



Department for
Energy Security
& Net Zero

Improving the energy performance of privately rented homes in England and Wales

Domestic Private Rented Sector Minimum
Energy Efficiency Standards

Closing date: 2 May 2025

February 2025



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General information

Why we are consulting

This consultation seeks views on government’s proposal to amend the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (from now on referred to as “the PRS Regulations”) <https://www.legislation.gov.uk/ukxi/2015/962/made>. It also seeks views on changes to the Energy Act 2011 <https://www.legislation.gov.uk/ukpga/2011/16/contents>, the primary legislation which gives government the powers to amend the PRS Regulations.

Minimum energy efficiency standards (MEES) in the private rented sector (PRS) have been required since 2018. These standards require properties to be at an Energy Performance Certificate E or above in order to be let out, unless a valid exemption applies.

We are considering options to raise energy efficiency standards in the domestic PRS to make homes easier to heat, tackling fuel poverty and lowering carbon emissions. People living in the domestic PRS have the highest levels of fuel poverty compared to those living in other housing sectors.

The recently published consultation on the future of Energy Performance Certificates provides an opportunity to ensure that new standards in the PRS incentivise the right measures for each home. In this 2025 PRS consultation, we are seeking stakeholder views on the approach to new PRS standards.

This consultation also includes a summary of responses to the [2020 consultation](#) which we have considered whilst drafting this follow-on consultation and will form part of consideration on policy choices.

Consultation details

Issued: 7 February 2025

Respond by: 2 May 2025

Enquiries to:

Head of the Private Rented Sector Strategy
Department for Energy Security and Net Zero
3-8 Whitehall Place
London
SW1A 2EG

Email: PRSMEEESconsultation@energysecurity.gov.uk

Consultation reference: Improving the energy performance of privately rented homes in England and Wales

Audiences: We are seeking views from key stakeholders including private rented sector landlords (including those who are leaseholders), tenants, local authorities and the supply

chain (energy efficiency installers, Domestic Energy Assessors etc.); anyone affected by or concerned by raised energy performance standards in the privately rented homes or representing the interests of the sector.

Territorial extent: England and Wales

How to respond

We strongly encourage responses to be submitted online using the Citizen Space link below, where possible as this supports timely and efficient analysis of responses.

Respond online at:

<https://energygovuk.citizenspace.com/home-local-energy/improving-performance-of-privately-rented-homes>

Or, in the event, you are unable to do so:

Email to: PRSMEEESConsultation@energysecurity.gov.uk

Write to:

Head of the Private Rented Sector Strategy
Department for Energy Security and Net Zero
3-8 Whitehall Place
London
SW1A 2EG

When responding, please state whether you are responding as an individual or representing the views of an organisation. Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our [privacy policy](#).

We will summarise all responses and publish this summary on [GOV.UK](#). The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with government's [consultation principles](#).

If you have any complaints about the way this consultation has been conducted, please email: bru@energysecurity.gov.uk.

Ministerial Foreword

Foreword by Miatta Fahnbulleh MP, Minister for Energy Consumers, UK Government

Everyone deserves the security and comfort of a safe, warm home. That is the idea at the heart of the Warm Homes Plan, our ambitious strategy to upgrade 5 million homes to cut bills, slash fuel poverty and support people to take greater control of their energy with clean technology like heat pumps, batteries and solar panels.

We need the Warm Homes Plan because the truth is, for millions of people across the country that basic security of a home they can afford to heat is out of reach. Private renters in particular face the highest rate of fuel poverty, as a direct result of the energy inefficiency and, too often, poor quality of the housing stock in the sector.

This government has made housing quality a top priority. The Deputy Prime Minister and ministerial colleagues in the Ministry for Housing, Communities and Local Government (MHCLG) have committed to introducing a Decent Homes Standard to privately rented homes for the first time, ensuring that all tenants have the right to homes that are safe, secure and hazard free. The Renters' Rights Bill will give tenants the stability they deserve, set clear legal standards for remediating serious hazards through Awaab's Law, and strengthen local authority enforcement powers.

This is a whole-of-government effort. Delivering on the housing quality agenda also means tackling fuel poverty, and making sure renters and households on low incomes can benefit from moving to cleaner, cheaper technology as we accelerate to net zero. That's why it is so important that we are launching this consultation, as the first step towards new higher Minimum Energy Efficiency Standards to give private renters the warmer homes and cheaper bills that they deserve. Similar proposals for the social rented sector will be set out through the Decent Homes Standard review by my colleagues in MHCLG in due course.

We know that most landlords strive to meet their obligations and provide decent homes. We are clear that new standards and better enforcement are required not only to ensure tenants are protected but also so that the majority of good landlords are not undercut and undermined by the minority who are not up to scratch. We announced some initial measures in our announcements on the Warm Homes Plan in November, with approximately £1bn made available for 2025-26, including funding available to the private rented sector through the Warm Homes: Local Grant (England only), ECO, and Boiler Upgrade Scheme. Households on low incomes living in private rented homes in Wales are eligible for the Warm Homes Nest scheme. Landlords who enter Leasing Scheme Wales can access funds to improve the quality of their homes, including their energy efficiency. We will set out further measures in the full Warm Homes Plan in the Spring.

I look forward to engaging with all stakeholders throughout this process, starting with the launch of this consultation today. We want to hear from the sector, from individual landlords, from tenants' organisations and from tenants themselves about how best to deliver our shared objectives of warm, affordable and decent homes.

Executive Summary

Aim of this consultation

The purpose of this 2025 consultation is to seek views on government's proposals to raise Minimum Energy Efficiency Standards (MEES) for privately rented homes in England and Wales by 2030. The previous government consulted in 2020 on proposals to raise standards, but a response to the consultation was not published. The proposals set out in this consultation – in Chapter 1 of this document – seek to build on the proposals from the 2020 consultation whilst taking into account the passage of time and changed context. In Chapter 2, government is also responding to the proposals from the 2020 consultation in instances where further follow-on questions are not being asked.

Summary of proposed policy – 2025 consultation

Chapter 1 of this document consists of the 2025 consultation, in which government is asking some new questions and some follow-on questions from the previous 2020 consultation. Where follow-on questions are asked, a summary of the responses to the question from the previous consultation is also provided in Annex A. The purpose of this is to ensure government's proposals for introducing higher MEES for privately rented homes are up-to-date and account for the current and future energy efficiency and heat decarbonisation landscape.

Government is proposing to set higher MEES against new metrics planned to be introduced to Energy Performance Certificates (EPC) following EPC reform in 2026. The planned new metrics would assess the energy performance of buildings based on fabric performance, smart readiness, and the efficiency and emissions of the heating system. Further detail on these planned metrics and other proposals relating to EPC reform can be found in the consultation on 'Reforms to the Energy Performance of Buildings Regime' published on 4 December 2024. The 'Reforms to the Energy Performance of Buildings Regime' consultation can be found here: <https://www.gov.uk/government/consultations/reforms-to-the-energy-performance-of-buildings-regime>.

Government's preferred approach is to require landlords to prioritise meeting a standard set against the fabric performance metric, which is likely to require similar improvement measures as meeting an EPC C on current EPCs, and then to meet a standard set against either the heating system metric or the smart readiness metric. This would enable the policy to deliver significant bill savings for tenants and improve the thermal comfort of privately rented homes, whilst also encouraging the decarbonisation of heating and improved flexibility in the energy use of buildings. Utilising new metrics in this way would mean landlords would be required to install measures that could improve the building's heat retention, reduce the energy required to operate the building's heating systems, and enable the occupier to optimise their energy use, to maximise the overall energy efficiency of the building and reduce its running costs. However, government recognises that this is just one approach to utilising new metrics and this consultation seeks views on alternative approaches.

Through this consultation, government is seeking views on the proposal that landlords should be required to invest up to a maximum of £15,000 per property on improvements to meet the standard (the 'cost cap'), after which they could register a 10-year exemption to continue to let the property if it does not reach the standard. Government modelling indicates that, on average, properties will require between £6,100 and £6,800 worth of investment to meet the standard under the preferred metric approach.

Government is proposing that the higher standard would apply to new tenancies from 2028 and that all tenancies would be required to be compliant by 2030. This would enable the policy to meet government's statutory 2030 fuel poverty target as well as deliver maximum benefits for tenants.

Government is also proposing that privately rented homes that achieve a score of EPC C against existing EPCs, before the new EPC methodology is introduced, would be considered compliant with the higher MEES until their existing EPC expires. For properties that remain below EPC C following the EPC reform planned for 2026, government is proposing that the landlords of these properties would be required to commission a new EPC before taking action to comply with the higher standard. This is to ensure they are installing the correct measures as recommended by their new EPC, to meet the higher standard set against new metrics, with the cost of this EPC included within the proposed £15,000 cost cap.

