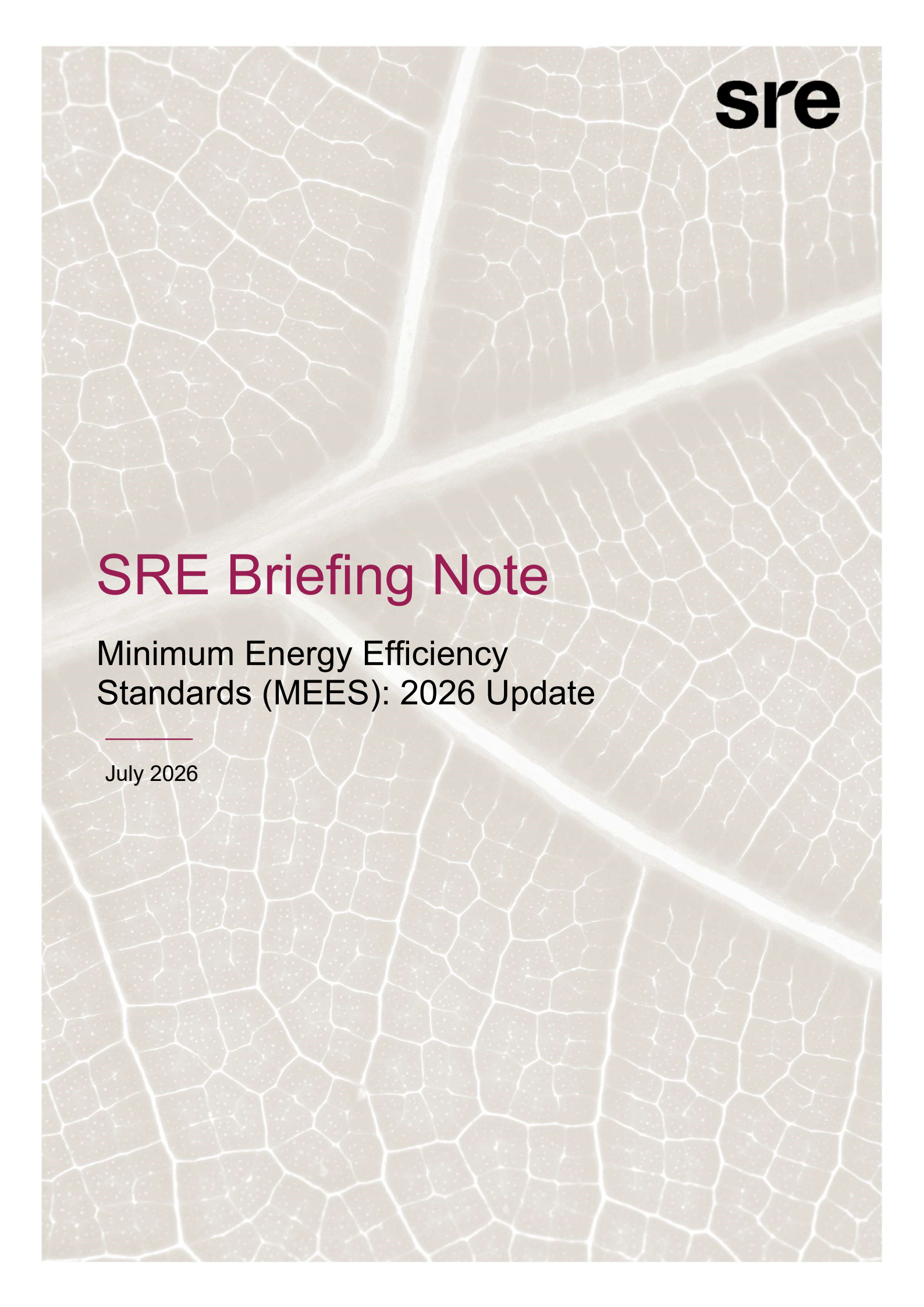




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SRE Briefing Note

**Minimum Energy Efficiency
Standards (MEES): 2026 Update**

July 2026

SRE Briefing Note – Minimum Energy Efficiency Standards (MEES)

Under government reforms to the Minimum Energy Efficiency Standards (MEES), commercial buildings over 1,000 sqm will be required by law to achieve a minimum EPC rating of 'B' by 2031, with potentially huge implications for existing buildings.

Context

The government has finally given long-awaited clarity on the future of MEES for commercial property in England and Wales.

