

meeting these. The spotlight is sure to fall on landlords, who will need to demonstrate how energy and carbon efficient their buildings are. Although only a few large public tenants will initially have to display certificates based on actual annual energy use, the Government will soon extend these requirements. Whatever happens, the LES will ensure that landlords and managing agents are ready and prepared.

The BPF has been working closely with the Government to ensure that energy certificates take account of the way the property market works in rented buildings.

3. Landlord's Energy Statements

What are Landlord's Energy Statements?

The Landlord's Energy Statement (LES) draws together the landlord's annual energy data, converts it into CO₂ emissions, and reports it in a standard format with a set of performance indicators and gradings against appropriate benchmarks.

The LES has been trialled on individual buildings by BPF member companies and refined in the light of their feedback. Following its launch in May 2007, the BPF will work with landlords and managing agents to develop it further. While the current version is only applicable to offices, the LES concept can be used in all sectors and the intention is to extend it to other types of building.

What other information does it give?

The LES takes account of any on-site renewable energy generated and, separately, it reports other measures undertaken to minimise emissions, including off-site generation, accredited 'green' fuels and carbon offsets. The LES also allows current performance to be compared with the previous four years.

How can I get one?

The format, specification, demonstration Excel workbook and other guidance material can be downloaded from www.les-ter.org. This also has links to information on the EU Energy Performance of Buildings Directive.

The Excel workbook will guide you through the information you will need, and how and where this should be input.

Landlords with large portfolios will also find guidance on using the LES as an output specification for databases.

4. Tenants' energy efficiency

What about tenants' energy efficiency?

Apart from some public sector occupiers, tenants are not yet required to calculate or display information on their annual energy performance. However, if tenants want information - eg for corporate social responsibility purposes - the LES provides it.

Combined with data on their direct energy supplies, this can provide the whole picture, sufficient for the creation of a Display Energy Certificate.

The availability of LESs will also encourage less environmentally aware tenants to think about their own energy consumption. Where landlords and tenants share information, the landlord can create a record of the energy performance of the whole building.

Could tenants produce their own statements?

The Carbon Trust has recently awarded the BPF further funding to build on its LES work by engaging tenants and developing a complementary process for a Tenant's Energy Review (TER). The work will be undertaken in partnership with the British Council for Offices, the Chartered Institution for Building Services Engineers and the Usable Buildings Trust.

5. More information on the Landlord's Energy Statement and the Tenant's Energy Review

For more information on, and to register to use, the Landlord's Energy Statement, please visit:

www.les-ter.org

landlord's energy statement
tenant's energy review

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May 2007

Printed on 100% recycled paper

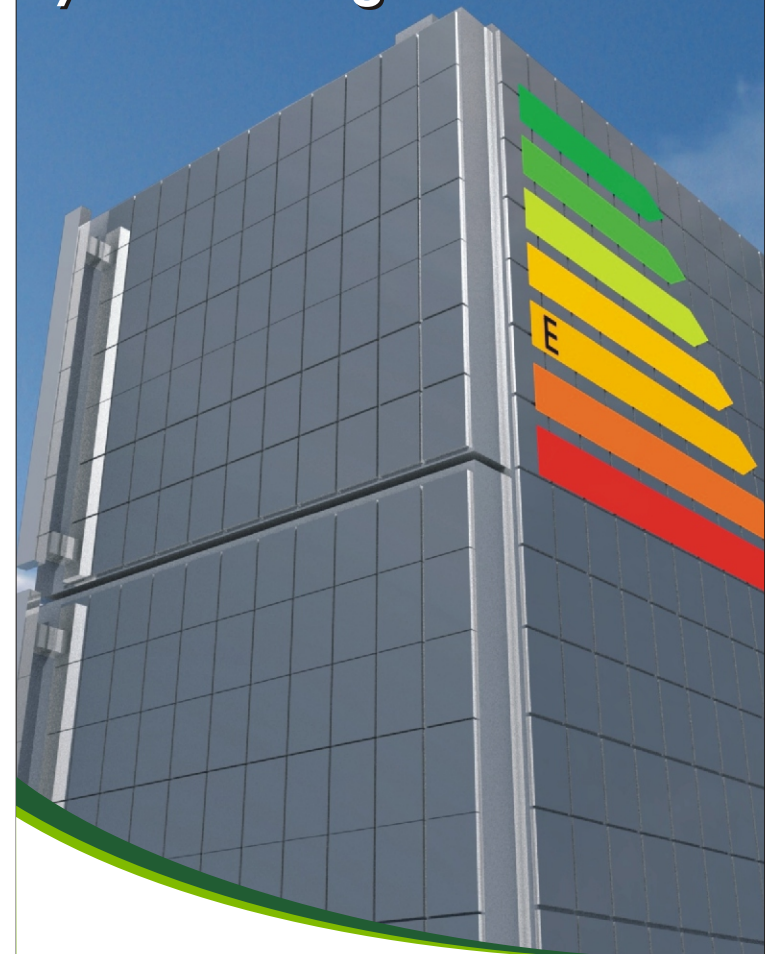
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Landlord's Energy Statement (LES)



How energy efficient are your buildings?



www.les-ter.org

landlord's energy statement
tenant's energy review



Building energy certificates are coming

A Government requirement for buildings to have an energy performance certificate will be phased in between June 2007 and October 2008.