The 2025 consultation is also seeking views on:

- Whether to introduce an affordability exemption that lowers the cost cap to £10,000 for some properties and how this could be implemented.
- Whether to increase the scope of the PRS Regulations to include short-term lets to ensure a consistent standard between privately rented homes and short-term lets.
- What regulatory measures could be used to drive the installation of smart meters in privately rented homes.
- The existing exemptions regime for the PRS Regulations and whether there are other instances in which exemptions should apply.

Summary of the government response to 2020 consultation

Chapter 2 of this document consists of government's preferred position on areas of the 2020 consultation where we are not asking additional questions, as well as a summary of 2020 responses. If you have new evidence available on these questions, there is an opportunity to provide further information.

In the 2020 consultation, 32 questions were asked regarding 'Improving the energy performance of privately rented homes in England and Wales' under the present PRS Regulations. The consultation considered a range of relevant topics including the impacts of Covid-19 and the Energy Performance in Buildings (England and Wales) Regulations 2012 (2012/3118).

Here is a summary of the key government responses included in Chapter 2:

- **Ensuring the quality of energy performance improvements:** we are committed to improving the system, improving the competence of those undertaking retrofit work, strengthening the oversight system of work being carried out and improving consumer redress.
- **Maximum Fines:** a preferred position that the maximum penalty for non-compliance with private rented sector MEES should be set at £30,000 in relation to the same breach and for the same property.
- **Adjusting the cost cap for inflation:** a preferred position to not increase the maximum required investment (cost cap) in line with inflation.

- **Private Rented Sector (PRS) Compliance Database:** a preferred position to not introduce a PRS MEEs-specific compliance and enforcement database, because government intends to legislate for a wider PRS Database through the Renters' Rights Bill.
- **Local Authority powers and tenant powers:** a preferred position to implement improvements to tenants' rights through the Renters' Rights Bill.
- **Local Authority disclosure and benchmarking:** government is minded to progress this proposal by introducing local authority disclosure when a property is in breach of PRS Regulations.
- **Temporary exemption due to recently becoming a landlord:** government proposes to seek to simplify the temporary exemption available to new landlords to include any person who becomes the landlord of a property which, on the date of purchase or transfer of ownership, is let on an existing tenancy.

Introduction

This consultation builds on the evidence gathered through the previous consultation ‘Improving the energy performance of privately rented homes in England and Wales’ launched in September 2020, available [here](#)¹. Given the time that has passed since the 2020 consultation, and the significant changes to energy costs and the cost of energy efficiency measures over that time, there may be new evidence on some of the subjects previously consulted on, which we encourage responses on. Proposed policy changes to Energy Performance Certificates (EPCs) mean there are also new opportunities available, and through this consultation, government is seeking key stakeholder views on how minimum energy efficiency standards (MEES) should be improved.

Increasing MEES in privately rented homes remains critical in tackling fuel poverty and reducing domestic carbon emissions.

Fuel poverty

Since 2020, the rise in energy prices has impacted the ability of many households to heat their home adequately. This impact has been disproportionately felt by fuel poor households.

In the lead up to the 2030 fuel poverty target, significant action needs to be taken to improve energy efficiency in privately rented homes, which have the highest rates of fuel poverty compared to other tenures. In England in 2022, 24% of private rented sector households were considered to be in fuel poverty under the Low Income Low Energy Efficiency (LILEE) metric, equating to 35% of all fuel poor households. The LILEE metric considers both the income of the household but also the energy efficiency of the property.

Private renters are usually contractually limited in their ability to make material changes which would improve the thermal and energy efficiency of their property. Whilst tenants who pay their own energy bills can request a smart meter, or choose a beneficial tariff, they are primarily subject to landlord decisions on energy efficiency measures.

Government is publishing a review of the 2021 fuel poverty strategy and a consultation seeking views on proposals for a new fuel poverty strategy for England alongside this consultation.

Support for landlords

Support is currently available to landlords to improve their properties. An eligibility tool is available on our ‘Help for Households’ GOV.UK page. Further information can be accessed via <https://www.gov.uk/improve-energy-efficiency>.

There is a zero-rate of VAT until March 2027 on energy saving measures, such as insulation, and low-carbon heating, making it cheaper for people to invest in their properties and reduce their energy usage.

The Warm Homes Plan will support investment in insulation, low carbon heating and other home improvements to cut bills. Further details about support for landlords in the future will be considered as part of the Plan.

¹ <https://www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes>

Related policy reforms

The policy proposals set out in this consultation link closely with wider work being done to improve standards in the private and social rental sectors and other related policy areas. You may also want to give feedback on government consultations on those areas, as and when they are published. You may also wish to give feedback to this 2025 private rented sector (PRS) consultation if you have thoughts about the likely interplay between our consultation and these other areas. If your feedback doesn't relate specifically to the questions in the next section: 'Chapter 1: 2025 consultation', please use the questions in Chapter 2 (Questions 16 and 17) to provide your views.

The key related policy reforms are:

- **The Renters' Rights Bill** seeks to drive greater security and stability for tenants in England, so they can stay in their homes for longer, build lives in their communities, and avoid the risk of homelessness. Amongst a range of important measures included in the bill, it proposes to create a PRS Database, to apply the Decent Homes Standard to the PRS, extend Awaab's Law to privately rented homes and to introduce a new PRS Landlord Ombudsman.
- **The Decent Homes Standard** has played a key role in setting the minimum housing quality standards that social homes in England are required to meet since the early 2000s. Government is now seeking to extend this standard to the PRS to ensure safe housing for PRS tenants and seek to consult on the Decent Home Standard that covers both rented sector in the spring 2025.
- The **Welsh Housing Quality Standard (WHQS)**, the equivalent of the Decent Homes Standard applicable in Wales, was revised in 2023 and implemented from 1 April 2024. WHQS was originally introduced in 2002 and has been successful in raising the quality of social homes in Wales. New elements to WHQS in 2023 include a requirement to carry out a Whole Stock Assessment and produce Target Energy Pathways for each home by 31 March 2027 and meet SAP75 EPC C by 31 March 2030. There is a target to achieve SAP92 EPC A in the future, to timescales as set by the Target Energy Pathways.
- The **introduction of MEES to the Social Rented Sector as part of the Decent Homes Standard** will help create warmer homes, tackle fuel poverty and lower carbon emissions.
- The development of **future Building Standards** that will result in significant emissions reductions and efficiency increases compared to previous standards. These changes will keep us on track for our net zero targets, while ensuring that consumers get the best possible balance of efficiency, affordability and comfort.
- The creation of a **new Fuel Poverty Strategy** to set out government's approach to meeting the 2030 fuel poverty target in England.

Net zero and the energy performance of privately rented homes

Homes currently make up 16% of total greenhouse gas emissions in the UK.² Achieving net zero requires the housing stock to transition to improved energy efficiency and low carbon heating. Government recognises that to meet our net zero target, we need to have largely eliminated emissions from our housing stock by 2050, and to have made significant progress this decade in order to meet our Carbon Budgets.

Increasing MEES would form a crucial part of this transition, helping to reduce the carbon emissions from privately rented homes.

There are 4.6m households in the PRS in England.³ This equates to 19% of all households in England, and this proportion has remained consistent since 2013. In 2022, 55% privately rented homes in England were below EPC C, compared to just 30% of socially rented homes. In Wales, the PRS sector now accounts for over 17% of the housing tenure, with over 215,000 properties registered with Rent Smart Wales, and 109,000 falling below EPC C.⁴ As well as lower energy efficiency ratings than in the social rented sector, the PRS currently has the lowest uptake of heat pumps compared to other tenures. A movement to low carbon heating methods, such as air source and ground source heat pumps and connection to low carbon heat networks, is vital in delivering against our climate goals. Alongside fabric upgrades and smart measures to improve flexibility, low carbon heating options typically operate much more efficiently than their fossil fuel heating counterparts. Government is also exploring ways to further bring down the running costs of low-carbon heating, so that future households see the efficiency of their low-carbon heating systems translated into greater bill savings.

Energy Performance Certificates (EPCs)

The existing PRS regulations are based on the Energy Efficiency Rating (EER) of Energy Performance Certificates (EPCs).

On 4 December 2024, government published a consultation on '[Reforms to the Energy Performance of Buildings Regime](#)'. That consultation proposes reforms to enhance the building energy performance regime in five critical areas: updating Energy Performance Certificates (EPCs) metrics, refining requirements for EPCs and Display Energy Certificates (DECs), improving data management protocols, strengthening quality control, and revising Air Conditioning Inspection Reports (ACIRs).

Government also intends to consult on a Home Energy Model methodology for producing EPCs in 2025. The Home Energy Model will replace the Standard Assessment Procedure (SAP) as the methodology for calculating new EPCs, to improve accuracy and allow for the introduction of new metrics by which to score energy performance against.

