

COMMERCIAL EPCS: **A BRIEF LAY OF THE LAND**

The Government is due to announce its decision on changes to the Minimum Energy Efficiency Standards (MEES) for commercial real estate later this year. Current evidence suggests that 'B' remains the government's likely EPC target.

With the latest Part L (2025) building regulations also expected later this year, this is an important time to understand the energy performance of your buildings, and to make the best decisions on EPCs in an evolving landscape.

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A consultation on the reform of the Energy Performance of Buildings took place between December 2024 and February 2025. Key topics included updating EPC metrics, improving quality control, and data management protocols. The C&W Sustainability team collaborated with industry partners, the Better Buildings Partnership (BBP), to express our views on the future of EPCs. This engagement and consultation feedback has helped shape key discussion topics, demonstrating our proactive involvement and industry insight.

The government’s response to the consultation is expected, in the second half of 2025, before being rolled out in 2026.

Additionally, the latest Part L (2025) building regulations are also due to be announced this year. This will be an update to the regulations that EPCs are assessed against, which will likely impact the rating a property will achieve. As the regulations have not yet been released, it is difficult to predict how EPC ratings could be impacted, however, it is likely that the carbon factors associated with electricity consumption will reduce as the grid continues to decarbonise.

While we await publication of the draft Regulations for the finer details, some of the key anticipated changes, are summarised below:

	CURRENT REGULATIONS	POSSIBLE FUTURE REGULATIONS
What is the validity Period for EPCs?	10 Years	5 Years
Can an EPC expire without penalty?	Yes, an EPC can expire without penalty. An EPC assessment is only required when a property is newly built, let or is to be sold.	New regulations may require landlords to maintain a valid EPC for the duration of a tenancy, rather than just at the point of re-letting or sale.
What are the penalties for MEES non-compliance? (England & Wales)	Non-domestic EPC penalty: £500 -£5,000	Non-domestic EPC penalty: £815 -£8,150

LATEST NEWS

SCOTLAND

From 2026, significant updates to EPCs for non-domestic buildings in Scotland will take effect. These changes aim to improve clarity, align with the England & Wales standards, and better reflect a building’s environmental impact. Heating system classifications, highlighting carbon intensity and an ‘energy cost rating’ are all expected to help occupants understand the overall cost of their energy consumption. It is also expected that the EPC validity period is expected to decrease from 10 to 5 years, again, in alignment to the expected changes in England & Wales.

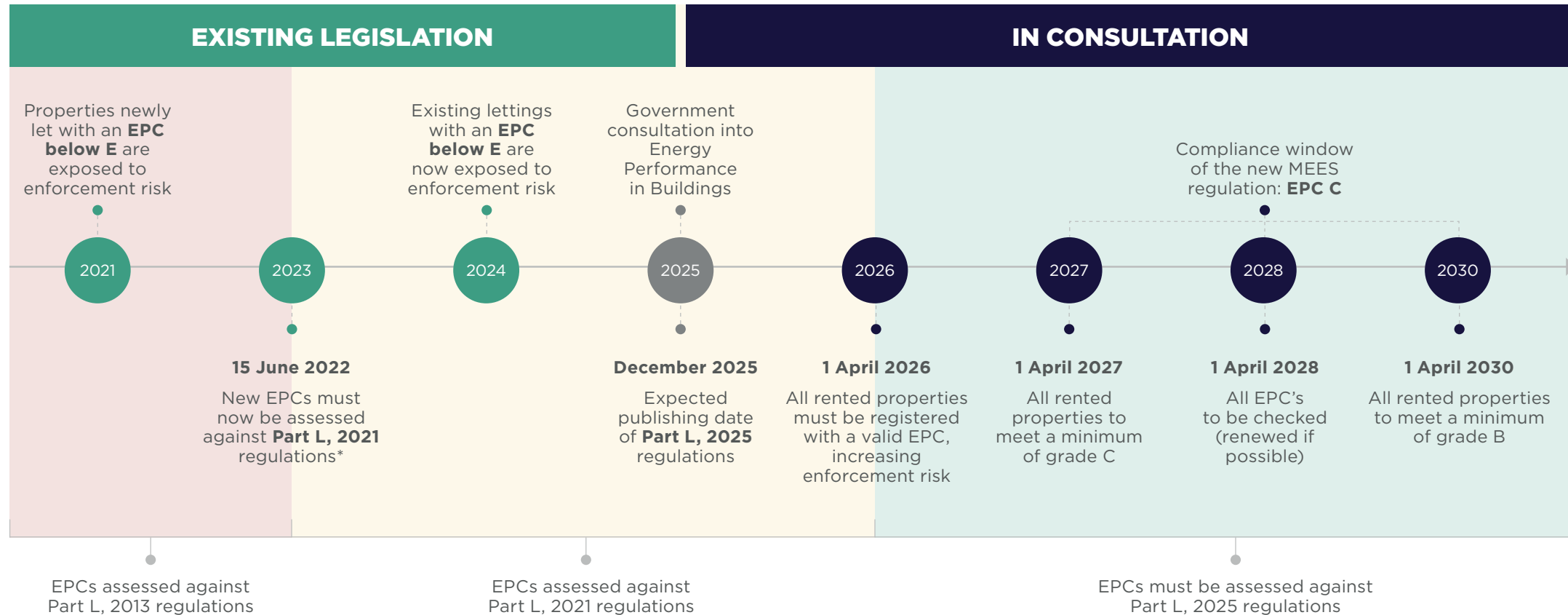
MINIMUM ENERGY EFFICIENCY STANDARDS (MEES):

ENGLAND & WALES:

The government initial proposal has been to raise the minimum energy efficiency standard for privately rented commercial properties to an EPC rating of C by 2027 and B by 2030. It has been confirmed that the government are still looking to maintain the B rating target, however the specific timelines are still unclear. The current scheme exemptions are also predicted to remain the same. Further clarification on the specifics concerning these updates to MEES are expected, in the second half of 2025.



MINIMUM ENERGY EFFICIENCY STANDARDS (MEES):



*EPCs lodged before 15th June 2022 were assessed under the 2013 version of the building regulations (Part L). As such, they may not accurately reflect the potential EPC rating under the current regulations (Part L 2021).

WHAT THIS MEANS

As the environment for EPCs continues to evolve, staying informed and proactive is crucial. To ensure your property meets the latest standards and maximises energy efficiency, consider the following steps:



Refurbishment: Update your EPCs whenever you make meaningful changes to your buildings to have an accurate understanding of your building's current performance.



Implement Recommended Upgrades: Act on the advice provided in your recommendations report to enhance energy efficiency and reduce energy bills.



Limit expired EPCs: Keep your EPCs valid by renewing before they expire. This informs you of any possible changes required and reduces the risk of non-compliance.



Stay Updated: Keep abreast of changes in EPC regulations and standards to avoid penalties and optimise your property's performance.

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About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that *Better never settles*, the firm receives numerous industry and business accolades for its award-winning culture.

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