Real Estate Law

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In this issue

SOUTH AFRICA

What are your legal obligations for obtaining an Energy Performance Certificate in respect of your property?





REAL ESTATE LAW ALERT

What are your legal obligations for obtaining an Energy Performance Certificate in respect of your property? In 2020, the Minister of Mineral Resources and Energy published a regulation for the mandatory display and submission of Energy Performance Certificates (EPCs) for certain buildings (Regulations). The Regulations impose obligations on owners of specific non-residential buildings to obtain an EPC.

What is an EPC?

An EPC is a certificate containing information about the energy efficiency of a building and, essentially, shows the amount of energy consumed per square meter of a building as a result of the operations within the building.

The EPC energy ratings range from A to G, with an A rating indicating the highest level of energy efficiency.

It must be obtained when a building is constructed, sold, rented out or modified in a particular way.

Objective of an EPC

The primary objective of an EPC is to make owners and occupiers aware of their energy consumption and to encourage them to be more energy efficient.

Who issues the EPC?

An EPC must be issued by an accredited body (accredited by the South African National Accreditation System), which will indicate the energy performance of that particular building. This certificate is issued in accordance with the South Africa National Standard SANS 1544: 2014 published by the South Africa Bureau of Standard in terms of the Standards Act 8 of 2008.

To whom do the Regulations apply?

The Regulations are applicable to:

- non-residential buildings and government building which have a dominant occupancy classification as:
 (i) offices; (ii) entertainment; (iii) public assembly; (iv) theatrical and indoor sport; or (v) places of instruction; and are
- non-residential private sector buildings with a total net floor area of over 2,000sqm, or government buildings with a total net floor area of over 1,000sqm.

Obligations of an owner

If the building in question falls within the scope of application, then the accounting officer of an organ of state or the owner of the building must:

- obtain and display an EPC at the main entrance to the building, which must not be older than five years; and
- submit a certified copy of the EPC, within three calendar months of the date of issuance of the certificate, to the South African National Energy Development Institute.

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Validity period

An EPC will remain valid for a period not exceeding five years from the date of issuance.

By when must an EPC be obtained?

Currently, owners have until December 2025 to obtain and publicly display their EPCs.

Failure to comply

The failure to publicly display the energy certificate is an offence in contravention of the National Energy Act 34 of 2008 (National Energy Act). In this regard, section 20(1) of the National Energy Act currently provides that a person who contravenes or fails to comply with any provision of the National Energy Act shall be guilty of an offence and be liable on conviction to:

- a fine not exceeding R5 million; and/or
- imprisonment for a period not exceeding five years.

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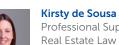


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BBBEE STATUS: LEVEL ONE CONTRIBUTOR

Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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