²Department for Energy Security and Net Zero (2023), Final UK greenhouse gas emissions national statistics: 1990 to 2021, available at: <https://www.gov.uk/government/statistics/final-uk-greenhouse-gas-emissions-national-statistics-1990-to-2021>

³ Source: English Housing Survey 2022-2023 <https://www.gov.uk/government/collections/english-housing-survey-2022-to-2023-headline-report>

⁴ <https://rentsmart.gov.wales/en/registrationdashboard/> and <https://rentsmart.gov.wales/en/registrationdashboard/> and <https://rentsmart.gov.wales/en/energyperformance/>

Overview of the 2020 consultation

Since April 2020, all privately rented homes⁵ in England and Wales have been required to meet MEES of EPC E before they can be let, and landlords are required to invest up to a maximum of £3,500 per property unless a valid exemption applies. In 2020, the previous government consulted on raising the standard to EPC C, to enable decarbonisation and the reduction of fuel poverty in the sector.

The key proposals of the 2020 consultation were to raise the minimum standard to EPC C using the cost-based Energy Efficiency Rating (EER)⁶, to adopt a phased implementation approach such that the standard applies to new tenancies from 2025 and all tenancies by 2028, to raise the maximum investment required from landlords from £3,500 to £10,000 per property, and to introduce a 'fabric first'⁷ approach to installing energy efficiency and low carbon measures. The consultation also sought views on an alternative policy scenario and options for strengthening compliance and enforcement of the regulations.

The consultation was published on 30 September 2020 and closed on 12 January 2021, receiving a total of 729 responses. The consultation received a high number of responses from individual landlords, estate and lettings agents, and property managers. Many of the respondents categorised as 'Personal Views/No Organisation' also indicated in their responses that they owned domestic private rental property. The consultation received a minimal response from tenants, with tenant advocacy coming from only a few responses representing non-profit organisations and charities. There was no feedback from respondents identifying themselves as individual tenants.

At the time the consultation was published the Covid-19 pandemic was ongoing and the vaccine rollout had not yet begun. The consultation also pre-dates Russia's invasion of Ukraine and the consequent rising cost of energy in the UK. Government recognises the time passed and changing context since the consultation responses were received.

Government response to this 2025 consultation

Once this consultation closes on **2 May 2025**, government will review the responses alongside the feedback to the 2020 consultation and publish a government response. In light of the dependencies on EPC reform and the development of the Home Energy Model (HEM), planned for 2026, this response will set out interim policy decisions, pending government finalising the policy for these dependencies. Once EPC reform and the development of HEM has concluded, government will announce the full final policy for higher MEES for privately rented homes, including the explicit standards against each metric they are required to meet. Government will then proceed with laying the updated regulations and publishing guidance for landlords and local authorities on how to comply.

⁵ All privately rented homes that are required to have an EPC under the EPB regulations (<https://www.legislation.gov.uk/ukxi/2012/3118/contents>)

⁶The EER provides a score from A to G for the energy performance of the building based on the estimated cost of heating the building. A is awarded to buildings with the lowest running costs and G is awarded to those with the highest.

⁷ By fabric first, we mean that fabric measures are prioritised for installation before clean heat measures to drive down the amount of energy required to heat a property.

Chapter 1: 2025 consultation

Catalogue of questions

In this consultation, government is asking the following questions:

- 1. Do you agree with government's preferred position of using new alternative Energy Performance Certificate (EPC) metrics following EPC reform as the basis for higher Minimum Energy Efficiency Standards (MEES) for privately rented homes?**
- 2. Government would welcome views on options for setting future MEES against a combination of new EPC metrics. Do you agree with government's preferred approach of having a requirement to meet a primary standard set against the fabric performance metric and then a secondary standard set against either the smart readiness metric or heating system metric, with landlord discretion on which secondary metric their property meets?**
- 3. What are your views on the alternative approaches of:**
 - Alternative 1: A requirement to meet a standard set against dual metrics of equal weighting. The standard would be set against dual metrics including two of the following: fabric performance, heating system and smart readiness.**
 - Alternative 2: A requirement to meet an overarching standard set against all three metrics of fabric performance, heating system, and smart readiness, either through improvements across all standards or through landlords concentrating improvements against one or two standards.**
- 4. Do you have any alternative suggestions for how government could utilise new EPC metrics as the basis for MEES, such as a single metric approach (e.g. fabric or cost based?) Please provide a rationale with your answer.**
- 5. Do you agree with government's proposal to increase the maximum required investment for Private Rented Sector (PRS) MEES to £15,000 per property and for landlords to be able to register an exemption if expenditure would take them over this figure? If not, please set out whether you consider a cap should apply and how; and if so, what level you consider the cap should be set at and why (whether this is the 2020 proposal of £10,000 or another figure). Please explain your answer.**
- 6. Should government extend the exemption period for the cost cap to ten years? If not, how long do you think the cost cap exemption should last? Please explain your answer.**
- 7. Do you agree with government's preferred implementation timeline to require 'new tenancies' to meet the higher standard from 2028 and 'all tenancies' to meet the higher standard by 2030? If not, do you have alternative suggestions?**
- 8. Do you agree with government's proposal that, as an EPC reform transition measure, landlords should be able to demonstrate their properties are compliant with the existing standard of EPC E using their past EPC?**

9. Do you agree properties that have an EPC rating of C against the EER on EPCs before 2026 should be recognised as compliant with the future standard until their EPC expires or is replaced?

10. Do you agree with government's proposal to require landlords to commission a new EPC before taking action to comply with higher MEES?

10.1. Should the cost of this new EPC be included within the cost cap?

10.2. Should landlords still be required to commission post-improvement EPCs? If yes, should the cost of the post-improvement EPC also be included within the cost cap?

11. Should government develop an affordability exemption? If yes, what eligibility criteria would be the most appropriate for an affordability exemption? Please indicate which, if any, of the proposed approaches you support or otherwise provide alternative suggestions.

12. Should government apply the PRS MEES Regulations to short-term lets? Please explain your answer.

13. What actions could government take, including changes to the law to encourage or require smart meters in properties undergoing efficiency upgrades, to increase the number of smart meters installed in the PRS? Please provide your rationale and evidence for any suggestions for actions you have.

14. Do you think the current MEES exemptions available to landlords are suitable?

14.1. Are there other circumstances, not covered by the current MEES exemptions regime, where you think government should consider making exemptions for?

15. Do you agree with government's preferred position to keep a potential requirement on lettings agents and online property platforms under review whilst the PRS Database is being developed for properties in England?

16. Do you have any new evidence to submit regarding the topics as summarised in Chapter 2 of this consultation? Please specify which topic you are providing new evidence for.

17. Is there any additional information or evidence you would like to provide on either the effectiveness of the existing PRS regulations 2015 and guidance, or interactions with other policies?

Energy Performance Certificate (EPC) metrics

Previously proposed

In the 2020 consultation, the previous government proposed privately rented homes would be required to meet a minimum standard of EPC C against the Energy Efficiency Rating (EER), which grades buildings on the basis of running costs. This metric is used for the existing EPC E minimum energy efficiency standard (MEES) applied to private rented homes.

The consultation also sought views on an alternative scenario whereby privately rented homes would have to meet a minimum standard of C against both the EER and the Environment Impact Rating (EIR), which grades buildings on the basis of their carbon emissions.

In addition to these two metric scenarios, the previous government also sought views on additional metrics, namely a Final Energy Rating (FER), a Heat Transfer Coefficient (HTC), and a Primary Energy Rating (PER), as well as views on whether landlords should be required to take a fabric first approach to retrofitting their properties to meet the standard. See annex A: section 1 for a summary of responses to the 2020 consultation.

Proposal

The existing regulations require privately rented homes to meet a standard of EPC E before a property can be let, unless a valid exemption applies.⁸ The EPC E standard is based on the EER, which assesses energy performance on the basis of cost.

Government is proposing to introduce multiple new metrics to assess the energy performance of buildings as part of EPC reform. A full list of options for potential new metrics can be found in the consultation on '[Reforms to the Energy Performance of Buildings Regime](#)' published on 4 December 2024, with further detail included in the technical annex.

The '[Reforms to the Energy Performance of Buildings Regime](#)' consultation proposes that domestic EPCs use four headline metrics to assess energy performance on the basis of fabric performance, the efficiency and emissions of the heating system, smart readiness, and energy cost. To deliver against our dual objectives of fuel poverty alleviation and decarbonisation, government has considered these metrics as the basis for setting a higher MEES in privately rented homes:

- **The fabric performance metric** – this metric option would assess energy performance based on the fabric efficiency of the building and would provide recommendations that improve the building's fabric. Possible measures recommended could include cavity wall insulation, solid wall insulation, loft insulation, underfloor insulation, draught proofing, and double glazing for windows. Installing these measures could improve thermal comfort, reduce space heating demand, and enhance the efficiency of heating systems.
- **The heating system metric** – this metric option would assess energy performance based on the efficiency and emissions of the building's hot water and heating systems, and potentially cooking appliances. The metric could rank different heating systems based on environmental impact, efficiency, and how well they aligned with achieving net zero emissions goals. This metric would incentivise energy efficient low-carbon options,

⁸ Under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations, privately rented homes are required to meet a minimum standard of EPC E if the property is a) legally required to have an EPC, and b) let on an assured tenancy, regulated tenancy, or domestic agricultural tenancy.

such as heat pumps, over inefficient direct electric heating and carbon-intensive fossil fuel systems. In addition to heat pumps, possible measures recommended include heating controls, heat emitters (radiators), hot water cylinder upgrades, cylinder insulation, and solar water heating.

