Energy Efficiency Guide for Rented Homes













Across the UK, energy bills are at an all-time high following the latest energy price-cap rise.

Additionally, in privately rented properties, landlords are increasingly concerned about how to keep their energy costs down and support their tenants, while wondering how to improve their Energy Performance Certificate (EPC), as a result of proposed changes coming to the minimum EPC rating. By improving the property's EPC rating, landlords can help decrease their tenant's energy bills and ensure their property is up to standard for 2025's proposed adjustments.

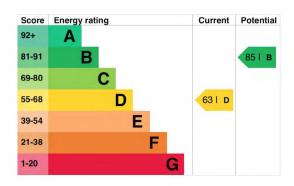
In this joint guide by TDS in partnership with NRLA, you will understand how to improve your property's EPC rating, reduce your property's energy bills, and find out what financial support is available to you and your tenants.

Where to start

First, let's look at your <u>Energy Performance Certificate</u> (EPC). Having an EPC is not only a legal requirement when letting a property, but can help both landlords and tenants identify areas for improvement in their home's energy efficiency.

An EPC provides an energy efficiency rating from A (most efficient) to G (least efficient) for any given property.

Having a good EPC rating can make your home more appealing, affordable, and comfortable for both new and existing tenants.



What are the current EPC requirements?

All properties currently sold or let in England and Wales must have an EPC rating of at least 'E' or higher. These Minimum Energy Efficiency Standards apply to all new and existing tenancies.

In Scotland, starting April 1, 2022, all new tenancies in the private rented sector must have an EPC rating of at least 'D' as a result of stricter regulations. You can find out more about these regulations on the <u>Scottish</u> Government's website.

EPC's are valid for 10 years and may need updating if you have made changes to your home since the assessment. You can do that <u>here</u> for England and Wales, or <u>here</u> for Scotland.

What are the proposed changes to EPC requirements?

In England and Wales, the government's proposal for <u>new EPC regulations</u> state that by 2025 for all new tenancies and by 2028 for all existing tenancies, landlords would need to have a certification rating of at least 'C' to let out a property legally, or face potential fines.

In Scotland, all privately rented properties in Scotland must receive an EPC rating of 'C' or higher by 2025 where <u>technically feasible and cost effective</u>, with a backstop date of 2028 for all remaining properties.

There are exemptions

If a property does not require an EPC, then it does not have to comply with the Minimum Energy Efficiency Standards. Landlords must register any properties which qualify for an exemption, such as grade listed or those in a conservation area, on the PRS Exemptions Register. An exemption lasts for five years.

Once you understand how your property is rated, there are a number of simple steps that landlords can take to make properties more energy-efficient, improve your EPC rating, and help tenants to reduce their bills.

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Lower-cost tips to improve your property's EPC and energy efficiency

- Move to a Smart meter: If you've not yet switched to smart meter, take this as an action to schedule the installation. It will mean more accurate costs for your tenants and remove the costs of meter readings, which are presently added to energy bills.
- Draft-proof: Aside from windows and doors,
 DIY draught-proofing can also be done around letterboxes, keyholes and loft hatches. Draftproofing kits are available online and at your local hardware shops.
- Change to LED lighting: Switching old light bulbs for low-energy LEDs uses approximately 90% less energy and can last up to fifteen times as long. Don't forget the lighting in ovens and extractor hoods.
- Thicker fabrics: For curtains, carpets and rugs, the thicker the better to help reduce heat loss

- from windows and floors.
- Make sure your boiler is working efficiently: Keep it regularly serviced and check the heating controls, timers and thermostats are set correctly.
- Check the radiators: Ensure the radiators are bled yearly so they're working effectively and consider fitting them with thermostat controls. It's also worth adding reflective panels behind radiators to prevent heat lost through external walls. These panels are especially effective for radiators on uninsulated solid walls.
- Protect your pipes: Adding insulation around accessible hot water pipes with foam tubes, and the hot water tank is worth undertaking. Fitting a cylinder jacket around a tank is cheap and easy to fit, but ensure it's at least 3 inches thick.

Want to invest in making your property more energy efficient? Tips for the long term.

- Upgrade your windows and doors: Think about double or triple glazing to improve heat retention.
- o Insulate: One of the easiest and most costeffective ways to improve a home's energy efficiency is by fitting natural cavity or solid wall insulation. Uninsulated homes lose more than a third of their heat through the walls. This is most needed for your ground floors, roof, loft, and external walls. If your home has a steel or timber frame, or is a pre-fabricated concrete construction, you may need advice from a specialist insulation installer.
- Save energy by upgrading to a condensing boiler:
 A condensing boiler recovers more heat from the exhaust flue gas and uses it to heat the central heating water, making it more energy efficient.
- Is your property let out furnished or with white goods? When appliances need replacing, consider investing in products that have the energy ratings of A+++.

- Solar panels: Install PV Panels on your roof with battery storage, and utilise the excess energy generated during the night.
- Change to a ground source heat pump: (GSHPs) are an option to extract heat from the ground which is then used to heat your water as well as your home. Ground source heat pumps are low maintenance and you can use them all year round.
- Switch to an air source heat pump: (ASHPs) are another heating alternative. They contain a fluid which absorbs heat from the outside air which is then transferred to the heating and hot water circuits in your home. ASHPs are easier to install than ground source heat pumps, and the pump unit is fitted outside to a wall or to the ground with sufficient space around it to ensure good air intake.







