

The extension of the EPC deadline means that EPCs are here to stay

By [Frikkie Malan](#)

12 Dec 2022

On 25 November, the Department of Mineral Resources and Energy announced a three-year extension of the Energy Performance Certificates (EPC) deadline from 7 December this year to 7 December 2025.



Frikkie Malan, head of the Remote Metering Solutions (RMS) EPC inspection body

The property market welcomed this announcement as no more than 600 buildings were certified in the first two years since the DMRE enacted these regulations on 8 December 2020. An estimated 200,000 to 300,000 buildings need to obtain and display an EPC in terms of the regulations. So, in the first two years, less than 0.5% of buildings are compliant, with thousands of buildings still needing an EPC.

With an extension of the deadline, there is now a bit of breathing space that will allow property owners, inspection bodies (the issuers of an EPC), and the regulator to take stock of the lessons learned in the first two years and to move forward with vigour towards compliance with the EPC regulations.

As one of the Sanas-accredited EPC inspection bodies, the RMS inspection body issued about 60% of all EPCs in the first two years. We have issued EPCs for various listed property funds, private property owners, universities, and schools. This broad range of experience has helped us understand how to help property owners with their certifications and the value of an EPC.

Here are five of the more important lessons that we learned:

Lesson 1 – Extension means EPCs are here to stay

In the first two years of the EPC regulations, those property owners who started the certification process early managed to get their buildings certified, even before the original deadline. Starting the certification process means appointing an inspection body, identifying those buildings that need to be certified, and gathering the information required for certification.

Don't wait for the next deadline. If there is one lesson we can take away from these last few months, it is that three years from now, there will be another mad rush to be compliant. Whether we can expect another deadline extension is up for speculation, but the chances of a second extension are probably less than this first one.

Lesson 2 – Certifying a building about much more than just compliance

While an EPC is, for many property owners, mostly about compliance (and a grudge purchase at best), a building certification offers much more. An EPC informs decision-making regarding efforts to improve the energy performance of a building. An EPC is useful at a building level but becomes even more valuable for a portfolio of buildings. Most listed funds will use the data from an EPC programme to make more informed decisions on the journey toward 'net zero'.

Lesson 3 – There is a real business case for an EPC

For many property owners, an EPC is a grudge purchase, and the sole purpose of this cost is to achieve compliance and

avoid possible legal consequences of non-compliance. However, other property owners have used their EPCs to unlock significant value.

Firstly, since an EPC is a benchmark of a building's energy performance based on a national standard, the fact that a facility (or a portfolio) is certified can contribute to an improved ESG rating. Then, by interrogating the meaning (and causes) of a particular rating, a property owner can identify solid business cases to reduce the operational cost of their buildings.

And finally, since an EPC is based on all the energy sources a building uses, a property owner can use the data for climate disclosure and integrated reporting.



3-year extension granted, but are building owners taking EPC seriously?

30 Nov 2022



Lesson 4 – It is possible to get the certification done, and it is not that difficult

Many listed property funds completed the certification of their entire portfolios. For most of these funds, this meant getting tens of buildings certified; for some, this number went well above a hundred. A property owner can achieve the certification of a portfolio with the right EPC inspection body as a certification partner. At present, a property owner can choose from at least 10 EPC inspection bodies and finding the right certification partner is not the challenge it used to be when the regulation was first published.

Lesson 5 – Get the information needed for certification ready as soon as possible

Lesson 2 stated that it is not that difficult to achieve certification. That is true, provided that a property owner can provide the information the inspection body needs to issue a certificate. For example, property owners must gather measured consumption data at the building level, floor plans, occupancy data, and any information that will inform how much other energy sources were used (like diesel, gas, and solar PV) in the building. The three-year extension allows a property owner to get their house in order if this information is unavailable.

In the first two years, the market was slow to react to the regulations published in December 2020. For one, there were very few (in fact, only one) accredited EPC inspection body for most of the first year of the regulations being in effect. But this was not the only reason for the slow uptake of EPCs.

Many property owners were unaware of the regulations until closer to the initial deadline of this December. Even those property owners who knew about the regulations did not necessarily understand how this relates to their building portfolio.



Our buildings are driving us closer to 'climate hell' - how do we get back on course to net zero?

Anna Hurlimann, Georgia Warren-Myers, Judy Bush 10 Nov 2022



General understanding of EPCs substantially improved

Now, two years in, the general understanding of EPCs and what is required to obtain an EPC has improved substantially. In addition, there are many sources of EPC-related information – the EPC inspection bodies all have informative websites, many articles have been written and published in the mainstream press about EPCs, and the regulator has done much to create awareness about EPCs.

The three-year extension creates a bit of breathing space, especially for public sector buildings which represent less than 20% of all the current facilities that have been certified to date. Property owners must not let this breathing space go to waste and get caught in another frenzy of EPC activity as the next deadline approaches in 2025.

Property owners who are not yet compliant with the regulations should maintain their current efforts (if they have started the process). In addition, those property owners who have not yet started the certification process should get the process going to ensure a relatively easy and stress-free process.

ABOUT THE AUTHOR

Frikkie Malan, head of the Remote Metering Solutions (RMS) EPC inspection body

For more, visit: <https://www.bizcommunity.com>