

Energy Performance Certificate
For Residential Buildings Regulations
(Northern Ireland) 2006

A Consultation Document

November 2004

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Executive Summary

The Department for Social Development (DSD) is required to implement a Directive of the European Union (EU) that is intended to improve the energy efficiency of buildings. Energy efficiency is important because it will help to reduce emissions from buildings that are damaging to the environment and health. Better energy efficiency will also lead to more affordable fuel bills.

DSD is seeking views on its proposals to implement the requirements of the EU Directive 2002/91/EC of the European Parliament and of the Council on the Energy Performance of Buildings particularly Article 7. The objectives of Article 7 of the EU Directive 2002/91/EC of the European Parliament and of the Council on the Energy Performance of Buildings are

- To ensure that all prospective purchasers and tenants of domestic properties have access to a valid energy performance certificate.
- That the certificate shall include reference values such as current legal standards and benchmarks to make it possible for consumers to compare and assess the energy performance of the building.
- That the certificate shall be accompanied by recommendations for the cost-effective improvement of the building's energy performance.
- That for apartments or units designed for separate use in blocks, certification may be based on one common certification of the whole building where the block has a common heating system; or on the assessment of one representative apartment in the same block.

This document goes into further detail on the requirements of the energy performance certificate for dwellings. DSD would welcome responses on any part of this consultation document including the Equality Screening and the Regulatory Impact Assessment.

Following consultation, DSD will be bringing forward regulations to give effect to the Directive.

1.0 Introduction

- 1.1 The purpose of this consultation document is to seek views on DSD's proposals for implementing the EU Directive 2002/91/EC of the European Parliament and of the Council on the Energy Performance of Buildings particularly Article 7. EU Directives must be implemented in the Member States through legislation and/or administrative arrangements. There is no discretion as to whether or not the Directives should be implemented. DSD has responsibility for housing in Northern Ireland and is therefore proposing to make regulations that will apply to most of the housing (residential buildings) in Northern Ireland.
- 1.2 A wide range of organisations and interested parties will receive this consultation document. Comments are sought on the proposed regulations, the Regulatory Impact Assessment, the Equality screening and on the Home Information Pack, and should reach the Department by the end of January 2005. Unless respondents specifically state that their comments should not be made public, the Department may publish and attribute comments in paper form or on the Internet.

Responses should be sent to:

Una McConnell
Housing Policy Branch
Department for Social Development
Andras House
60 Great Victoria Street
Belfast
BT2 7BB

Tel: 028 9091 0068
email: una.mcconnell@dndi.gov.uk
Or by Text phone to 028 90527668.

Alternative versions of this document including large type and audiocassette are available from the above address.

Following consideration of comments, DSD will begin drafting regulations in early 2005 to come into operation on 4th January 2006.

2.0 Background

2.1 EU Directive 2002/91/EC on the Energy Performance of Buildings came into effect in January last year and must be transposed into Member State law by 4th January 2006. This Directive will ensure that building standards across Europe place a high emphasis on minimising energy consumption. A copy of this Directive is available at the following website –

http://www.diag.org.uk/pdf/EPD_Final.pdf

2.2 Under the Directive:

- A methodology for calculating the energy performance of buildings, taking account of local climatic conditions, will be applied throughout the EU;
- Minimum standards for energy performance will be determined by Member States, and applied both to new buildings and to major refurbishments of existing large buildings;
- A system of building certification will make energy efficiency matters much more visible to owners, tenants and users;
- Boilers and air conditioning systems above minimum sizes will be inspected regularly to reduce energy consumption and limit carbon dioxide emissions.

2.3 The Department of Finance and Personnel (DFP) will be implementing the main parts of the Directive through amendments to the Building Regulations following a separate consultation exercise. This will include a requirement for the issue of an Energy Performance Certificate to the purchaser of a new dwelling. DSD has responsibility to the issue of an Energy Performance Certificate for existing dwellings and dwellings that received their Building

Regulations approval prior to 4th January 2006 but were completed after that date. This is a requirement that the owner or developer, at the point of sale or letting, produce for each dwelling an Energy Performance Certificate. This is intended to provide buyers or tenants with an assessment of the energy performance of the dwelling so that they can take this into account in choosing their home. The expectation is that this will provide an incentive for landlords and sellers to improve the energy performance of the property. DSD will bring forward legislation to transpose the relevant parts of the Directive into Northern Ireland law on 4th January 2006.