- **The smart readiness metric** – this metric option would assess energy performance based on the optimisation of the building's energy usage and its ability to integrate with a flexible energy system. Improving the smart readiness of the building would enable the occupier to use energy more efficiently to reduce their energy bills. Possible measures driven by this metric would include solar panels, batteries and other load shifting appliances, and smart meters to enable tenants to access smart tariffs and services.
- **The energy cost metric** – this metric would most closely resemble the existing EER by assessing buildings based on the modelled energy costs per square meter of the building. It would consider the energy costs for heating, hot water, lighting, pumps and fans for the building, but could also factor in the cost of the energy for cooking. Possible measures driven by this metric would include the fabric improvements mentioned above, more efficient gas boilers, and solar panels.

The presence of an energy cost metric on EPCs would enable users to understand a) the energy costs of the building relative to other buildings and b) the impact on running costs of installing energy efficiency measures and low carbon heating. However, there would be some drawbacks with using such a cost-based metric as the basis for setting MEES:

- Given the higher cost of electricity relative to gas, installing an electric heating component, such as a heat pump, may result in higher estimated running costs and a lower EPC rating, without additional cost-saving measures such as improved fabric and smart technologies. As a result, heat pumps do not tend to appear as recommended improvement measures on existing EPCs, despite being typically three times more efficient than gas boilers.
- Assumptions of fuel prices used to calculate cost can quickly become outdated as these assumptions are typically only updated when the underlying methodology is updated. EPCs currently calculate the EER using energy prices from 2010-12 because this was the last time the underlying methodology for existing buildings (as opposed to new builds), the Reduced data Standard Assessment Procedure (RdSAP), was updated. Government is exploring ways to further bring down the running costs of low-carbon heating, but improved bill savings would only be recognised by a cost metric when the methodology is updated, and a new EPC is commissioned.
- When price assumptions are updated, this can cause buildings to move between EPC ratings, potentially resulting in the property falling out of compliance with the PRS regulations, despite no actual changes in the energy performance of the building.

Given these drawbacks, and on the basis that new metrics would be introduced as part of EPC reform, government is proposing to move away from using a cost-based metric as the basis for future MEES in the PRS. Instead, government is minded to apply a combination of the proposed alternative metrics, to enable future MEES to drive improvements to reduce energy bills for tenants without having the unintended consequence of penalising the uptake of low carbon heating systems, such as heat pumps. Measures recommended under these alternative metrics could improve the building's heat retention, reduce the energy required to operate the building's heating systems, and enable the occupier to optimise their energy use, to maximise the overall energy efficiency of the building and reduce its running costs.

If, after the relevant consultations, government decides to implement different EPC reform policy or to propose an alternative approach, government might still decide to make higher PRS MEES based on EER, in order to meet the statutory fuel poverty target by 2030. Government is interested in respondents' views on the dual metric proposals and remains open to considering a single metric approach if the evidence from this consultation supports that.

This is against the backdrop of the concerns which respondents to the 2020 consultation expressed about the added complexity of a dual metric approach as the basis for regulation, albeit this was at a point in time before proposals for reformed EPCs had been set out for consultation. The Energy Performance of Buildings Register service is responsible for designing the layout of the existing EPC and maintaining the service in line with the principles for a clear and accessible government digital service. In order to develop the most effective presentation of new EPC metrics, the Register service will undertake a programme of research into user needs and preferences which will guide our decisions on how to make the EPC information clear and impactful. Government will consider how best to present information about the metrics to enable users to benchmark the performance of their building against others, how to understand their compliance with regulations that use EPCs, and support decision-making when considering energy efficiency retrofit options.

Question 1: Do you agree with government's preferred position of using new alternative Energy Performance Certificate (EPC) metrics following EPC reform as the basis for higher Minimum Energy Efficiency Standards for privately rented homes?

New EPC metrics would be produced using the new methodology currently being developed for EPCs, the Home Energy Model (HEM). Government intends to consult on a HEM methodology for producing EPCs in 2025. As part of the EPC reform and the development of HEM, government will consider how best to present the metrics to enable users to benchmark the performance of their buildings (e.g. A-G scale). Once the government response to the HEM EPC methodology consultation is published and the final design of the metrics is agreed, government will be able to confirm the explicit grades against each metric that privately rented homes would be required to meet to comply with higher MEES.

Government has considered a range of options for setting the increased PRS MEES against the fabric performance, heating system and smart readiness metrics. The first option is preferred for the reasons set out below, but government welcomes views on any other possible options to inform the future design of MEES for the PRS.

Government's preferred approach to setting the standard against new metrics

Government is proposing that landlords would be required to meet a standard set against the fabric performance metric and then a secondary standard set against either the smart readiness metric or heating system metric. This means that landlords would be required to first invest in measures such as loft insulation, cavity wall insulation, and double glazing, to prioritise achieving the standard set against the fabric performance metric.

Once the property achieves the fabric performance standard, the landlord would then be required to invest towards achieving a standard set against either the smart readiness metric or the heating system metric. This could be down to the discretion of the landlord. This would mean the landlord could choose whether to pursue the standard set against the smart readiness metric or the heating system metric, based on what measures are most appropriate for their property. The landlord would then proceed with installing the measures recommended

on their EPC to meet the standard for the chosen metric. For this approach, the cost cap proposed in this consultation would be the maximum amount landlords are required to invest in the property overall, to meet both the fabric performance standard and either the smart readiness or heating system standard. Modelling in the Options Assessment that accompanies this consultation indicates that, on average, landlords would be required to invest a total of between £6,100 and £6,800 for their rental property to meet the standard.

If the landlord were to choose to meet the standard set against the smart readiness metric, their EPC may recommend measures such as smart meters, solar panels, heat batteries, and other load-shifting appliances. These measures would improve the flexibility of the building's energy demand, enabling the tenant to improve the efficiency of their energy use, and coupled with the fabric measures installed to meet the fabric performance standard, help maximise energy bill savings for the tenant.

Alternatively, the landlord could choose to meet the standard set against the heating system metric, which may include a heat pump, improved heating controls or improved radiators. These measures would enable the decarbonisation of the building's heating and coupled with the fabric measures installed to meet the fabric performance standard, help ensure the heating system is operating efficiently and on affordable basis.

Many privately rented homes will already meet the standard set against the fabric performance metric and therefore would only need to invest in their property to meet the standard set against the smart readiness metric or the heating system metric.

Government acknowledges the concerns which respondents to the 2020 consultation expressed about a fabric first approach, including that fabric measures may not be appropriate for all property types (see annex A: section 1 for a summary of responses to the 2020 consultation). However, given the high prevalence of fuel poverty in the PRS and the regular movement of tenants⁹, it is important that the standard drives a consistent level of thermal performance across the sector to ensure all privately rented homes are warm, comfortable, and affordable to heat.

Government recognises that some fabric measures, such as solid wall insulation, may not be appropriate for particular properties. There are a range of exemptions available under the existing regulations which landlords may register for in circumstances where fabric measures cannot be installed (see later section 'Exemptions from meeting the standard').

Question 2: Government would welcome views on options for setting future MEEs against a combination of new EPC metrics. Do you agree with government's preferred approach of having a requirement to meet a primary standard set against the fabric performance metric and then a secondary standard set against either the smart readiness metric or heating system metric, with landlord discretion on which secondary metric their property meets?

⁹ From the English Housing Survey, 2022-23, the average length of residence among private renters was four years, compared to 12 years for social renters and 17 years for owner occupiers. Among all private renters, the most common length of residence was less than one year (22%), which was higher than the proportion of social renters (6%) and owner occupiers (4%). Accessible at: <https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-rented-sectors/english-housing-survey-2022-to-2023-rented-sectors#housing-history-and-future-housing-aspirations>

Alternative approaches to setting the standard against new metrics

Whilst the above approach is government's preferred approach to setting a standard against new metrics, we have also considered alternative approaches to utilising a combination of new metrics to set the future standard against. Government would welcome views on these alternative options and any other proposals respondents have. Although these options focus on a dual metric approach, we would also welcome feedback on whether and how a single metric approach, such as one based solely on reformed EPC fabric or cost metrics, could work.

Alternative 1: A requirement to meet a standard set against dual metrics of equal weighting

This option would require landlords to meet a standard set against two metrics. Unlike the preferred option, government would not set a primary metric and so landlords would have discretion about which standard to prioritise within the cost cap. If the property already met the standard set against one metric, the landlord would only need to invest to meet the standard set against the other metric.