Common dispute Q&As

"My tenants are struggling to pay their energy bills, which is having a knock-on effect on their rental payments. What can I do?"

"My tenant is complaining that the house is too cold and draughty, what do I need to do?"

"My tenant wants to keep the heating off but I'm worried it will create mould and damp issues within the home. What can I do?"

If your tenants are still struggling with their energy bills, there is help available across the UK. Below we've listed the available grants and support. However, when rental payments are late, this is incredibly stressful for everyone involved. TDS recommends to communicate openly with your tenants and determine whether there is an option to defer or reduce payments on a temporary basis. Rental payments are a contractual obligation and will be detailed within the tenancy agreement. Therefore if there was a dispute at the end of tenancy for rent arrears, we would likely award the claim in the landlord's favour.

If you are struggling to negotiate rent arrears during the tenancy, consider using a mediation service. TDS Resolution offers a free service to our customers that can quickly achieve a satisfactory outcome in the event that a tenancy has fallen into rent arrears. This can help to avoid unnecessary evictions or possession hearings in court. Learn more about TDS Resolution here.

Living in cold accommodation can be dangerous - particularly if you're aged 65 or older or have a health condition, so if you've received complaints about the temperature of the property, it's worth ensuring your property complies with the fit for habitation act.

Check that the boiler has been regularly serviced and doesn't need replacing (a boilers life span is around 10-15 years), the radiators are in good working order and any draughty areas are filled or covered. Communicating with your tenants and letting them know you are working to find a solution is good practice. Often, installing secondary measures such as a draft excluder to the front door, insulation to the water tank, or fitting new heating controls can help heat the home and improve your EPC rating.

However, you should also ensure that at the start of a tenancy, both parties are aware of what their <u>responsibilities</u> are. Issues such as heating are a landlords responsibility to take care of, unless the tenant has caused any damage preventing the home from being properly heated.

Dropping temperatures in the colder months can cause real issues for properties, particularly if they lack ventilation or have had previous damp problems. When the temperature drops, cold outdoor air can exacerbate condensation issues in the house, so not heating the home adequately can cause damp and mould. The World Health Organisation guidelines suggest that 21 degrees in a living room and 18 degrees in the bedrooms, falling lower at night and when you are out.

If there are mould and damp issues where there was no evidence of this at the start of the tenancy, or within the inventory, your tenant could be required to resolve it.

Disputes surrounding <u>damp and mould</u> are the topic of many deposit disputes at end of tenancy, so it's important to clarify each parties responsibility at the start of the tenancy, as well as reporting any damp and mould - or lack thereof - within the <u>inventory report</u>.







Are you and your tenants aware of the available government grants?

Whilst the government has given every household £400 off their electricity bill with the Energy Bills Support Scheme from October 2022, there is further help available:

Winter Fuel Payment

A £100 to £300 fuel payment for people born on or before October 5 1956.

o Cold Weather Payment

A £25 payment for every seven days of very cold weather between November and March.

Warm Home Discount

A £140 discount for some people getting Pension

Credit or some people in low-income households.

Household Support Fund

A funding package to help vulnerable households.

o Child Winter Heating Assistance

An annual payment per disabled child and young person under 19 living in Scotland.

o Help to Heat funding

Find out if your household is eligible here.

Easy, quick energy efficiency ideas that tenants can implement

Tenants have little control over their rental homes' energy efficiency, so any support you can offer will help keep the tenancy a happy one. Here's a few useful suggestions to pass on, to help lower their energy bills.

- 1. **Switch off standby:** The Energy Saving Trust estimates you'll save £55 per year by switching off appliances left on standby.
- 2. Consider a room reshuffle and move any large furniture away from covering the radiators.
- 3. Wash at 30: You can save on your energy bill just by using your washing machine more carefully. Wash at 30°C instead of higher temperatures and reduce your washing machine use by one run per week for a year.
- Don't overfill the kettle: Because kettles are among the most frequently utilised devices in the kitchen, we frequently boil more water than we need. By not overfilling the kettle, you can save on your energy bills.

- Do fill your dishwasher: Only run your dishwasher when it is full, to reduce the amount of water and energy you use.
- Dust behind the fridge-freezer can gather in the coils, so clean these regularly to help it run efficiently. And, if your fridge freezer is pushed tight to the wall, move it out. This increases air flow and improves efficiency.
- 7. **Maintain your washing machine and dryer**. Regularly clean out the filters on your washing machine and dryer to prevent fluff build-up, which would force your machine to work harder.
- Make use of your washing machine and dishwasher's 'eco' setting, if they have one.
- 9. **Don't dry clothes on radiators:** Rather than using a radiator to dry your clothes, shut the door, open a window, hang them up on a clothes horse.
- 10. **Switch suppliers:** Many tenants believe they can't switch energy providers when renting a property, but if you're paying the bill yourself, you can! Switching could save you a substantial amount of money.

<u>NRLA</u> help landlords understand the legislation that surrounds rented properties, which include common factors such as the ones above. They offer some of the most comprehensive learning resources and market-leading intelligence available in the sector.

If you are not yet a member of the NRLA, click here to join and receive £15 off membership!

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