This Briefing Note provides an overview of the changes, giving commercial building owners an understanding of the revised requirements and how this impacts their portfolio.

The revised proposals outline additional time for the owners of larger existing buildings to assess their current performance and plan what needs to be done to bridge any building performance gap.

This extension gives asset owners the opportunity to protect property values, attract and retain tenants and spread the cost of improvements over several years.

What has changed?

The government has confirmed a revised policy position that includes:

- Commercial buildings **over 1,000 sqm** will be required to achieve a minimum **EPC B** from 2031;
- Commercial buildings **under 1,000 sqm** will remain subject to the current minimum **EPC E** requirement;
- The previously proposed interim requirement to achieve EPC C by 2027 has been withdrawn;
- Existing exemptions will continue, with further detail to be set out in secondary legislation.

As well as giving greater certainty, these changes also reinforce the government's commitment to progressively improving the energy performance of commercial buildings.

This has meant that properties with weaker EPC ratings are experiencing increased scrutiny from investors and occupiers, with inefficient buildings becoming susceptible to value erosion and reduced marketability.

For larger commercial assets, the revised MEES proposals mean that planning should begin well before 2031.



Why this matters?

Whilst MEES regulations can seem like a burden, we're finding that building performance optimisation can yield a host of other benefits.

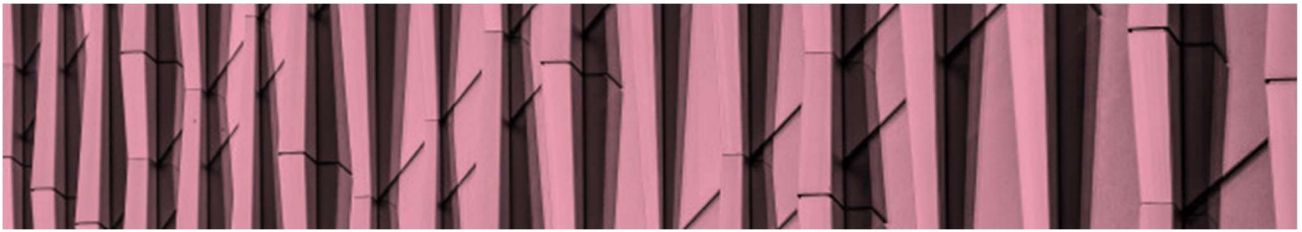
Beyond compliance, energy performance is increasingly influencing:

- Investment decisions;
- Asset valuations;
- Lending criteria;
- Tenant expectations;
- ESG reporting obligations;
- Corporate Net Zero commitments.

Are there any exceptions?

There are limited exceptions to the revised MEES proposals:

- **7-Year Payback Test:** If you can prove that the cost of purchasing and installing energy efficiency improvements will not pay for itself through energy bill savings within 7 years.
- **Devaluation:** If an independent surveyor verifies that the required energy efficiency measures will reduce the market value of the property by more than 5%.
- **Short Leases:** Tenancies granted for 6 months or less (with no right of renewal) or leases of 99 years or more.
- **MEES does not apply to properties that do not require an EPC under existing rules.**



How can SRE support you?

Whether you have a single existing commercial property, a UK-wide portfolio or are looking to acquire or offload properties, SRE can help ensure your commercial assets are MEES compliant ahead of the 2031 deadline.

SRE provides a complete package of services to ensure you have full visibility of your options for upgrading your portfolio for MEES compliance, with the ultimate goal of reducing operational cost and maximising asset values.

Our services include:

- MEES Compliance Roadmap
- Acquisition due diligence strategy;
- Energy statements and energy audits;
- EPCs;
- Building performance analysis;
- Decarbonisation strategies;
- Net Zero roadmaps;
- ESG reporting support;
- Ongoing regulatory advice.



Benefits of early action

Early planning will enable commercial building owners to:

- Undertake detailed performance assessment and gap analysis;
- Prioritise investment across portfolios for retrofit and building upgrades;
- Align improvement works with planned refurbishment programmes;
- Avoid supply chain pressures closer to 2031 deadline;
- Improve EPC ratings before lease events;
- Enhance tenant satisfaction through lower operating costs;
- Strengthen ESG performance and sustainability metrics for corporate reporting;
- Protect long-term asset value.

