Data driven asset management for future-proofing

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015, commonly known as the Minimum Energy Efficiency Standards, or MEES, are a set of legal requirements that aim to improve the energy efficiency of commercially-rented properties across the UK.

Under MEES a landlord cannot renew or grant a new tenancy of longer than 6 months if their property has an Energy Performance Certificate (EPC) rating of 'F' or lower.

The Government's impact assessment for the regulations suggests there are 1.2 million commercial private leases in the UK. The compliance status for every one of these leases will need to be assessed and confirmed to future proof landlords and tenants from the regulations enforced in 2018 and 2023.

Does it affect me?

From April 2018 legislative changes in the Energy Act 2011 bring MEES into effect. The changes to the Act will make it unlawful for commercial landlords to let/sublet properties in England & Wales with the two lowest EPC ratings of F and G, subject to certain exemptions.

If you are managing or letting a private property with an F or G EPC rating then you will need to take action to raise the energy efficiency of the property before granting a new lease.

How we can help you

Our approach to MEES is based on 20 years' experience of assisting building owners and occupiers with their regulatory obligations. We work with a wide range of businesses, identifying and delivering the most appropriate route to compliance based on their specific needs.

Stage 1: Assessing eligibility

We can assist you in reviewing your portfolio of buildings in order to determine which are at risk of non-compliance. This would involve the following considerations:

- expiry dates of current leases
- whether your EPCs are up to date
- whether your EPC files are accessible
- who is responsible for MEES according to your lease arrangements
- lodging exemptions.

Stage 2: Complete and finalize the EPC portfolio

Where EPCs are in place (and up to date) we can attempt to source the original data files used to create them. Through accessing the original files (typically .xml, .inp, .dsb, or .nct depending on the software used) we can simulate the energy savings which would be achieved through implementing various measures, allowing you to find the most beneficial, cost-effective course of action.

The cost of an EPC ranges from £200 to £1,000 depending on the size and complexity of your building so it pays to spend a little time digging and making speculative phone calls to previous

assessors in order to track down the original data files. Where no EPC exists we will arrange new assessments for you.

The importance of future planning at this stage can't be overemphasized. EPCs need to be well scoped and take into account the wider context of your objectives. Your goals may include:

- carbon reduction
- fuel poverty reduction
- social responsibility and/or
- maintenance budget savings.

A well-planned MEES assessment has the potential to also act as an asset survey, a tenant engagement exercise and / or proactive maintenance.

When arranging EPCs on your behalf we will ensure the assessor is spending quality time on site and gathering as much data as possible. Simple tasks such as recording boiler and air conditioning plates can be used to override default values used by EPC software thus increasing your asset rating with no investment on your part. The most significant gains can often be achieved by overriding defaults for space heating and domestic hot water, as well as lighting wattages.

Stage 3: Scenario modelling

Utilizing the data files from your now complete portfolio of EPCs, we make use of cutting edge data analytics and visualisation tools to map out your network of properties and visualise the potential impacts of various energy efficiency improvements.

To ensure accurate implementation costs in all of our business cases we call upon the expertise of our national framework of approved contractors as well as our Energy Conservation Measures and Energy Systems Engineering teams.

Stage 4: Workshop and next steps

Once your MEES assessment is complete we will invite you to a workshop in which we will present our findings and recommendations for achieving compliance. In an open discussion we can also provide advice on approaching contractors and the ongoing data management, maintenance and storage of files.

Our experience

Unite Students

We worked with Unite Students to produce an energy simulation tool to achieve compliance with MEES.

To ensure accuracy and confidence in the EPCs we addressed the performance gap between the theoretical consumption calculated by the EPCs and the actual metered consumption of the buildings head on.

Using metered energy data we produced an energy model specifically for Unite Students that was configured to the metered performance of their buildings, we then simulated the effects of various packages of Energy Conservation Measures (ECMs) on the EPCs and the energy model.

To identify the optimum package of ECMs for each building a bespoke scoring mechanism was implemented. The system produced a single score for each package taking into consideration EPC score improvement, carbon emissions and energy bill reduction.

Results were presented in a workbook that Unite Students can use and update over time.

Wokingham Borough Council

We produced 36 non-domestic EPCs and a MEES assessment in order to identify routes to achieve compliance for Wokingham Borough Council.

Following the assessments, we specified fully costed packages of Energy Conservation Measures (ECMs) designed to reduce the worst performing areas of the EPCs.

A financial appraisal exercise calculating NPV and lifetime ROI identified two potential routes to compliance; one, installing all recommended ECMs (but the buildings still may not achieve a rating of E), and the second was to install ECMs over and above the initial recommendations to guarantee E ratings or higher.

Data from the surveys also allowed us to produce a detailed portfolio register to assist future asset management decisions.

About Anthesis

Anthesis is a global sustainability services and solutions provider, which believes that commercial success and sustainability go hand in hand. We develop financially driven sustainability strategies, underpinned by technical expertise and delivered by innovative collaborative teams across the world.

For further information, contact:

Stuart Gray

Senior Associate

Stuart.Gray@anthesigroup.com

T: 0117 403 2700