- 2.4 This consultation paper deals only with the requirement for dwellings to have an Energy Performance Certificate. There is a requirement for an Energy Performance Certificate for non-domestic public sector type buildings and this will be taken forward by another Government Department with a possible consultation in 2005.

3.0 Energy Certificates

- 3.1 The Directive requires that when a building is constructed, sold or rented out, an Energy Performance Certificate not more than 10 years old must be made available to the owner or by the owner to prospective purchasers or tenants. In this way, energy performance will increasingly become a genuine factor in the decisions that people make about the home in which they choose to live. The exact format and content of the certificate is a matter for Member States but all should include reference values such as current legal standards and benchmarks in order to make it possible for consumers to compare and assess the energy performance of the building. The certificate must also be accompanied by recommendations for the cost effective improvement of the energy performance.
- 3.2 For apartments or units designed for separate use in blocks, certification may be based on one common certification of the whole building where the block has a common heating system; or on the assessment of one representative

apartment in the same block.

3.3 Each EU Member State will have to ensure that certification is carried out independently by qualified and/or accredited experts. Surveyors who have the right training and skills will be well placed to take advantage of the increased market for these new services. However, there is likely to be a need for training of new and existing SAP assessors.

3.4 The energy performance certificate will

- Provide information to buyers to help them judge the energy efficiency of their new home
- Provide an opportunity to stimulate purchaser interest to invest in energy conservation measures
- Assist in reducing fuel usage in the longer term
- Assist in meeting government objectives including domestic energy efficiency, CO₂ reduction and the eradication of fuel poverty.

4.0 Calculating the Building's Energy Performance.

4.1 The Government's Standard Assessment Procedure for Energy Rating of Dwellings (SAP) will be used as the national calculation methodology to calculate the energy performance of dwellings and is being adjusted to include lighting and the use of renewables. It will also:

1. Bring the SAP into line with new technology (combined heat and power engines, solar water heating etc)
2. Revise the existing algorithms and defaults:
 - Efficiency of boilers,
 - Control of space and water heating
 - Fuel costs
 - Carbon Dioxide Emissions, etc

3. Align SAP with New European Standards that are currently under preparation.

This new version of SAP will be available in 2005 and will be known as SAP 2005.

5.0 Design of the new Energy Certificate

- 5.1 The Directive requires that the certificate should be the same for all dwellings, including new builds. The certificate format will be standardised throughout the UK, and it has been designed by the Energy Efficiency Partnership for Homes (EEPH). The design is based on the energy labelling for household appliances. EEPH is an independent group of over 250 UK organisations working together on different aspects of domestic energy efficiency and DSD is a member.
- 5.2 The certificate will –
 - Be clear and simple to understand, based upon labelling already familiar to the consumer market, making use of the A-G label for appliances. This system already has high levels of consumer experience and acceptance.
 - Be accompanied by related guidance, incentives and signposting to other sources of information, including a practical guide to action, identifying suppliers, costs of energy efficiency measures and how disruptive each measure is to implement.
 - Show the band (A-G) as well as the SAP rating. It will indicate not only the current band and rating of the house but the projected post-improvement band and rating, including details and the impact of each energy efficient option.
- 5.3 The certificate will have a maximum validity of 10 years. A draft design of the certificate follows. If the dwelling is changed during the period of the certificate and the SAP rating is affected, for example, a new boiler or cavity wall insulation is installed, a new energy performance certificate will be required if the dwelling is to be sold or rented out.

Section H: Energy Performance Report

Save money, improve comfort and help the environment

The following report is based on a survey carried out by a Home Inspector for:

Address: 100 Any Street,
Any Town,
Anywhere, AB1 CD2

Certificate Survey Number: XXXX
Name of Surveyor: XXXX
Date of Survey: XXXX

SUMMARY OF THIS HOME'S ENERGY PERFORMANCE RELATED FEATURES

Construction:	Main Walls	[Type]	Insulation [Type/Thickness]
	Main Roof	[Type]	Insulation [Type/Thickness]
	Extension Walls	[Type]	Insulation [Type/Thickness]
	Extension Roof	[Type]	Insulation [Type/Thickness]
	Main Floor	[Type]	Insulation [Type/Thickness]
	Extension Floor	[Type]	Insulation [Type/Thickness]
	Windows	[Type]	[Pre/post2002]
Heating:	Main Heating:		
	Source	[Description: e.g. Gas central heating boiler]	
	Age [Age]	Efficiency [Efficiency]	
	Emitters Controls		
	Secondary Heating:	Source	Efficiency [Efficiency]
Hot water:	System		
	Source	[Description: e.g. Solar water heating]	
	Storage	Insulation [Type/Thickness]	
	Controls		

