

A guide for landlords in Southampton, on energy saving in their properties

Energy Efficiency for Landlords



Energy Efficiency in Private Rented Properties

Local Councils are currently working with local landlord forums to encourage landlords to install energy efficiency measures within their properties by raising awareness of the grants and funding available to them. Privately rented properties make up around 15% of the housing stock in the area and by targeting these properties your local Council is not only trying to combat fuel poverty but also help reduce carbon dioxide emissions and the region's contribution to climate change. Although landlords won't benefit from lower fuel bills themselves they may benefit in other ways - look out for the orange information boxes!

Fewer complaints leads to reduced costs in staff time and resources.

Well-insulated properties have lower maintenance costs due to reduced condensation and mould.

Energy Efficiency measures

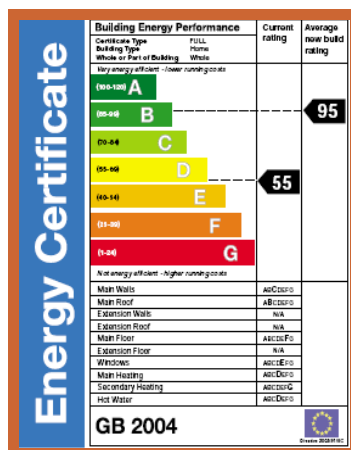
Reduced repairs e.g. burst pipes in cold weather

The most common, and effective, measures to install are loft and cavity wall insulation. For both types of insulation a substance called rock wool is used, in the loft sheets are placed between and over joists and for cavity walls small holes are drilled into the walls of the property and the rock wool is pumped in to fill the cavity. For properties without cavities there are a number of different internal and external insulation solutions. All replacement boilers are now required to be highly efficient condensing boilers.



Energy Performance Certificate

The EU Performance of Buildings Directive is now in force. It aims to improve the energy performance of buildings by requiring energy performance to be advertised on the sale or rental of any domestic property. This is achieved by the introduction of an energy performance certificate (EPC), each building must be issued with a certificate that will have to be made available when it is constructed, rented out or sold. The certificate will make suggestions of cost effective actions to improve the energy performance of a property but more importantly will allow prospective tenants to compare buildings on energy performance. This is expected to become a greater deciding factor with the ongoing increases in fuel prices.



The certificate will give each building a SAP rating, and this will be expressed as an energy rating from A to G, similar to those seen on white goods.

The cost of producing the certificate is estimated at under £100 and will be the property owner's responsibility. Each certificate will last for ten years unless major renovation work is carried out on the property. Property owners can voluntarily get a new certificate after installation of energy efficiency measures - particularly if these improve the energy rating.

Landlords Insulation scheme

There is now a new scheme whereby landlords can get cavity wall and loft insulation for their portfolio in Southampton entirely free of charge. If you want to find out more, please call

0800 975 0166

Carbon Emissions Reduction Target (CERT)

Energy companies are currently being required by the government to fund energy improvements in domestic homes. They are obliged under the Carbon Emissions Reduction Target (CERT) previously known as EEC, to provide grants for homeowners to install cavity wall and loft insulation. Landlords can claim these grants too for all or any of their properties. The grants currently provide in the region of £200 discount for cavity wall insulation and £150 for loft insulation. These grants are constantly changing so for up to date advice on the latest offers call the [Energy Saving Trust Advice Centre](#) on **0800 512 012**.

Properties with heating systems, or those that feel warm when viewed will have shorter void times.

The Warm Front Grant

Warm Front is a government scheme set up to tackle the issue of fuel poverty by providing financial assistance for people on certain benefits

Eligibility for Warm Front grants is dependent upon the tenant being in receipt of certain benefits. For more information on the criteria and how to apply call the [EST Energy Efficiency Advice line](#) on **0800 512 012**

to install insulation and heating systems. The grants are available to tenants of privately rented housing as well as those who own their own home. If one of your tenants is on any of the required benefits they can apply direct to Warm Front for assistance, Warm Front will then contact the Landlord for authority to undertake the work at no cost to

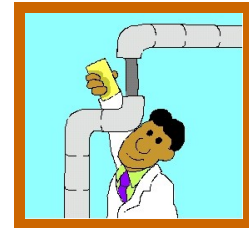


the landlord or the tenant. Where the installation of a new heating system and loft and cavity wall insulation there is sometimes a surplus to pay - it is best to agree with the tenant prior to the work who will be responsible for this surcharge.

Alongside these grants the Government has also introduced some tax incentives to encourage private landlords to install energy efficiency measures in their properties, these are the Landlords Energy Saving Allowance (aimed at small landlords) and the Enhances Capital Allowance (aimed at businesses and large private landlords).

Landlords Energy Saving Allowance (LESA)

This allowance can be claimed by all private landlords that pay income tax, usually individual and smaller landlords. The LESA means that landlords can claim a deduction for income tax purposes (up to a maximum of £1,500) against their rental profit when they install cavity wall, solid wall or loft insulation, draught proofing or insulation for hot water systems in any property they let. This is in addition to the deduction that the Inland Revenue allows for wear and tear of furniture, fixtures and fittings (currently 10%).



Further information and help is available from [Her Majesty's Revenue and Customs.](#)

Enhanced Capital Allowance (ECA)

This allowance can be claimed by landlords that pay corporation tax, larger landlords and businesses. In practice this provides the landlord with the opportunity to claim 100% of the tax back on any energy saving technology that they buy e.g. if a boiler were bought at £1000 and assuming a tax rate of 30% then £300 could be claimed back in the first year,

For a list of energy technologies that are eligible for this tax click here: [ECA Energy technologies list](#)

The ECA scheme was set up to encourage UK businesses to reduce carbon emissions which contribute to climate change. The ECA provides upfront tax relief, allowing businesses to claim 100% first year capital allowances against their taxable profits. This can deliver a cash flow boost and shorten the payback period on investments.

How to claim ECA on qualifying equipment and its installation:

- Claim your ECA in your normal corporation or income tax return in the section for capital allowances.
- Place the total amount of expenditure in Box 118 and an 'X' in Box 119
- Keep relevant records for tax purposes e.g. take a dated screen print direct from the ECA website
- For more information
[Her Majesty's Revenue and Customs](#)
- For advice or help call The Carbon Trust on 0800 58 57 94 or the Inland Revenue on 020 7147 2541

Further Information and Useful Contacts

National Landlords Association [National Landlords Association](#)

The energy efficiency pages of Southampton City Council's website are at:

<http://www.southampton.gov.uk/energy>

Email [William Bickers-Jones](#) Southampton City Council's Energy Efficiency Officer or telephone him on 023 8083 4236

Energy Saving Trust- Energy Efficiency Advice line: 0800 512 012

The Carbon Trust: 0800 58 57 94

Her Majesty's Revenue and Customs: 020 7147 2541