The three possible variations of this option are standards set against:

- The fabric performance and smart readiness metrics – this could maximise the number of cost-saving measures installed, resulting in greater bill reductions and fuel poverty alleviation. However, decarbonisation of the heating system would not be required under this approach.
- The fabric performance and heating system metrics – this could enable the decarbonisation of heating systems whilst ensuring the buildings had a sufficient level of thermal comfort and lower heat loss to allow for the heating system to be operated efficiently and affordably.
- The smart readiness and heating system metrics – this could enable the decarbonisation of heating system whilst ensuring the potential higher costs of operating the heating system are offset by savings through the use of measures such as solar panels, heat batteries, and access to time-of-use tariffs.

With this approach there would be no requirement for the landlord to prioritise one of the metrics, so they would have greater discretion about which measures they install within the cost cap. There is a risk that if the landlord cannot install all recommended measures to achieve the standard within the maximum required investment (the 'cost cap'), the measures which they do opt to install may not be the most effective set of measures to maximise the affordability of the building's energy use. For example, with standards set against the fabric performance metric and heating system metric, landlords may opt to first invest towards decarbonising the building's heat system. This could then lead to the landlord only needing to invest a small amount further under the cost cap towards meeting the fabric performance standard. In such a circumstance, the building's fabric may not be improved sufficiently to ensure the heating system is operating as efficiently and affordably as possible.

Alternative 2: A requirement to meet an overarching standard set against all three metrics of fabric performance, heating system, and smart readiness, either through improvements across all standards or through landlords concentrating improvements against one or two standards

This option allows for the greatest degree of landlord discretion to prioritise measures within the cost cap based on their own assessment of what is most appropriate for their properties. However, this does mean that the balance between fuel poverty alleviation and heat decarbonisation achieved by the policy is dependent on the decisions landlords take.

Government would set a standard against all three metrics, but the regulations would allow for landlord discretion. As an example, landlords could choose to meet the standard on fabric performance and heating system, and they would not be required to meet the standard on smart readiness. Alternatively, landlords could choose which EPC-recommended measures were most appropriate for their properties from any of the three metrics. This could mean landlords would install measures that evenly distribute their properties' scores against the three metrics, or choose to prioritise measures to score higher against one or two of the metrics, so long as the property meets the overarching standard.

Question 3: What are your views on the alternative approaches of:

- 1. A requirement to meet a standard set against dual metrics of equal weighting. The standard would be set against dual metrics including two of the following: fabric performance, heating system and smart readiness.**
- 2. A requirement to meet an overarching standard set against all three metrics of fabric performance, heating system, and smart readiness, either through improvements across all standards or through landlords concentrating improvements against one or two standards.**

Question 4: Do you have any alternative suggestions for how government could utilise new EPC metrics as the basis for MEES, such as a single metric approach (e.g. fabric or cost based?) Please provide a rationale with your answer.

Cost cap

Previously proposed on setting the cost cap

In the 2020 consultation, government proposed that landlords should be required to invest up to £10,000 per property (the 'cost cap') to meet a higher energy efficiency standard as the preferred policy proposal. In circumstances where landlords have invested in relevant energy efficiency improvements up to the value of the cost cap and the property has not reached the standard, the landlord would be able to register an exemption and continue to let the property. This proposal aimed to reflect the fact that improving properties to the then proposed EER C target would require greater investment. Modelling at the time indicated that on average landlords would need to invest £4,700 (in 2018 prices) on upgrades per property below EPC C, if a maximum required investment of £10,000 (in 2018 prices) was set.¹⁰ This cost cap was seen as the optimal level at which a majority of privately rented homes would be improved to EPC C (~70%) whilst trying to limit expense for landlords. See annex A: section 2 for a summary of responses to the 2020 consultation.

¹⁰ See the [2020 consultation impact assessment](#) for the previous modelling and note that is was based on the £10,000 cost cap rising with inflation. Adjusting for inflation, £4,700 in 2018 prices would be around £5,800 in 2024 prices (using the [OBR's GDP deflator series of inflation](#)). The £10,000 cost cap in 2018 prices would be around £12,300 in 2024 prices and £13,200 in 2028 prices.

2025 Proposal

Under the current PRS Regulations, landlords of properties that are rated EPC F and G are required to invest in the energy performance of these properties to reach a minimum standard of EPC E. Currently the maximum required investment is capped at £3,500 including VAT per property. This cost cap was sufficient to ensure most properties could achieve the required minimum standard of EPC E. However, improving PRS properties to a higher standard will require a greater investment to lift a significant number of tenants out of fuel poverty.

In re-evaluating the level of the cost cap there is a need to balance the interests of landlords and tenants and to ensure that the maximum level of required investment should be fair and proportionate. This is especially important given the delays since the original proposal for a £10,000 cost cap was made in 2020. Reflecting on the feedback from the 2020 consultation, government believes it is important to have a stable cap which does not ratchet up with inflation, to provide certainty for landlords, and that any future increases to the cost cap should be carefully considered before being implemented. In that context government is minded to require landlords to invest a maximum of £15,000 inclusive of VAT per property but that this cost cap would not increase automatically with inflation. This level of maximum required investment reflects the need to improve the energy efficiency of buildings in the sector whilst ensuring that landlords have the flexibility to choose a variety of approaches to improving the energy efficiency of their properties. Modelling, based on 2024 prices, indicates that, on average, landlords would be required to invest between £6,100 and £6,800 in order for their rental property to reach the higher standard.

The proposed £15,000 cap would ensure a wider range of properties would be lifted out of fuel poverty and be warmer and cheaper to heat. If the 2020-proposed cap of £10,000 were to be adopted, it would mean lower costs for some landlords but it would also reduce the impact of the reforms to fewer properties and benefit fewer tenants. Although a lower cost cap figure such as the 2020 cost cap proposal is not the preferred approach, the impacts of both the preferred cap of £15,000 and the 2020 cap of £10,000 are set out in the Options Assessment which accompanies this consultation. Feedback on this and any other potential cost caps (and the reasons for such proposals) is welcome in response to question 4 of this consultation.

By proposing an implementation timeline of 2028 for new tenancies and 2030 for all tenancies, government would be providing additional time for landlords to plan for home improvements. Government proposes that spend towards the cost cap would be counted from the date of secondary legislation being laid in 2026. Early action would be encouraged prior to 2028 and following the updated regulations being laid, government would publish guidance to help landlords understand how to comply and what improvements would be counted towards the cost cap.

There is support currently available (subject to eligibility) for some of the least energy efficient homes through schemes including the Boiler Upgrade Scheme, the Great British Insulation Scheme, fuel poverty schemes such as the Energy Company Obligation, and, in Wales, the Warm Homes Nest scheme and Leasing Scheme Wales. An eligibility tool is available on our [‘Help for Households’](#) GOV.UK page that will help people learn what support is available. There is also a zero rate of VAT until March 2027 on energy saving measures, such as insulation, and low-carbon heating, making it cheaper for people to invest in their properties.

Question 5: Do you agree with government's proposal to increase the maximum required investment for PRS MEES to £15,000 per property and for landlords to be able to register an exemption if expenditure would take them over this figure? If not, please set out whether you consider a cap should apply and how; and if so, what level you consider the cap should be set at and why (whether this is the 2020 proposal of £10,000 or another figure). Please explain your answer.

Under the current regulations, if landlords invest up to the cost cap and the property does not achieve the minimum EPC rating required, the landlord may register the property for a 'All relevant improvements made' exemption and continue to let it. The 'All relevant improvements made' exemption currently lasts for five years. With a proposed increase to the cost cap, this may mean landlords that have invested up to £15,000 per property may still need to invest further to meet the standard once the exemption expires. Whilst government recognises the importance of reducing fuel poverty in the PRS, it is also important that the regulations are proportionate and fair for landlords. Given the proposal to require landlords to invest up to £15,000 per property to meet the higher standard, government is proposing to extend the period for which the cost cap exemption lasts to ten years.

Question 6: Should government extend the exemption period for the cost cap to ten years? If not, how long do you think the cost cap exemption should last? Please explain your answer.

Implementation timeline

Previously proposed

In the 2020 consultation, government proposed a phased implementation for improving energy performance in the sector by first applying higher standards to new tenancies from 2025 and then to all tenancies by 2028. This three-year implementation timeline was proposed on the basis that it would limit disruption to landlords and tenants by allowing for improvements to be carried out during void periods between tenancies. This timeline was also proposed to enable delivery against UK Carbon Budgets 4 (2023-2027) and 5 (2028-2032) and government's statutory fuel poverty target to ensure that as many fuel poor households as reasonably practicable achieve a minimum Fuel Poverty Energy Efficiency Rating (FPEER) of C by 2030. See annex A: section 3 for a summary of responses to the 2020 consultation.

Proposal

Given delays, the proposed 2025-2028 implementation timeline from the 2020 consultation is no longer achievable. Government is still of the view that a phased implementation is desirable to limit disruption to landlords and tenants and also manage demand from the sector for energy performance improvements to allow the supply chain to scale up. Therefore, government is proposing a new implementation that applies higher standards to new tenancies from 2028 and for all tenancies by 2030.

Terminology

Definition of ‘new tenancies’ and ‘all tenancies’, PRS Regulations –

‘New tenancies’ – A ‘new tenancy’ is defined as a tenancy where a domestic property is rented out to a new tenant, or a contract with an existing tenant is renewed or extended.