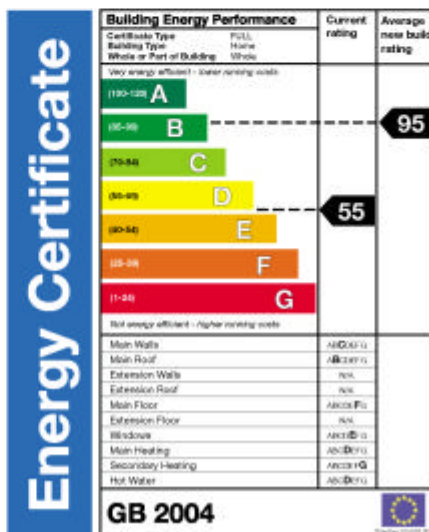
ENERGY RATING AND TYPICAL RUNNING COSTS OF THIS HOME

Electricity	£ xxx per year
Gas	£ xxx per year
Other fuels	£ xxx per year
Carbon dioxide emissions (CO ₂)	xx tonnes per year

Energy Consumption xxx kWh/m² per year

Delivered energy and typical running costs shown above are for space and water heating assuming a standard occupancy pattern.

Rating method: UK Standard Assessment Procedure



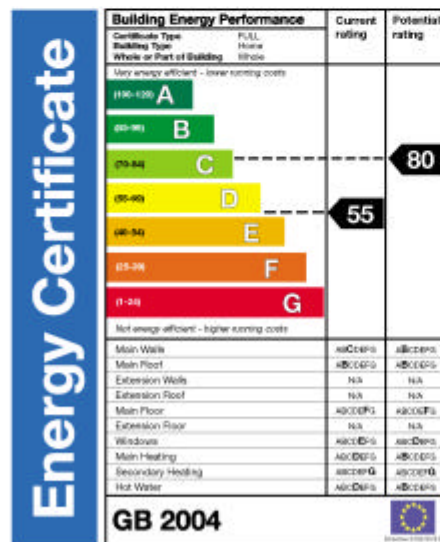
Certificate Survey Number: XXXX
 Name of Surveyor: XXXX
 Date of Survey: XXXX

Section H: Energy Performance Report

MEASURES TO REDUCE THE RUNNING COSTS AND IMPROVE COMFORT

Suggested Improvements

Measure	Typical savings	Performance rating after improvement
Lower cost measures		
Cavity Wall Insulation (CWI)	£xx per year	65
Loft insulation top up to 250mm	£xx per year	68
Hot water tank and pipe work insulation	£xx per year	69
	Sub Total £xx per year	Home Energy Rating D after improvements
Higher cost measures		
Condensing Boiler	£xx per year	75
Installation of a full heating controls package	£xx per year	78
Double Glazing	£xx per year	80
	Sub Total £xx per year	Home Energy Rating C after improvements
Further Improvements to help the environment		
Solar Water Heating	£xx per year	85
	Sub Total £xx per year	Home Energy Rating B after improvements



- The improved Energy Ratings are cumulative, that is they assume that you have installed all the improvements in the order that they appear in the table.
- If all the lower and higher cost measures above were to be installed then the Energy Rating would increase to **C**.
- If all the measures above were to be installed then the Energy Rating would increase to **B**.

For further information on how to take action and to find out about grants for making your home more energy efficient freephone 0800 512 012. Or alternatively visit www.saveenergy.co.uk

Certificate Survey Number: XXXX
Name of Surveyor: XXXX
Date of Survey: XXXX

Section H: Energy Performance Report

MEASURES TO REDUCE THE RUNNING COSTS AND IMPROVE COMFORT

Lower Cost Measures (up to £500)

These improvements are relatively cheap to install and will be worth tackling first.

Measure 1

CAVITY WALL INSULATION

The external walls of your home are built with a gap, called a cavity, between the inside and outside layers of the wall. Cavity Wall insulation fills this gap with an insulating material. The material is pumped into the gap through small holes, which are drilled into the outside layer of the walls (the small holes are sealed up afterwards). Because this involves using specialist machinery, a professional installation company must carry out the work. The contractor will thoroughly survey your walls before commencing work to be sure that this type of insulation is right for your home.

