

April Property Newsletter

Welcome to our monthly newsletter for property landlords. We hope you find this informative.

Costly EPC upgrades

From 1 April 2023, the new Minimum Energy Efficiency (MEES) regulations came into effect, meaning it is not legal to let a property with an Energy Performance Certificate (EPC) rating below 'E'.

Recent surveys have shown that few landlords know their current EPC rating and even fewer know what their EPC rating should be now. Awareness of the EPC rating system, and how to reduce an EPC rating, is also low.

Further changes are set to come in April 2025. The Government recently consulted on plans for all new tenancies in England and Wales to meet an Energy Performance Certificate rating of C from 1 April 2025 and existing tenancies by 1 April 2028. The MEES regulations will be changed to facilitate this, but we are still waiting for details of the changes.

Score	Energy rating	Current	Potential
92+	A		
81-91	B		83 B
69-80	C	69 C	
55-68	D		
39-54	E		
21-38	F		
1-20	G		

The current MEES regulations include a cost cap of £3,500, which means a landlord could apply for a high-cost exemption if an energy efficiency improvement were to cost more than this amount. The new 2025 regulations are set to come with a cost cap of £10,000 to

reflect the fact that more costly improvements will be required to bring 'E' rated properties up to a 'C' rating.

The increased cap is of particular concern for landlords in Wales, where properties have some of the lowest prices in the UK, as well as low energy efficiency ratings. Industry bodies are calling on the Welsh Government to provide funding for the required improvements, in the form of grants or interest-free loans.

Whilst some landlords will need to fund larger, more costly, improvements, it is worth remembering that there are several free or low-cost measures that can improve a property's EPC rating, such as turning down thermostats, checking the settings on heating and cooling controls, having boilers and other plant serviced, improving insulation, and replacing inefficient lightbulbs with LEDs.

'Make things right' for social housing tenants

'Make things right' is a flagship Government advertising campaign that will urge social housing tenants to complain about substandard housing.

In recent years, problems of damp, mould, and general disrepair in social housing have made the news, and there have been measures by government aimed at tackling the problems,

April Property Newsletter

including mandating qualifications for social housing managers and training for Citizens Advice Bureau staff to help social housing tenants.

Findings from the government's social housing resident panel found that 65% of members said their experiences of raising complaints with their landlord had been unsatisfactory.

Advertisements featuring mould and leaking roofs, on radio and social media, will aim to make tenants aware of their rights and encourage them to complain to the Housing Ombudsman if their landlord does not satisfactorily deal with their complaint.

Ghost landlords

In recent years there has been an increase in the practice known as 'rent-to-rent', where a landlord lets a property to a company who then rents out parts of the property for a profit. The landlord, in this case, is known as a 'ghost landlord'.

A recent Supreme Court ruling has split opinion. In the case of *Rakusen v Jepsen*, the Court ruled that the rent-to-rent company, not the ghost landlord, was liable to pay the Rent Repayment Order (RRO). The landlord had let a flat to a rent-to-rent company, who let the flat to tenants without obtaining the required licence. The tenants sought an RRO from the landlord, even though the landlord did not receive rents directly from the tenants.

The initial Tribunal ruled in favour of the tenants, but the Court of Appeal and subsequently the Supreme Court have ruled in favour of the landlord. This means that ghost

landlords are not held liable for the legal failings of rent-to-rent companies.

Landlords, generally, are pleased with this ruling, but housing campaigners say that it gives 'rogue' landlords a blue light to use rent-to-rent companies to avoid legal responsibilities.

Heat Pump Scheme failings

Heat pump systems are energy efficient alternatives to traditional central heating systems and air conditioners. They are three times more efficient than gas boilers.

To meet the UK's climate change targets, the government intends to install 600,000 heat pumps annually within five years and The Boiler Upgrade Scheme grants households £5,000 to help switch from a gas boiler to a heat pump.

In February, the scheme was criticised by the Lords Climate Change Committee, which said that the scheme take-up is so low, the national target for green heating is unlikely to be met. Currently only 50,000 heat pumps are installed annually.

Baroness Parminter, Chair of the committee, said that it is critical that the government boosts public awareness of the scheme. In Autumn 2022, government research showed that 80% of people did not know what a heat pump was.

The government has introduced a marketing campaign to increase public awareness and other options will be considered to ensure the climate change targets will be met.

