



## Energy Efficiency information for Landlords

It makes good business sense to improve the Thermal Efficiency of Investment Properties

Properties which have EPCs (Energy Performance Certificates) with F or G ratings will become difficult to rent out.

- From April 2016 landlords will not be able to refuse reasonable requests from tenants and local authorities acting on behalf of tenants, to improve their properties.
- From April 2018 the government will make it unlawful to rent out a dwelling with less than an EPC E rating.
- Prospective tenants are becoming more selective as energy costs increase, and homes which cost a lot to heat are being rejected in favour of more efficient dwellings.
- Tenants are more likely to pay their rent on time if their energy bills are affordable.
- Cold and expensive to heat homes create unhappy occupiers which can worsen relations between landlord and tenant.

### What can you do?

#### Low cost options:

- **Draught stripping**, which can cost as little as £40 for a whole house and can give a useful reduction in fuel use.
- Energy efficient **blinds and curtains** are cheaper than double glazing and can be almost as effective.
- **Secondary Double Glazing** can be cheaper than window replacement.
- Ensure tenants know how to get the best out of their heating system by using programmers, thermostats and timers properly. This time spent with tenants can build goodwill and let them know that you are 'on-side' in the fight against costs.
- Community Interest organisations such as LESS ([www.lessuk.org](http://www.lessuk.org) 01524 66100) offer free home energy surveys and advice on the most effective ways to bring about energy efficiency.
- **Energy efficient light bulbs** throughout can give a good saving at very little cost and help towards a better EPC rating.

#### GREEN DEAL.

- **The Green Deal** enables tenants and owners to improve property to make it more energy efficient, more comfortable and cheaper to run without having to pay for the work upfront. You ask for a quote from an authorised Green Deal provider. They will organise installation by an authorised installer. The improvements are paid for over time, via the occupier's

**LESS Home Energy Service Telephone: 01524 66100 Web: [www.lessuk.org](http://www.lessuk.org)**

**Office: 8 Ridge Square, Lancaster LA1 3HR**

LESS (Lancaster district) is a Community Interest Company limited by guarantee in England No:6181400

electricity bill, at a level no greater than the estimated savings to energy bills. If the tenant moves home the Green Deal charge stays with the property and the repayments pass to the new bill payer.

- For households in receipt of income related benefits there may be additional help.
- **Contact** [www.direct.gov.uk/savingenergy](http://www.direct.gov.uk/savingenergy) or call 0300 123 1234
- **Loft and Cavity Wall Insulation.** **Contact** LESS for more information on deals available.
- **Renewable technologies** such as Solar Water Heating and Photovoltaics will not only give you a better EPC rating and reduce your tenant's bills, but can be a very good investment in that they can provide you with an income from Feed in Tariffs (FITs) or Renewable Heat Incentive (RHI) payments, which can, in some cases give a return on capital of around 10%. See [www.energysavingtrust.org.uk](http://www.energysavingtrust.org.uk)

## TAX INCENTIVES

### Landlord's Energy Saving Allowance (LESA). What can you do?

If you make energy saving improvements to your property, you could reduce the tax you pay. You can do this by claiming LESA which is a tax allowance (not a cash payment) that allows you to claim up to £1,500 against tax every year. This allowance can be claimed for properties you rent out in the UK and abroad. You can claim LESA for the costs of buying and installing certain energy saving products for properties you rent out, but only for what you actually spend.

You can claim LESA if you are renting out residential property and are either:

- an individual landlord – someone who pays income tax on profits from letting
- a corporate landlord – someone whose rental business is registered as a company and you pay corporation tax on profits from letting

You can claim LESA for what you have spent on:

- cavity wall and loft insulation
- solid wall insulation
- draught proofing and hot water system insulation
- floor insulation

You can claim LESA when filling in your tax claim up to 1 April 2015, when the availability of this allowance will end. See [www.hmrc.gov.uk](http://www.hmrc.gov.uk) for more information.

**THERMAL IMAGING.** LESS operate a Thermal Imaging service, where for a small fee, we can produce reports which show the areas where the most heat is being lost. This can enable the most effective measures to be implemented and thus help to target the measures which are the most cost effective.

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