Measure 2

TOPPING UP LOFT INSULATION

This cost is based upon a contractor installing an additional 100mm of glass fibre or mineral wool insulation in your loft, but a capable DIY enthusiast can install it. If you choose a DIY installation then take care not to block ventilation at the edge of the loft space as this may cause condensation. When handling the insulation wear gloves and a mask.

Measure 3

HOT WATER TANK AND PIPE INSULATION

By improving the insulation of your hot water tank using a jacket of at least 80mm thickness and also insulating the hot water pipe connections to the cylinder for about a metre or for as far as they are accessible will help reduce your heating bills.

Higher Cost Measures (up to £3000)

Measure 4

CONDENSING BOILER

This improvement is most appropriate when your existing central heating boiler requires repair or replacement. A condensing boiler is capable of much higher efficiencies than other types of boiler, meaning it will burn less fuel to heat your property. Since condensing boilers require an additional drain to be connected, only a qualified heating engineer should carry out the installation.

Measure 5

INSTALLATION OF FULL HEATING CONTROLS PACKAGE

Thermostatic radiator valves (TRVs) allow you to control the temperature of each room to suit your needs (e.g. warmer in your living room and bathroom than in your bedrooms) adding to comfort and reducing your bills. You will need a plumber to fit them to every radiator except one – the radiator in the same room as your room thermostat.

Measure 6

DOUBLE GLAZING

Replacing the existing single glazed windows with double-glazing will improve your comfort in the home by reducing draughts. This will also help to save on your heating bills during the long winter months.

Further Improvements

You should consider these if you want to improve your home to the highest possible standard. Your new energy performance rating for your home would be D and would be the highest possible standard, for that property.

Measure 7

SOLAR WATER HEATING

Energy from the sun can be harnessed to provide domestic hot water. These systems do not generally provide space heating, and are described as 'Solar Thermal' systems. They are among the most cost effective renewable energy systems that can be installed on dwellings in urban or rural environments.

In a typical system, a panel on the roof, a heat transfer fluid travels through a series of heat conducting tubes. During its circulation through the tubes, the fluid picks up heat which is then transferred to the domestic hot water supply as it passes through a coil in an appropriate storage cylinder.

For further information on how to take action and to find out about grants for making your home more energy efficient freephone 0800 512 012.
Or alternatively visit www.saveenergy.co.uk

Certificate Survey Number: XXXX
Name of Surveyor: XXXX
Date of Survey: XXXX

Section H: Energy Performance Report

About your Energy Rating

An energy rating for a home can be compared to a "miles per gallon (mpg)" figure for your car. This energy rating has used "standard occupancy" to make assumptions about how many people live in your home, and how they use the home. This is a bit like using the "standard driving cycle" to arrive at a mpg figure for a car. Just as we would not claim that everyone drives to match the standard driving cycle, the way in which we all use our homes does differ from the assumed standard occupancy. However, the standard occupancy remains a useful tool in calculating an energy rating because it allows one house to be directly compared with another. Standard occupancy assumes that the property is heated for 9 hours a day during weekdays and 16 hours a day at weekends, with the living room heated to 21°C, and the rest of the property is heated to 18°C.

About your Energy Survey

Energy Surveys are not new. They have been available in the UK for about 15 years. Your survey has been undertaken by a qualified inspector who has been trained to collect the correct information about the energy efficiency of your home. This information has been processed by a Government approved organisation to produce the energy rating and suggestions in the report. Both the Home Inspector and the energy report processor are regularly monitored to show that their work is up to standard.

*If you would like more technical information relating to this energy report please contact the
Home Inspector or
Home Inspector Registration Number*

No Cost and Low Cost Measures

In addition to the specific measures suggested in this report, don't forget that there are many other no-cost and low-cost measures that will save money and help reduce the impact on the environment.