‘All tenancies’ – ‘All tenancies’ are defined as those where the same tenant has been in situ throughout. The ‘all tenancies’ trigger date effectively introduces a backstop date, by which all remaining properties which are required to have EPCs, will have to be improved to the required EPC rating.

According to the English Housing Survey, in 2022-2023¹¹, 69% of tenancy agreements in the PRS were assured shorthold tenancies (ASTs). For tenants with ASTs who had been in their property for less than three years, 62% had an initial agreement lasting 12 months, 23% were six months and just 2% were longer than 18 months. However, government has proposed as part of the Renters’ Rights Bill to abolish fixed term assured tenancies in England; instead, these tenancy types would be periodic only¹², which could impact the frequency of new tenancies in the sector. In Wales, under the Renting Homes (Wales) Act 2016, if a fixed term occupation contract is not ended it automatically converts to a periodic contract upon expiry of the term. In instances where tenants do not consent to works taking place whilst they are in situ, landlords have the option of registering for a third-party consent exemption under the PRS Regulations. Further information on the conditions of this exemption is available on [gov.uk](https://www.gov.uk).

Government is also proposing extending the scope of EPCs so that a valid one is required for an entire House in Multiple Occupation (HMO) when a single room within it is rented out. Currently, the guidance states that an EPC is not required in this instance but only when the whole house is rented out. This would bring more properties in scope of the PRS Regulations, but whether HMOs are required to comply ahead of 2030 will depend on whether there is a single new tenancy for the property or all tenancies in the property are new.

This timeline will still ensure that all privately rented homes are required to meet the higher standard before the end of 2030 to maximise fuel poverty alleviation in the sector to make progress towards our statutory 2030 fuel poverty target. This timeline will also allow time for landlords to prepare and take action early from the point at which the final policy design is announced before the regulations come into force for new tenancies. Some landlords may also be able to access government funding up to 2028 ahead of implementation and reduce their tenants’ energy bills.

A 2028/2030 timeline would also mean that higher standards would come into force post-EPC reform, as currently planned. It is our preferred approach for landlords to use new EPCs to comply with the regulations to ensure they are taking the right action against updated metrics to maximise the outcomes of the policy. More detail on this proposal is included below in the section ‘the transition from existing standards and EPCs’. Full detail of the changes proposed to EPCs can be found in the [EPB Regulations consultation](#).

¹¹ English Housing Survey 2022-2023 <https://www.gov.uk/government/collections/english-housing-survey-2022-to-2023-headline-report>

¹² Guide to the Renters’ Rights Bill (2024) accessed at: <https://www.gov.uk/government/publications/guide-to-the-renters-rights-bill/82ffc7fb-64b0-4af5-a72e-c24701a5f12a>

Question 7: Do you agree with government’s preferred implementation timeline to require ‘new tenancies’ to meet the higher standard from 2028 and ‘all tenancies’ to meet the higher standard by 2030? If not, do you have alternative suggestions?

The transition from the EPC E standard and existing EPCs

Previously proposed

Since 2020, privately rented homes have been required to meet a minimum standard of EPC E to be let, unless a valid exemption applies. Private landlords are required to invest up to £3,500 per property to achieve this standard. The 2020 consultation did not include proposals on a transition from the current EPC E standard to a higher standard, but did include a proposal to require landlords to obtain post-improvement EPCs. This proposal is relevant to the proposals government has set out below to manage the transition to a higher standard. See annex A: section 4 for a summary of responses to the 2020 consultation.

Proposal

The transition from the current EPC E standard

Terminology

For the purpose of this section –

‘Existing EPC’ refers to EPCs commissioned before EPC reform which display the Energy Efficiency Rating (EER) as the headline metric for scoring energy performance calculated using the Standard Assessment Procedure (SAP).

‘New EPC’ refers to EPCs post-EPC reform which, as proposed by the consultation on [‘Reform to the Energy Performance of Buildings Regime’](#), score energy performance against new metrics calculated using the Home Energy Model (HEM).

Under government’s preferred option to use new metrics as the basis for higher standards, the phased implementation will mean that from 2028 to 2030 some properties will be subject to these metrics under the new standard, whilst others remain subject to the existing EPC E standard set against the EER, depending on whether there has been a new tenancy for the property. Therefore, the transition will need to be clear to ensure landlords understand the requirements their properties are subject to and ensure local authorities can enforce the regulations with confidence and clarity.

Figure 1 sets out the proposed timelines for EPC reform and the introduction of higher standards for privately rented homes. Current plans for EPC reform would mean that new EPCs with new metrics are available from the second half of 2026, and in the consultation on [‘Reforms to the Energy Performance of Buildings Regime’](#), government proposes that rented properties are required to have an EPC in place at all times. If this proposal were taken forward, it would mean that from the second half of 2026, landlords will begin replacing their properties’ existing EPCs with a new EPC once they expire, even if they have a continuing tenancy.

Figure 1: Proposed timeline for the implementation of EPC reform and higher MEES for privately rented homes

2025

- Government responds to the consultation on '[Reforms to the Energy Performance of Buildings Regime](#)'.
- Government consults on a proposed Home Energy Model (HEM) methodology for producing new EPC metrics.
- Government responds to the consultation on 'Improving the energy performance of privately rented homes in England and Wales'.

2026

- The final HEM methodology for producing new EPC metrics is published.
- Final preparation to introduce new EPCs, including the delivery of EPC software and the training of energy assessors, takes place.
- New EPCs, displaying new metrics, become available for landlords to commission (and EPCs in their existing format displaying the EER are no longer available).
- Government confirms the explicit standards set against new metrics that privately rented homes are required to meet and lays secondary legislation to raise MEES in the sector.
- Government updates guidance for landlords on complying with the higher standard.

2028

- New tenancies in the domestic PRS are required to meet the higher standard.

2030

- All tenancies in the domestic PRS are required to meet the higher standard.

PRS properties should continue to comply with the current EPC E standard until they are required to meet the higher standard. If a landlord commissions an EPC in late 2026, they will receive a new EPC with new metrics, subject to EPC reform and consultation. However, in this scenario, the property is receiving this new EPC before the proposed higher MEES requirements are in place. Government is exploring options for how landlords can continue to demonstrate compliance with the EPC E standard in this scenario. If a cost metric is retained on new EPCs, as proposed in the consultation on '[Reforms to the Energy Performance of Buildings Regime](#)', landlords may be able to demonstrate compliance with the EPC E standard against this metric.

However, some properties that currently meet the standard of EPC E (against the EER on existing EPCs) may see their property's rating against the cost metric on new EPCs fall below the equivalent of EPC E. This is because the approach to calculating a cost metric on new EPCs could change with the transition to the Home Energy Model (HEM) as the underlying

methodology for new EPCs. In the scenario where a cost metric on the new EPC does not reflect the EER on existing EPCs, government could instead permit landlords to demonstrate compliance with the EPC E standard using their previous EPC. Past EPCs can be accessed via the [Energy Performance of Buildings Register](#).

Question 8: Do you agree with government's proposal that, as an EPC reform transition measure, landlords should be able to demonstrate their properties are compliant with the existing standard of EPC E using their past EPC?

Encouraging early action

Government is keen to encourage landlords to act early before new EPCs become available (currently planned for 2026), and the higher standard comes into force. Support, including grants, subject to eligibility rules, is currently available to landlords to improve their properties. Full information and eligibility tools are available on the 'Help for Households: Help with your energy bills on the gov.uk website'.¹³ To improve the energy performance of their properties now, landlords could invest in measures recommended by their property's existing EPC and aim to meet an EER score of C.

Landlords who act now to reach a standard of C against the EER will be taking the correct action to address fuel poverty in the sector, in line with government's fuel poverty target. Therefore, government is proposing that privately rented homes that have an EPC with a score of C against the EER before new EPCs are introduced are recognised as compliant with future MEES until the EPC expires or is replaced with a new EPC. Once the higher standard is implemented and the landlord commissions a new EPC for the property, it would be required to meet the standard set against new metrics.

Question 9: Do you agree properties that have an EPC rating of C on EPCs before 2026 should be recognised as compliant with the future standard until their current EPC expires or is replaced? If not, are there alternative options to give landlords the confidence to act before EPC reform takes place?

Complying with the higher standard post-EPC reform

For privately rented properties that do not achieve a standard of C against the EER before new EPCs are introduced, government is proposing that once the property is required to comply with the higher standard (as set out in the 'Implementation Timeline' section above), the landlord is required to commission a new EPC for the property before taking action to comply with the higher standard. This is because the property's existing EPC will not have the new metrics displayed. Requiring the landlord to commission a new EPC would ensure that they are installing the correct measures to meet the standard set against new metrics. Because this may result in some landlords having to replace existing EPCs that may still be valid for a number of years, government is proposing that the cost of commissioning the new EPC can be counted towards the maximum per property investment required of landlords (see 'Cost cap' section).