The certificates will show how energy efficient a building is, and how much carbon dioxide it emits into the atmosphere. Like the stickers found on new washing machines and fridges, the certificates will include an energy rating from A to G - A being the best, G the worst.

There will be two main forms of certificate:

1. Energy Performance Certificates (EPCs), required when buildings are constructed, sold or rented out, based on calculated energy use and carbon dioxide emissions (called 'asset ratings') and valid for ten years
2. Display Energy Certificates (DECs) in large buildings occupied by public authorities and certain public institutions, based on actual annual energy use ('operational ratings') and renewed annually.

Later in 2007, the Government will be consulting on extending operational ratings to more non-domestic buildings, public and private.

Certification will be a massive undertaking, requiring independent energy surveys before space can be sold or let. Building owners will also require good records if they, or their tenants, need to display certificates.

How can property owners be sure they are doing all they can to get the most appropriate ratings for their buildings?

Helping landlords work out their buildings' energy efficiency

With funding from the Carbon Trust, the British Property Federation and the Usable Buildings Trust have developed a Landlord's Energy Statement (LES). This is a device that helps landlords to draw together, understand and report on the energy used by the common services (such as heating, ventilation and lifts) in their buildings, and the resulting CO₂ emissions.

The LES:

- identifies what energy is being used and where
 - takes account of the forms of energy being used
 - converts this into carbon dioxide emissions
 - allows the energy efficiency of

- landlord's services to be compared with sectoral benchmarks to produce ratings
- allows year-on-year performance improvements to be tracked
- provides a robust energy reporting system
- takes separate account of both on-site and off-site renewable energy supplies
- gives tenants who need to prepare Display Energy Certificates the necessary information on the energy and carbon content of the landlord's services.

Creating a Landlord's Energy Statement (LES)

The LES has been developed primarily as an output specification for the property industry, allowing reports to be generated from landlords' and managing agents' computer systems.

An Excel workbook is also available, which:

- helps the landlord to collect the data required
- calculates performance indicators for energy efficiency and carbon dioxide emissions
- selects benchmarks from the building characteristics provided
- compares the performance of the landlord's services with them
- creates a LES for the landlord's services on average.

Landlords will then need to apportion the average LES to individual tenants and other cost centres using their own allocation methods, and following the specification provided.

For more information on LES's and to register for the Excel workbook, go to www.les-ter.org.

Your questions answered

1. Buildings and greenhouse gas emissions

Why are carbon dioxide emissions from buildings important?

About 27% of the UK's greenhouse gas emissions come from homes and another 20% from non-residential buildings such as offices, shops, schools, hospitals and leisure centres.

How are the emissions produced?

Buildings use energy for many things, eg heating, ventilation, hot water, cooling, lighting and powering equipment. Generating this from fossil fuels releases greenhouse gases.

So you just look at the building's energy to work out its emissions?

It's not always that simple. Many office and retail buildings in the UK are owned and managed by a landlord, occupied by one or

more tenants and receive and pay for their energy by many different routes.

Who's responsible for what?

For electricity, the landlord and each of the tenants often have their own electricity supplies, their own meters and their own bills. The landlord's supply powers the communal services, such as air conditioning, lifts and lighting of common areas, and tenants are responsible for their own consumption for lighting and equipment.

A building often has just one supply of gas and other fuels, for which the landlord is responsible. However, some tenants have independent heating systems and some have direct supplies for other purposes, eg gas for kitchens and oil for standby generators.

If there are so many bills and meters in some buildings, does it make sense to know how much CO₂ a building emits?

It can be difficult to draw all the data together in one place and work out a building's total energy use, and the associated CO₂ emissions. It is also important that each player does their bit to understand and improve energy efficiency. The LES focuses on the landlord's responsibility, drawing together the energy used by the common services, reporting it consistently, and allowing it to be allocated to individual tenants.

2. Energy efficiency policy and legislation

Why should we worry about the energy use of buildings?

To combat climate change, it is vital to reduce greenhouse gas emissions from the fuel we burn. Energy efficiency is also important nationally as supplies of North Sea oil and gas run down and concern grows about security, cost and availability of fuel.

The Energy Performance of Buildings Directive provides a legal reason. Energy Performance Certificates, showing predicted energy performance, grading it and suggesting improvement measures, will influence the decisions that prospective buyers and tenants make. Display Energy Certificates, based on actual energy use, will show how well the building is working in practice. Both are likely to affect the financial value of buildings.

But how much do landlords need to worry about their buildings' actual energy use?

The UK Government has set targets for reducing energy use and greenhouse gas emissions. Buildings will play a key role in