For example:

- Check that your heating system thermostat is not set too high (21°C in the living room is suggested)
- Make sure your hot water is not too hot (60°C is suggested)
- Fit low energy lights, particularly in rooms with a heavy lighting use (typically about 50% of rooms might be suitable)
- Turn off your lights and domestic appliances when not needed, and do not leave TVs and videos on standby
- Do not overfill kettles and saucepans, and use a lid where possible
- Buy 'A' Rated kitchen appliances

Do Your Bit for the Environment

It is now generally accepted that the world's climate is warming up due to emissions of "greenhouse gases", primarily carbon dioxide (CO₂). Homes contribute more than a quarter of CO₂ emissions. A 50% reduction in CO₂ emissions will be needed by the year 2050 if we are to avoid catastrophic consequences for the planet. The Government has set a target of a 20% reduction of CO₂ emission levels by 2010 (based on 1990 levels). These reductions can only be achieved if we all do our bit. The CO₂ in your home is generated when you burn fossil fuels - coal, oil or gas. CO₂ is also given off at the power stations that supply you with electricity, if they burn fossil fuels instead of generating the electricity from renewable sources. Planting trees helps to soak up CO₂, because they absorb it during photosynthesis - but it's better not to produce the CO₂ in the first place!

For further information on how to take action and to find out about grants for making your home more energy efficient freephone 0800 512 012.
Or alternatively visit www.saveenergy.co.uk

6.0 Exempted Buildings

6.1 The Directive states that Member States may decide not to set or apply the energy efficiency requirements to the following categories of buildings:

- Buildings and monuments designated officially as protected
- Places of worship
- Temporary buildings with a planned time of use of 2 years or less
- Industrial sites
- Workshops
- Non-residential agricultural buildings with low energy demand
- Residential buildings intended to be used less than four months of the year
- Stand-alone buildings with a total useful floor area of less than 50 square metres.

6.2 DSD is only dealing with energy performance certificates for residential buildings and proposes that the requirement to have an energy performance certificate should not apply to residential buildings intended to be used less than four months of the year, temporary residential buildings with a planned time of use of 2 years or less and any residential stand-alone buildings with a total useful floor area of less than 50 square metres. The Directive will therefore apply to most homes in Northern Ireland when they are sold or rented out. These exemptions will be specified in the regulations.

DSD would welcome your comments on the buildings that will be exempt from the energy performance certificate.

7.0 Separate Tenancies

- 7.1 Article 7 of the Directive states “Certification for apartments or units designed for separate use in blocks may be based on a common certification of whole buildings for blocks with a common heating system, or in the assessment of a representative apartment in the same block.” If one landlord owns the building, or has a number of similar units in a block, it is recommended that there be no legal requirement for a separate certificate to be made available for every separated tenanted area. One certificate for the building should be all that is required, with the building owner being free to decide whether that single certificate is based on the whole building or a representative area.

8.0 Periodic Tenancy Agreements and Renewal of Leases

- 8.1 Landlords will only have to produce a certificate when a new tenant occupies their property. They will not need to produce a certificate for existing tenants at the point which tenancy is renewed.
- 8.2 In the case of subletting or assigning a lease, the certificate should be made available to the prospective tenants. In houses of multiple occupation, all tenants should receive a copy of the energy performance certificate.

9.0 Tenancy Agreements

- 9.1 DSD proposes to make a written tenancy agreement mandatory for all private tenancies with the form and content of these being prescribed by regulations. Tenancy agreements are considered to be the only practical enforcement mechanism for the Directive in the rented housing sector. It is proposed that the energy performance certificate should be part of the tenancy agreement and this should be provided to the tenant before the agreement is signed.

- 9.2 The legislation dealing with tenancy agreements will be put in place in late 2006. Since the Directive must be implemented in January 2006, it is proposed that freestanding regulations be made under the European Communities Act 1972. The tenancy agreement legislation will then refer to this legislation in determining what is included in the tenancy agreement.

10.0 House Sales

- 10.1 Under the new legislation, the seller of a house will need an energy performance certificate for the property before it is offered for sale. The seller or estate agent should make the certificate available when potential purchasers are viewing or inquiring about the property, possibly as part of the marketing process. When the sale is agreed, the energy certificate must be part of the documents gathered by the solicitors, should be shown to the purchaser before contracts are signed and then passed on to the purchaser when contracts are signed. This will ensure that non-marketed sales of ownership will also have an energy certificate and that the purchaser will see it before contracts are signed.

DSD would welcome views on the effect of the energy performance certificate on house sales and tenancies.