Given this proposal to require landlords to commission new EPCs before taking action to comply with MEES, government is reconsidering the previous proposals from the 2020 consultation to require landlords to commission post-improvement EPCs. Government

¹³ <https://helpforhouseholds.campaign.gov.uk/help-with-your-bills/>

acknowledges the rationale for requiring post-improvement EPCs as the simplest way to demonstrate compliance. However, on top of requiring landlords to commission a new EPC before taking action, a requirement for a post-improvement EPC could result in landlords having to commission two EPCs in a very short period, placing significant pressure on the supply of EPCs.

In the consultation on '[Reforms to the Energy Performance of Buildings Regime](#)', government is seeking views on whether to reduce the validity period of EPCs, and proposing that a valid EPC must be in place at all times where a property is let (rather than only when a property is bought, sold or marketed for let). These changes to the regime would result in landlords updating the EPCs for their properties on a more regular basis to demonstrate compliance with the domestic PRS Regulations. Furthermore, landlords would still be free to commission a post-improvement EPC of their own volition to demonstrate compliance, but could also evidence through other means, such as receipts for works, that they have installed the measures recommended on their EPCs.

Question 10: Do you agree with government's proposal to require landlords to commission a new EPC before taking action to comply with higher MEES?

Question 10.1: Should the cost of this new EPC be included within the cost cap?

Question 10.2: Should landlords still be required to commission post-improvement EPCs? If yes, should the cost of the post-improvement EPC also be included within the cost cap?

Affordability exemption

Previously proposed

In the 2020 consultation, government considered introducing an affordability exemption so qualifying landlords would not be required to invest more than £10,000 for a period of five years after the exemption is registered. This was proposed as government recognised that if a maximum cost-cap of £15,000 was used there may have been an affordability risk for a small proportion of landlords required to invest in excess of £10,000. See annex A: section 5 for a summary of responses to the 2020 consultation.

Proposal

To ensure a consistent supply of privately rented housing, government must consider the impact on landlords when setting an increased cost-cap. Given the proposed increase in cost-cap to £15,000, there is likely to be an affordability risk for some landlords and therefore an affordability exemption may be beneficial to minimise disruption to housing supply in the PRS. It is important that an affordability exemption, if progressed, is carefully considered to ensure it does not significantly reduce the impact of the policy which aims to tackle fuel poverty and lower carbon emissions.

Designing a fair and effective affordability exemption is not straightforward and government has an open mind on how any such mechanism could be implemented. An exemption which is tailored to the specific circumstances of individual landlords might best target cases of genuine need, but it would be difficult to implement and could require means testing. A simpler data-

based approach has the benefit of being easier to implement but could exclude, or mistakenly include, certain types of properties that are not typical for an area.

In the responses to the 2020 consultation, government received ideas about several ways in which it could be targeted. In this consultation, government is asking questions on the following potential approaches to determine which properties may qualify for an affordability exemption: a rent level-based approach; a Broad Rental Market Area approach; a council tax band-based approach; a local authority area based approach; and an option to not implement an affordability exemption. Government also welcomes evidence supporting other approaches to implementing an affordability exemption in the PRS. Should an affordability exemption be introduced, it is important that it is simple for landlords, letting agents and local authorities to understand and enforce ensuring that costs are fair and proportionate.

Government could implement an affordability exemption that reduces the required investment to £10,000 per property if the proposed £15,000 cost cap is selected. An affordability exemption which requires lower expenditure of £10,000 would still allow many landlords to make the necessary energy efficiency improvements to meet the higher standard. Most existing exemptions last for five years, but if the cost cap exemption was valid for ten years, as per the earlier proposal, the affordability exemption could also be valid for a ten-year period.

Not having an affordability exemption

An affordability exemption could mean that some of the least energy efficient homes in the PRS would not meet the proposed standard of EPC C or equivalent. The worst performing homes are most likely to require the highest level of investment in energy efficiency improvements to reach the proposed required minimum standard. Therefore, implementing an affordability exemption could result in the lowest performing homes being left behind while the majority of the PRS housing stock is improved to meet the proposed required minimum standard.

The PRS in England has the highest rate of fuel poverty in the housing sector with 24% of PRS households being fuel poor. This equates to 35% of all fuel poor households in England. In 2022 13% of all households in England were considered to be fuel poor households. In 2021 14% of all households in Wales were considered to be fuel poor households.¹⁴ This government is committed to reducing the number of fuel poor households in England and Wales in line with the statutory 2030 fuel poverty target. Ensuring warmer private rented homes will lift many families out of fuel poverty and reduce energy bills.

The option of not implementing an affordability exemption would ensure the majority of PRS homes would have sufficient energy efficiency improvements to reach the proposed required minimum standard of EPC C or equivalent.

Rent level-based approach

Proposing a lower cost-cap for properties that have a lower rent level could reduce potential rent rises whilst ensuring landlords make energy efficiency improvements to a property. Basing the qualifying criteria of an affordability exemption on rent level would provide a clearly defined position for landlords who are looking to make energy efficiency improvements to their property.

Rent levels, however, can differ drastically based on the location of the property, demand in the local housing market and the property's energy efficiency rating. As of September 2024,

¹⁴ <https://www.gov.wales/fuel-poverty-interactive-dashboard>

the average rent in England was £1,327 per month (£15,924 per annum) and Wales was £752 per month (£9,024 per annum).¹⁵ Therefore under this scenario government would have to consider the level of rent and any other factors that should qualify a landlord for an exemption carefully to ensure that it is fair and proportionate.

The option of basing an affordability exemption on the rent level of a property sets a clearly defined level at which a property would be eligible for the exemption. It would also ensure that local authorities could develop compliance and enforcement strategies with a clear understanding of what was the required level of investment in energy efficiency improvements per property.

Broad Rental Market Area based approach

This approach would make use of rental data collected by the Valuation Office Agency (VOA) as part of the determination of local housing allowance (LHA) rates. Just like the LHA offer to tenants differs according to the size of their property and its location, this approach to an affordability exemption would assign different cost caps based on property size and location.

VOA Rent Officer valuations are undertaken across Broad Rental Market Areas (BRMAs) in England and Wales - these are areas that tenants could reasonably be expected to move within, taking into account access to certain facilities and services (e.g., health and education). For an affordability exemption, the average rents observed for 1-bedroom, 2-bedroom, 3-bedroom and 4-bedroom properties would determine the cost caps for properties of those sizes in the local area. By taking into account local trends in property rent value, landlords who have a lower income through their rental property would face more proportionate costs. It would, however, mean a less clear message as the qualifying criteria would not be the same in every location or even within local authority areas. It may be unclear to a landlord about whether they are or aren't eligible and could also be difficult for local authorities to enforce.

Council tax band approach

Defining eligibility criteria for an affordability exemption by the council tax band of the rented property. This approach would mean there is no variance in the required investment by landlords dependent on area of the country as proposed by the Broad Rental Market Area based approach. Using this approach would offer landlords and letting agents a simple method of determining if a property is eligible for an affordability exemption. There would not be a requirement for more evidence as local authorities will already be aware of the council tax band of a property. Additionally local authorities may find it easier to undertake compliance checks.

The option of basing an affordability exemption on the council tax band of a property sets a clearly defined level at which a property would be eligible for the exemption. It would also ensure that local authorities could develop compliance and enforcement strategies with a clear understanding of what was the required level of investment in energy efficiency improvements per property.

Local Authority area based approach

Defining eligibility criteria for an affordability exemption based on the average rent in an area that the local authority is responsible for. This approach would use the average rent of a local

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<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/september2024#:~:text=Average%20rent%20for%20England%20was,of%209.1%25%20in%20March%202024.>

authority area utilising Office for National Statistics (ONS) data.¹⁶ Similar to the Broad Rental Market Area based approach, by taking into account local trends in property rent value, landlords who have a lower income through their rental property would face more proportionate costs. By having a single defined investment cost cap per local authority area, this approach would also simplify the required compliance and enforcement system for local authorities.

Question 11: Should government develop an affordability exemption? If yes, what eligibility criteria would be the most appropriate for an affordability exemption? Please indicate which, if any, of the proposed approaches you support or otherwise provide alternative suggestions.

Short-term lets

Short-term rental properties (or short-term lets) are defined in the Levelling Up and Regeneration Act (2023) as a dwelling for use by the guest as accommodation other than the guest's principal residence, in return for payment in the course of a trade or business carried on by the host.¹⁷ Holiday lets are typically offered on a short-term tenancy basis. Currently the Energy Performance of Buildings 2012 regulations do not require a short-term let to have an EPC if the occupant is not responsible for meeting the energy costs of the property. Typically, properties let on a short-term basis do not require the occupier to pay for the energy costs during their stay and as a result of this, short-term lets often do not require an EPC. Currently, to be within scope of the PRS Regulations a property must require an EPC and be an assured tenancy, a regulated tenancy or a domestic agricultural tenancy. Therefore, properties that are let as holiday homes on the basis of a short-term let are currently not in scope and do not have to comply with the PRS Regulations.

