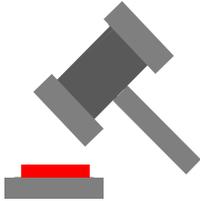


R3 BRIEF Legal Update #5



Executive Summary

Electrical Safety Standards (ESF)

In this newsletter, we look exclusively at Electrical Safety Standards, as introduced by the Housing and Planning Act 2016.

The legislation applies to all residential tenancies. There are a few exceptions which would not apply to most tenancies normally associated with international assignees moving to London.

Electrical Safety Standards (ESF)

Legislation

The Electrical Safety Standards regulations were approved by Parliament on 18 March 2020. They introduce additional obligations on Landlords to ensure electrical standards are met within the property.

Key dates

The legislation will apply to all new tenancies from 1 July 2020 and to all existing tenancies from 1 April 2021.

Covid19 implications

The legislation was passed on 18 March before the more restrictive social distancing measures came into force. It is therefore possible that some concessions will be made further down the line on the timings before which these inspections need to occur. At the time of writing, no such indications have yet been made.

Landlords obligations

Essentially, Landlords will need to ensure:

- Electrical installations in a rented property occupied by a tenant must comply with the 2018 edition of the Wiring Regulations (BS 7671:2018)

- That an inspection is carried out every 5 years by a qualified person
- Any further investigations or remedial actions identified are carried out within 28 days

Practical implications

The Building Regulations 2018 are relatively recent regulations and it is possible that many properties will not comply to some elements of it. This does not necessarily make them unsafe.

However, the legislation will impose an obligation on Landlords to further investigate or remedy non-compliant areas. Further investigation is often required when fixed electrical cables are not accessible, and this will add cost pressure to Landlords even before any remedial action is taken.

Cost pressures

It is unclear at the time of writing how this new piece of legislation will work out in practice or the likely levels of remedial costs required for the average property in London.

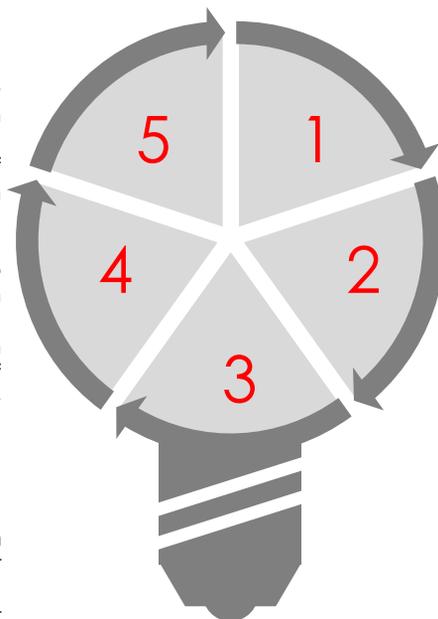
Where this applies to new tenancies, it is possible Landlords will seek to recover additional costs by upping the listed rent. For existing properties, it is as yet unclear the degree of disruption this will cause to landlord/tenant relationships.

5. Benefits for tenants

- It is a **further measure** to ensure Landlords meet their obligation on electrical safety aspects
- **Tenants** are entitled to see a copy of the report (within 28 of inspection being completed)
- **Prospective tenants** can ask for a copy of the report prior to formalising legal paperwork (within 28 days of written request)
- **Remedial notices and penalties** can be invoked (with caution as lack of inspection does not make the property unsafe).

4. Practical considerations

- **Electrical Installation Condition Report (EICR)** should be prepared for tenancies by a qualified electrician
- Further **investigative work** or **remedial work** must be carried out by a qualified person within 28 days



1. Key dates

- all **new** tenancies from **1 July 2020**
- all **existing** tenancies from **1 April 2021**

2. Landlord's obligations

- **ESF met** when property is occupied
- **Inspection and testing** of every fixed electrical installation carried out every 5 years
- First inspection carried out prior:
 1. **New tenancy:** 1 July 2020
 2. **Existing tenancy:** by 1 April 2021

3. Safety Standards

- Compliant to **2018 edition** of the wiring regulations BS 7671:2018)
- **Electrical Installation** is the fixed cables or electrical equipment located within the property
- Inspection needs to be undertaken by a **qualified person**