11.0 Home Information Pack

- 11.1 The requirement to produce an energy certificate to prospective purchasers when selling a home is being taken forward in England and Wales through the Home Information Pack.
- 11.2 The Office of the Deputy Prime Minister (ODPM) has carried out research which indicates that it takes eight weeks on average from acceptance of an offer on a property to exchange of contract. This period is considered to be the most problematic and prone to delays - with professionals waiting to hear from

other professionals, agencies or the consumers before they take action. However, some of the delay and other problems could be removed by better preparation on the part of the buyer and seller.

- 11.3 The Home Information Pack aims to bring forward the availability of information to the very start of the process. It requires the person marketing a residential property with vacant possession to have a Home Information Pack prepared before marketing the property. The pack is expected to contain documents and information similar to those mentioned above, including a report on the condition of the property.

The contents of the pack are likely to be:

- Evidence of title, title deeds;
- Replies to standard preliminary enquiries made on behalf of buyers;
- Copies of any planning, listed buildings and building regulation consents and approvals;
- Copies of warranties and guarantees for new properties;
- A draft contract;
- Replies to searches made of the local council;
- A Home Condition Report (HCR) based on a professional survey of the property, including an energy efficiency report (based on a SAP Energy Rating). This will meet the requirements of the EU Directive on the Energy Performance of Buildings.
- Leasehold properties will require further relevant information as they do now e.g. service charge history.

- 11.4 It is the view of ODPM that a Home Information Pack will go a long way towards ending the stress associated with buying and selling a home. Consumers will have access to crucial information up front enabling them to make decisions on the single biggest transaction they may ever make. At

present much of this information is only provided after an offer has been accepted and any delays mean it can take weeks to exchange contracts.

11.5 The home buying process here in Northern Ireland is similar to that in England and Wales. An offer to buy a property and acceptance of that offer are made "subject to contract". Such an offer and its acceptance do not constitute a legally binding agreement; this is usually only achieved with an exchange of contracts.

11.6 DSD does not consider a Home Information Pack necessary in Northern Ireland since the housing market here does not suffer the same delays and problems experienced in England and Wales. We do not believe that a Home Information Pack is necessary to ensure compliance with the Directive but that the requirement to show an energy certificate will be self-enforcing.

DSD would welcome your comments on whether our assessment is correct and whether steps should be taken to introduce a requirement for a Home Information Pack in Northern Ireland.

12.0 Enforcement

12.1 The requirement to show an energy performance certificate to the prospective purchaser or tenant should be self-enforcing.

12.2 The certificate should be enforced in house sales and tenancy agreements by the prospective purchaser or tenant, estate agents and solicitors. The benefits the certificate should have on marketing properties will ensure that estate agents, sellers and landlords will be eager to show the energy performance certificate. If purchasers and tenants see certificates regularly, it will become standard practice and this should help to enforce the certificate as potential purchasers and tenants will demand to see a certificate.

DSD would welcome your comments on whether our assessment that the requirement to show an energy performance certificate to the prospective purchaser or tenant will be self-enforcing.

13.0 The Proposed Legislation

- 13.1 DSD will bring forward legislation to transpose the relevant parts of the Directive into Northern Ireland law on 4th January 2006 using subordinate legislation citing the European Communities Act 1972 as the enabling primary legislation.
- 13.2 This legislation will detail the requirement that each time an existing residential building is sold or let, an energy performance certificate no more than 10 years old must be made available to the prospective purchasers or tenants. Dwellings that received their Building Regulations approval prior to 4th January 2006 but were completed after that date will also be included. It will clearly state that certain buildings are exempt and that landlords will only have to produce a certificate when a new tenant occupies their property. They will not need to produce a certificate for current tenants at the point that a tenancy is renewed. It will also state “Certification for apartments or units designed for separate use in blocks may be based on a common certification of whole buildings for blocks with a common heating system, or in the assessment of a representative apartment in the same block.”
- 13.3 The methodology for assessing the energy performance of a dwelling will be set out in the new Building Regulations. Guidance will be provided on the design of the certificate.

DSD would welcome view on the proposed method of implementation, especially in the rented sector.

14.0 Equality Issues

- 14.1 DSD has placed on record its commitment to complying with the Section 75 obligations of the Northern Ireland Act, which deal with the promotion of equality of opportunity and good relations.
- 14.2 DSD has screened the proposals contained in this document in accordance with the criteria set out in the Equality Commission's Guide. DSD does not consider that any potential adverse implications for equality of opportunity in relation to the Section 75 groups arise.

