

EPCs and Lease Renewals

It is currently not necessary to have a valid EPC in place for a lease renewal or lease extension to be agreed and executed.

Whilst there is debate on the subject, the UK Government Guidance document setting out the interpretation and use of the Energy Performance of Buildings Regulations (2012) is clear on two counts:

1. *“An EPC is intended to inform potential buyers or tenants about the energy performance of a building, so they can consider energy efficiency as part of their investment or business decision to buy or occupy that building.”*
2. *“Not all transactions will be considered to be a sale or let to which the duties apply. These will include:*
 - *Lease renewals or extensions”*

The intention of an EPC being in place is to act as part of a prospective purchaser or prospective tenant acquiring a property, in order that they can consider and understand – as part of that purchase – the energy efficiency of the property. An existing tenant party is already in situ and is already aware of the performance of the property, hence does not ‘need’ an EPC.

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