

Introduction of mandatory Energy Performance Certificates in Jersey

Service area / Property Law Legal jurisdiction / Jersey Date / August 2023

Energy Performance Certificates ("EPCs"), long required in the UK and the EU, are not currently mandatory in Jersey, but this is set to change.

The Government set out its objectives in respect of property energy efficiency and EPCs within the Carbon Neutral Roadmap (approved by the States Assembly on 29 April 2022). The Government has since issued a progress report in July 2023 on the implementation of the Carbon Neutral Roadmap.

Timeline for implementation in Jersey

The timeline set by the Carbon Neutral Roadmap is as follows:

- end of 2023: complete review of the current EPC system;
- end of 2024: develop and lodge legislation to make both domestic and commercial EPCs mandatory at the point of sale and rental;
- end of 2025: introduction of requirement for EPCs to be displayed on public buildings; and
- end of 2026: introduction of minimum EPC standards at point of rental and sale for both residential and commercial properties.

What are EPCs?

An EPC tells you how energy efficient a building is, and gives each individual building a rating – typically between A (very efficient) to G (inefficient). EPCs may also identify ways in which a property's energy efficiency could be improved.

An energy assessor will attend the property in question and conduct an energy audit, reviewing and assessing the energy usage and efficiency of the property, before issuing an EPC.

Who can conduct the audit and issue EPCs?

Only qualified energy assessors are permitted to issue an EPC. There are different qualifications in respect of domestic (or residential) and commercial properties.

The Government of Jersey has a list of accredited domestic energy assessors who are currently authorised to carry out home energy audits and issue domestic EPCs, which can be accessed here.

The Government has also arranged for the training of a cohort of commercial property energy assessors, who are currently in the process of becoming fully accredited.

Likely impacts

The draft legislation has not yet been published, and the 'minimum standard' that will eventually be required has not been confirmed, so details are currently lacking, but the headline impacts are that:

- by the end of 2025 it will not be possible to sell or rent a
 property without providing an EPC for that property to the
 purchaser or tenant (as the case may be); and
- by the end of 2026, it will not be possible to sell or rent a property where that property's EPC does not meet a minimum standard (such standard to be set by the Government).

In the build-up to the legislation taking effect, the Government is providing a number of subsidies of between £200 and £250 (depending on the size of the property) towards the cost of residential EPCs, and intends to introduce a £500 subsidy for a limited number of commercial buildings in pilot form during Q3 of 2023.

OFFSHORE LAW SPECIALISTS

Key considerations

When the legislation comes into effect, it is likely that there will (at first) be relatively few properly accredited property assessors, especially in comparison with the volume of properties that will require assessment. Construction industry labour shortages may also add to the time-pressure, as there may be increased demand for improvement works. For these reasons although there will be a transitional period before the full implementation of the regime, it is advised that property owners plan ahead, and consider arranging for an EPC prior to the legislation taking effect. Delays in obtaining an EPC and/or carrying out required works to meet minimum standards, could lead to delays on sales or lettings (at best), or deals falling through (at worst).

Carey Olsen is here to help

The Carey Olsen property team is ready to assist owners and managers of both residential and commercial properties. Our experienced and approachable team can advise on navigating the new regulatory regime, or drafting (or negotiating) appropriate provisions for inclusion within new leases.



FIND US

Carey Olsen Jersey LLP 47 Esplanade St Helier Jersey JE1 0BD Channel Islands

T +44 (0)1534 888900 E jerseyco@careyolsen.com



FOLLOW US

Visit our property law team at careyolsen.com



PLEASE NOTE

Carey Olsen Jersey LLP is registered as a limited liability partnership in Jersey with registered number 80.

This briefing is only intended to provide a very general overview of the matters to which it relates. It is not intended as legal advice and should not be relied on as such. © Carey Olsen Jersey LLP 2023.