DSD would welcome comments on any potential adverse implications for equality of opportunity in relation to Section 75 groups arising from the proposals in this consultation paper.

15.0 Regulatory Impact Assessment

- 15.1 The Regulatory Impact did not find any adverse implications for business, charities or voluntary groups.

The Regulatory Impact Assessment is attached at Annex A.

DSD would welcome comments on any potential adverse implications for business, charities or the voluntary sector.

16.0 Rural Issues

- 16.1 The proposed legislation will be applicable to everyone in Northern Ireland, and DSD wishes to ensure that the needs of people in rural areas have been fully considered in its development. The Department is not aware of any particular impact on people in rural areas, but would welcome comments on this issue.

DSD would welcome comments on the impact of its proposals on people who live in rural areas.

17.0 Other Consultation Documents

17.1 DFP is taking forward Articles 3 – 10 in their review of Part F of the Building Regulations – Conservation of Fuel and Power. This consultation paper is available at the following web page -

<http://www2.dfpni.gov.uk/buildingregulations/amendments.htm#f>

Or can be requested from the following address-

Kevin McCullough
Department of Finance and Personnel
Office Estates and Building standards Division
Building Regulations Unit
3rd Floor, Lancashire House
3 Linenhall Street
Belfast BT2 8AA

Tel: 028 9054 2926

Fax: 028 9054 7866

email: kevin.mccullough@dfpni.gov.uk

17.2 A further consultation by Government, relating to the energy efficiency of public sector buildings is expected in 2005.

18.0 Summary of Comments Sought:

DSD would welcome your comments on the buildings that will be exempt from the energy performance certificate.

DSD would welcome views on the effect of the energy performance certificate on house sales and tenancies.

DSD would welcome your comments on whether our assessment is correct and whether steps should be taken to introduce a requirement for a Home Information Pack in Northern Ireland.

DSD would welcome your comments on whether our assessment that the requirement to show an energy performance certificate to the prospective purchaser or tenant will be self-enforcing.

DSD would welcome view on the proposed method of implementation, especially in the rented sector.

DSD would welcome comments on any potential adverse implications for equality of opportunity in relation to the Section 75 groups arising from proposals in this consultation paper.

DSD would welcome comments on any potential adverse implications for business, charities or the voluntary sector.

Glossary of Terms

Assigning a lease	An assignment by a tenant of all of his or her remaining rights in a property under a lease.
CHP	Combined Heat & Power. CHP is an efficient technology for generating electricity and heat together – there is simultaneous generation of usable heat and power (usually electricity) in a single process.
CO ₂	Carbon dioxide, a heavy odourless colourless gas formed during respiration by the burning of fossil fuels and by the decomposition of organic substances. Contributes to the greenhouse effect by absorbing infrared radiation.
DFP	Department of Finance and Personnel
DSD	Department for Social Development
Dwellings	Residential buildings
EEPH	Energy Efficiency Partnership for Homes
Energy Performance Certificate	The energy performance certificate contains an assessment of the relative energy performance of the building and suggested measures to reduce energy use.
EU	European Union
ODPM	Office of the Deputy Prime Minister
RIA	Regulatory Impact Assessment
SAP	Standard Assessment Procedure. The SAP is the Government's recommended system for energy rating of dwellings. The procedure produces the SAP rating, on a scale from 1 to 100, based on the annual energy costs for space and water heating. The higher the SAP rating, the more energy efficient the building.
Solar Water Heating	Utilises the sun's energy to heat water.
Subletting	To rent property one holds by lease to another.

Annex A

Regulatory Impact Assessment

The following Regulatory Impact Assessment (RIA) is to assess the impact of the proposals within Article 7 of the Energy Performance of Buildings EU Directive 2002/91/EC to on businesses, charities and the voluntary sector. Article 7 requires that when buildings are constructed, sold or rented out, the owner makes an energy performance certificates available to the prospective buyer or tenant. This legislation will only be dealing with dwellings.