Penalties for non-compliance

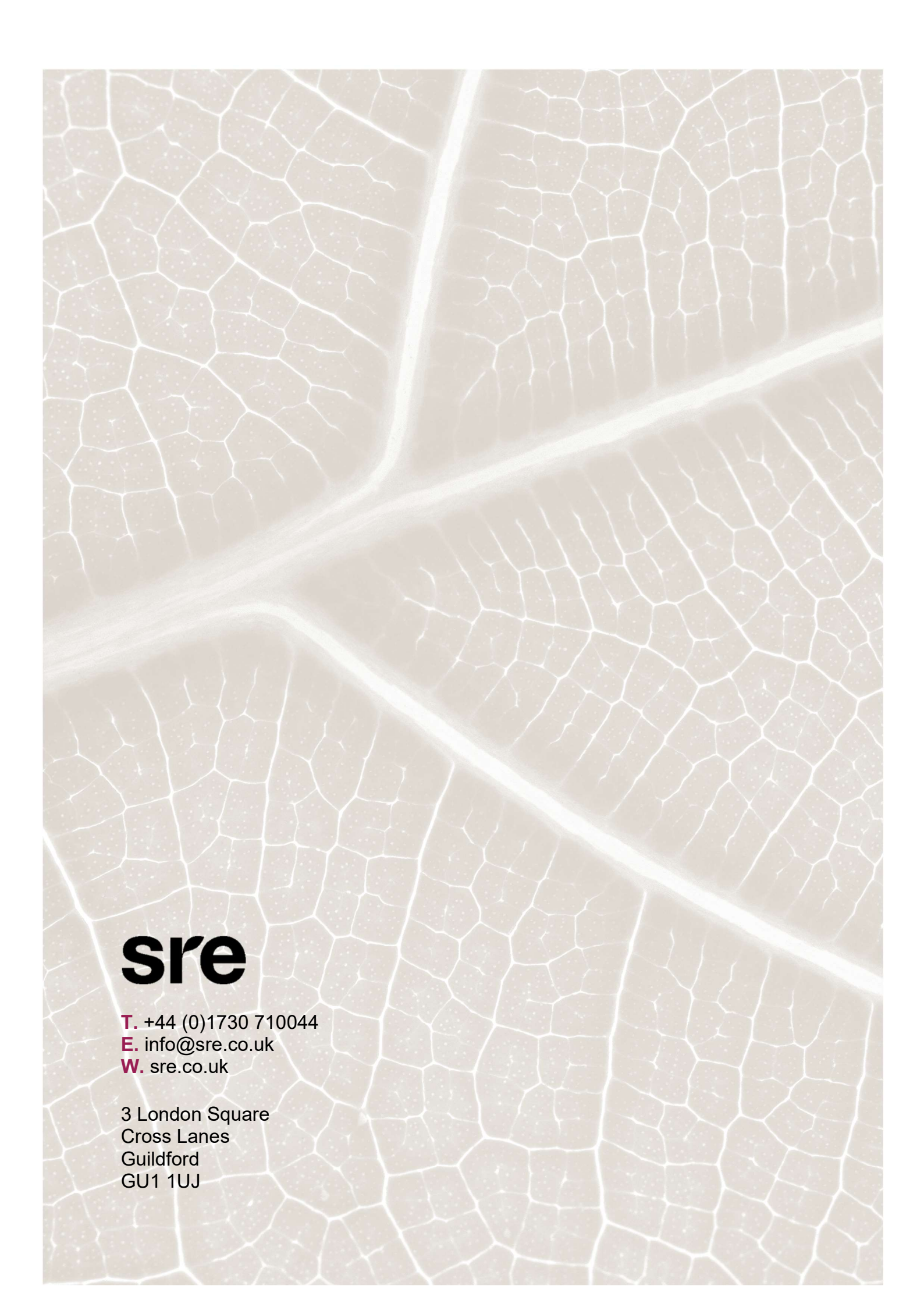
Enforcement of MEES falls to local authorities, and non-compliance could mean:

- Building owners/landlords will be liable to pay a civil penalty of up to 20% of the rateable value of the property, capped at £150,000;
- Building owner details will be added to a non-conformance register;
- No penalties will be payable by the tenant, and the lease will remain valid.

Learn more

If you'd like to find out more about MEES and discover how the upcoming changes will impact your portfolio, get in touch with our team on 01730 710044, or visit www.sre.co.uk



The background of the entire page is a microscopic image of plant cells, showing a network of white cell walls forming a honeycomb-like pattern. The cells are filled with a light brownish-green color, and there are some darker, more irregular shapes interspersed within the network.

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