

Energy Company Obligation (ECO)

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ECO2 Guidance Note

Determining whether premises are *domestic premises*

Background

This guidance note explains the test that we use to determine whether premises are domestic premises. This information supplements the section on page 10 of the [ECO2 Guidance: Delivery](#) about domestic premises.

A supplier achieves its CERO and CSCO by promoting the installation of qualifying actions at domestic premises, including mobile homes.

A supplier achieves its HHCRO by promoting the installation of qualifying actions at *private* domestic premises occupied by a member of the Affordable Warmth Group (AWG). For more information on the HHCRO premises requirement see page 43 of the [ECO2 Guidance: Delivery](#) and the [ECO2 Guidance note](#) on private domestic premises.

The test for domestic premises

The [ECO2 Guidance: Delivery](#) explains that, for premises other than a mobile home, domestic premises must be 'separate and self-contained premises' and 'be used wholly or mainly for domestic purposes'.

We use a two part test to determine whether premises are *domestic premises*:

1. are the premises self-contained in the sense of containing kitchen facilities for occupants to prepare food?
2. are the premises used by the occupants wholly or mainly for domestic purposes (ie as a home)?

If the answer to each question is yes, then we consider the premises to be domestic premises. We provide further information below about each part of this test.

Structures that meet the statutory definition of a mobile home in the ECO2 Order are domestic premises. In this case we do not apply the test for domestic premises. For information about determining whether a structure is a mobile home see page 11 of the ECO2 Guidance: Delivery.

1. Are the premises self-contained?

This part of the test is about the physical layout of the building.

Premises may be part of a building (for example, an apartment in a tower block) or may be the whole building (for example, a detached bungalow).

Premises are self-contained for the purpose of the test if the premises contain both:

1. one or more bedrooms, and
2. private kitchen facilities for occupants to prepare food.

Bedrooms:

A space can function as both a bedroom and a living area – for example, a studio or a bedsit.

Kitchen facilities:

Kitchen facilities include a kitchen sink and a stove. Where one of these items is not present in premises, then we do not consider the premises to contain kitchen facilities.

Kitchen facilities may be located in the same space that functions as a bedroom – for example, a studio or bedsit.

Kitchen facilities are private when they are accessible only to the occupants of the bedroom or bedrooms within the part of the building that forms the premises.

Bathrooms:

Our test does not take account of bathroom facilities.

Examples of premises that are self-contained:

- a studio (containing private kitchen and bathroom facilities)
- a bedsit (containing private kitchen facilities, with access to shared bathroom facilities)
- an apartment, including a shared apartment where the occupant of each bedroom has a separate occupancy agreement with the landlord and the occupants share a communal kitchen
- a house, including a shared house where the occupant of each bedroom has a separate occupancy agreement with the landlord and the occupants share a communal kitchen, and
- a hostel or hall of residence, containing several bedrooms and a communal kitchen for the exclusive use of the occupants of those bedrooms.

The following are not self-contained premises:

- a bedroom which does not contain private kitchen facilities
- a bedroom which contains some kitchen facilities, for example a refrigerator and a microwave oven, but does not contain a kitchen sink
- two or more bedrooms with a kitchen that is not for the exclusive use of the occupants of those bedrooms, and
- any facility, such as a care home or student hall, where the occupants do not have access to kitchen facilities to cook for themselves.

Determining the boundary of premises

The boundaries of premises are the outermost walls of the space used exclusively by the occupants of the premises. For example:

- in a shared apartment or house or student halls, the total space includes all bedrooms, and the common areas (kitchen, bathroom(s), living area(s), halls and corridors), or
- for a bedsit containing a kitchen, the boundaries of premises are the walls of that bedsit, or
for mixed use premises, such as a Bed & Breakfast with both commercial and domestic parts, the premises boundaries of the domestic part would be the outermost walls of the area that is self-contained and used for domestic purposes (ie, it contains its own kitchen and has one or more bedrooms).

2. Are the premises used as a home?

This part of the test is about the way in which the building is generally used. In most cases it should be clear that premises are being used as a home, ie the premises are used by the occupants for living in on more than a short term basis. Suppliers are normally expected to check the length of a lease or licence to occupy in scenarios where you would expect the lease or licence to be short term, eg hostels.

The use of premises as a home can be evidenced in the following ways:

Owner-occupied premises: the receipt by the occupant of utility bills or mortgage statements relating to the premises may indicate that the premises are used as a home. There may be other indicators such as mortgage deeds naming the occupant.

Premises occupied under a lease or licence to occupy: the receipt by the occupant of 3 months of utility bills relating to the premises, or the existence of a lease or licence of longer than 3 months in the name of the occupant (such as a tenancy agreement) may indicate that the premises are used as a home. There may be other indicators.

Examples of premises that are not generally used as a home:

- a hotel, where guests do not usually stay for periods of longer than a couple of weeks,
- a short-stay apartment, where occupants usually stay for periods of less than 3 months, and
- a short-stay hostel, where occupants usually stay for periods of less than 3 months.

Commercial activities

Occupants may carry out some commercial activities at the premises from a room also used for domestic purposes, provided that the primary use of the premises is as a home. Examples of commercial activities include working or running a business from home. Areas used solely for commercial purposes should not be included in any calculation of savings for that premises.

Calculating savings of measures installed under ECO

ECO requires a supplier to calculate savings for each measure using SAP or RdSAP. However, the definition of a self-contained dwelling used in SAP/RdSAP is different from the definition of self-contained premises in ECO. Therefore, some houses of multiple occupation (HMOs) cannot be scored using SAP/RdSAP.

Table 1 below lists what we deem to be suitable scoring methodologies for each dwelling type, including HMOs. This is a non-exhaustive list and we welcome further discussions.

Table 1

Type of Dwelling	ECO methodology
Studio	SAP/RdSAP
Bedsit containing private kitchen and shared bathroom facilities	Appropriate methodology approved by us prior to the installation of the measure(s). See our website for information on approved methodologies.
Mobile home	SAP/RdSAP
Apartment, including shared apartments	SAP/RdSAP
House, including shared houses	SAP/RdSAP
Hostels and halls of residence	Appropriate methodology approved by us prior to the installation of the measure(s). See our website for information on approved methodologies
Mixed-use properties	SAP/RdSAP