1.0 Title of Proposed Measure

- 1.1 Energy Performance Certificate for Residential Buildings Regulations (Northern Ireland) 2006

2.0 Introduction

- 2.1 Buildings account for approximately 40% of European energy consumption. Two thirds of energy used in European buildings is accounted for by households and this consumption of energy will grow with greater use of air conditioning and heating systems.
- 2.2 The European Union made a commitment to reduce greenhouse gas emissions to 8% below 1990 levels by 2010 under the Kyoto Protocol. Buildings are mostly related to the release of the carbon dioxide and CFCs, which respectively accounts for 50% and 25% of the greenhouse gases. It was estimated that half of carbon dioxide produced in UK is related to the use of buildings
- 2.3 The EU Directive 2002/91/EC will ensure that building standards across Europe place a high emphasis on minimising energy consumption. This will reduce the use of energy in buildings across Europe, without requiring huge

additional expenditure and highlight energy efficiency, whilst at the same time perceptibly increasing comfort for users. These measures are a vital component of the European Union's Strategy to meet its Kyoto Protocol commitments.

3.0 Reasons for Energy Certificate

- 3.1 Article 7 of the Energy Performance of Buildings EU Directive 2002/91/EC requires that when buildings are constructed, sold or rented out, an energy performance certificate is made available by the owner to the prospective buyer or tenant.
- 3.2 This is to give prospective owners or tenants better information on the expected running costs of a building or apartment. With buyers and prospective tenants better informed, builders and landlords will have greater incentive to incorporate energy-efficient technologies and designs into their buildings, in return for lower running costs.
- 3.3 This legislation is only dealing with buildings that are sold or rented out; new builds will be dealt with by building regulations.

4.0 Objectives of Article 7

- 4.1 The objectives are to
 - Ensure that all prospective purchasers and tenants of domestic properties have access to a valid energy performance certificate.
 - The certificate shall include reference values such as current legal standards and benchmarks in order to make it possible for consumers to compare and assess the energy performance of the building.
 - The certificate shall be accompanied by recommendations for the cost-effective improvement of the energy performance.

5.0 Risk Assessment

- 5.1 In the context of this Regulation, there is no perceived hazard, or situation, which would lead to any harm or detriment to any individual or organisation.

6.0 Options

- 6.1 There is only one option - to implement the certificate in full.

7.0 Sectors Affected

- 7.1 Builders
Energy Companies
Estate Agents
Heating Contractors
Insulation Installers
Private landlords
Property Management Companies
SAP Assessor s/Surveyors
Social Landlords
Solicitors
Suppliers of Energy Efficient products

8.0 Costs

- 8.1 There will be an extra cost for landlords. In general in private renting each property is likely to be unique and need a separate certification check.
If a Solicitor is responsible for ensuring that their client receives the properties energy performance certificate, the Solicitor may charge extra fees.

- 8.2 Property Management Companies will have extra paperwork and extra costs when dealing with the properties they manage, acquire, sell and rent out. Extra costs will be incurred by sellers though this should be fairly small.

9.0 Benefits

- 9.1 Energy Companies – will create more awareness of energy usage and help energy companies meet targets to reduce energy usage.
- 9.2 It will provide information to buyers to help them judge the energy efficiency of their new home and provides an opportunity to stimulate purchaser interest in investing in the insulation and heating of the property if necessary. This should cause increased demand in energy efficient products and increased work for plumbers, insulators, suppliers of heating systems, insulation and energy efficient products and builders.
- 9.3 There should be an increase in work for Surveyors / people trained as SAP assessors as certification must be carried out independently by qualified and/or accredited experts. Surveyors who have the right training and skills will be well placed to take advantage of the increased market for these new services. It will be another marketing tool for estate agents and property management companies as the cost of running a home is a key marketing factor. Landlords and Property Companies will be encouraged to improve their stock and make it more efficient.

10.0 Balance of Costs and Benefits

10.1 The Certificate is valid for 10 years so the cost is reasonable in comparison with the expected benefits. Landlords will be able to use their certificate every time they re-let their property over the 10-year period, making the certificate a cheap initial investment.

10.2 Certificate cost will not be excessive. It is estimated by colleagues in ODPM that the cost of an energy certificate will be around £50 and a further £50 to renew the report after 10 years, if required.

The energy performance certificate will improve the housing stock, a short-term cost for long term gain.

It will encourage growth in many businesses while affecting very few.

With a high proportion of standard purpose-built houses and flats the social rented sector will benefit from the sort of “type-approval” (i.e. the “common certification”) allowed by Article 7.

11.0 Competition Assessment

11.1 We do not expect that this Statutory Rule will have significant implications for competition.

12.0 Summary and Recommendations

12.1 DSD consider that the proposed legislation requiring energy performance certificates will not adversely affect business, charities or voluntary organisations. It is recommended that the proposals should be implemented in full.