£11,351	£10,353	7.7 years
1+2+3	<u>Above plus:</u> Replace existing windows with new efficient types	£105,000	C 75	75	£1,400	34,681	£10,810	£10,893	9.6 years
1+2+3+4	<u>Above plus:</u> Replace existing lighting with LEDs throughout	£115,000	B 42	108	£1,065	49,611	£6,121	£15,583	7.4 years

Table 3 - Cumulative Measures

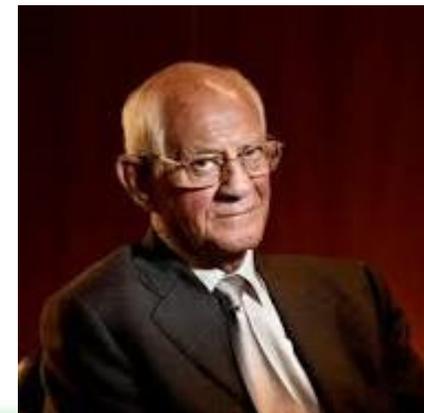
Vital's unique "EPC Plus" service



- Matrix of options
- EPC Grade enhancement
- Running cost reduction
- Capital cost
- Carbon reduction
- Payback period/ROI
- UK wide service



Makes sense to Billionaires



Top Tips for Property Professionals

1. Complete an **EPC Portfolio Audit** for the buildings you are working on. Use the national database.
2. Commission **Vital EPC Plus** for Grade C and below buildings.
3. Do **predicted EPC** prior to any refurbishment
4. Be very careful with PI risk. All advice refer to EPCs.
5. Make hay. Wonderful business opportunities.
Send out 1 page flyer to your existing client base

Thank you for your attention

**PLEASE MAKE A NOTE OF
MY CONTACT DETAILS**

**For FREE advice contact
Martin Gibbons MRICS**

0345 111 7700

martin.gibbons@vitaldirect.co.uk