The Ministry for Housing, Communities and Local Government (MHCLG) is currently consulting on removing the requirement for the occupier to pay for the energy costs when occupying a property on a short-term let basis for the property to require an EPC. Should short-term lets be required to have an EPC, it would be possible to then include them in the scope of the PRS Regulations. More information can be found in the consultation on '[Reforms to the Energy Performance of Buildings Regime](#)'.

Bringing properties let on a short-term basis into the scope of the PRS Regulations would ensure a consistent standard is applied to similar property types as well as improving the energy efficiency of the properties let across the domestic building stock in England and Wales. Additionally, this proposal would discourage landlords from changing their properties from privately rented properties to short-term lets to avoid improved MEES and reducing the availability of privately rented homes. This would add protection for tenants who are most at risk of being evicted, such as those in rural areas and popular holiday destinations where there are already pressures on housing supply, including within the PRS.

To ensure that required investment is fair and proportionate to landlords, there will be a range of exemptions available to landlords. See 'The exemptions regime' section of this consultation

¹⁶ <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/march2024>

¹⁷ For the purposes of defining a short-term let for this consultation we will use the definition of 'short-term rental property' included in the relevant government amendment to the Levelling Up and Regeneration Bill (see [Annex C](#) for the full wording of the relevant amendment).

for further information and an opportunity to provide evidence of further exemptions that should be considered.

Question 12: Should government apply the PRS MEES Regulations to short-term lets? Please explain your answer.

Smart Meters

Previously proposed

In the 2020 consultation, government did not put forward a specific proposal on smart meters, but sought views on how the PRS may be able to support the smart meter rollout across England and Wales. As was the case in 2020, privately rented homes are still significantly less likely to have smart meters installed compared to owner-occupied and socially rented homes. This is because the smart meter rollout faces some unique challenges in the PRS, including a lack of clarity over whose right it is to request a smart meter installation and tenants who regularly move between properties. See annex A: section 6 for a summary of responses to the 2020 consultation.

Proposal

Smart meters are replacing traditional gas and electricity meters as part of the national infrastructure upgrade needed to achieve government's mission to build a flexible and decarbonised power system by 2030. Smart meters play a vital role in the operation of that system, while helping households to manage their energy use, improve the energy efficiency of homes, and reduce consumer bills. At the end of September 2024, 37 million smart and advanced meters were in homes and small business across Great Britain; 65% of all meters are now smart or advanced meters.

Data from the English Housing Survey 2022-2023¹⁸ shows that privately rented homes are less likely to have smart meters installed than homeowners and those in social housing: 43% of private renters had an electricity smart meter, compared with 56% of owner occupiers, and 56% of local authority renters. There are several known barriers limiting greater uptake of smart meters in the PRS, including confusion over rights and responsibilities and instances where landlords prevent or discourage tenants from installing smart meters.

The issues raised in the 2020 consultation responses suggest that consumers in the PRS are at risk of losing out on the benefits of smart metering, unless more action to support tenants to install smart meters is taken (see annex A: section 6 for a summary of responses to the 2020 consultation). Several responses in the 2020 consultation suggested introducing new regulation in the PRS: for example, obligations for landlords to arrange smart meter installations, and adapting MEES to encourage smart meters in private rented properties. Government is keen to explore how regulation could be used to increase the proportion of dwellings in the PRS which have smart meters installed.

¹⁸ English Housing Survey 2022-2023 <https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-energy/english-housing-survey-2022-to-2023-energy-report>

Question 13: What actions could government take, including changes to the law to encourage or require smart meters in properties undergoing efficiency upgrades, to increase the number of smart meters installed in the PRS? Please provide your rationale and evidence for any suggestions for actions you have.

Exemptions from meeting the standard

The PRS Regulations make provision for a number of exemptions for circumstances where properties cannot reasonably meet the MEES. In the 2020 consultation, government proposed to simplify the [new landlord exemption](#). The government response to this proposal is set out in 'Chapter 2: government response to 2020 consultation'. In this 2025 consultation, government is seeking views on the suitability of the other exemptions currently available as part of the exemptions regime for the PRS Regulations, including whether new exemptions might be required in light of the new proposals set out above. It is important that exemptions are fair and just, for both tenants and landlords.

In most circumstances, exemptions last for five years, after which the landlord must then again endeavour to improve the property to meet the standard before registering for another exemption. Landlords seeking an exemption are required to register for the exemption on the PRS MEES Exemptions Register and provide suitable evidence to demonstrate the property is eligible for the exemption. This evidence is then reviewed by local authorities to check compliance. Exemptions are not carried over when ownership of the property changes.

The existing available exemptions are:

'All relevant improvements made' exemption

Landlords can register for this exemption if the property remains below the MEES after all relevant improvements have been made up to the cost cap or there are none that can be made.

The current cost cap for the existing minimum standard of EPC E is £3,500. As part of this consultation, government is proposing to raise the cost cap to £15,000 once a higher standard is introduced. More information can be found above in the [Cost Cap](#) section. Should the cost cap change, this exemption will reflect that change.

'High cost' exemption

Landlords can register for this exemption if no improvement can be made because the cost of installing even the cheapest recommended measure would exceed the cost cap.

The current cost cap for the existing minimum standard of EPC E is £3,500. As part of this consultation, government is proposing to raise the cost cap to £15,000 once a higher standard is introduced. More information can be found above in the [Cost Cap](#) section. Should the cost cap change, this exemption will reflect that change.

Wall insulation exemption

Landlords can register for this exemption if the only relevant improvements for the property are: cavity wall insulation, external wall insulation, or internal wall insulation (for external walls)

and they have obtained written expert advice showing that these measures would negatively impact the fabric or structure of the property (or the building of which it is part).

This exemption only applies to wall insulation and landlords are still required to install other measures recommended to bring the property up to the minimum standard.

Third-party consent exemption

Landlords can register for this exemption if the relevant improvements for the property require consent from another party, such as a tenant, superior landlord, mortgagee, freeholder or planning department, and despite best efforts that consent cannot be obtained or is given subject to conditions which cannot be reasonably complied with.

This exemption lasts either for five years or, where lack of tenant consent is the issue, until the current tenancy ends or is assigned to a new tenant.

Property devaluation exemption

Landlords can register for this exemption if they have evidence showing that making energy efficiency improvements to their property would devalue it by more than 5%. In order to register this exemption, they would need a report from an independent surveyor.

Further [guidance](#) on available exemptions is provided on gov.uk.

Question 14: Do you think the current MEES exemptions available to landlords are suitable?

Question 14.1: Are there other circumstances, not covered by the current MEES exemptions regime, where you think government should consider making exemptions for?

Letting agents and online property platforms

Previously proposed

Under the Energy Performance of Buildings Regulations, landlords are required to obtain an EPC before placing a property on the market to let and any person acting as an agent for a responsible person must be satisfied that an EPC has been commissioned for the building. In addition, the landlord or letting agent must show the EPC to anyone renting a property. Further information can be found on [gov.uk](#). In the previous consultation, government proposed to introduce a specific requirement on lettings agents and online platforms not to advertise or let properties that do not comply with the PRS Regulations, to improve compliance with MEES. See annex A: section 7 for a summary of responses to the 2020 consultation.

Proposal

In the 2020 consultation, government highlighted the need to better encourage compliance with the PRS Regulations, proposing to introduce a requirement that letting agents and online property platforms only advertise and let properties compliant with the PRS Regulations.

Government's view is that any legal requirement on letting agents should only be introduced on the basis that it is possible for letting agents to simply and quickly identify the status of the relevant properties. In Wales, Rent Smart Wales already collects and holds data on PRS properties EPC ratings. In England, the [Renters' Rights Bill](#) is seeking to create a private rented sector database, but it is not yet available. Therefore, government's preferred position is to keep a requirement on lettings agents and online property platforms to only advertise and let properties compliant with the PRS Regulations under review. With the proposed development of the PRS database in England likely to improve the ability of lettings agents and online property platforms to check for compliance, government will reconsider this requirement in due course. Should government decide to legislate for these provisions in the future, additional guidance will be provided on gov.uk.

Question 15: Do you agree with government's preferred position to keep a potential requirement on lettings agents and online property platforms under review whilst the PRS Database is being developed for properties in England?

Chapter 2: Government Response to 2020 Consultation

This chapter includes a summary of responses and the government responses to the proposals from the 2020 consultation that government is not asking further questions on in this 2025 consultation. Government recognises that there may be new evidence to consider since responses were initially provided in 2020 and would welcome respondents to submit any additional information or evidence that relates to the policy positions in this chapter.

Question 16: Do you have any new evidence to submit regarding the topics as summarised in Chapter 2 of this consultation? Please specify which topic you are providing new evidence for.

Question 17: Is there any additional information or evidence you would like to provide on either the effectiveness of the existing PRS regulations 2015 and guidance, or interactions with other policies?

Impact of 2020 policy proposals

Summary of responses

Question 1 was an open-ended question and sought views on the impact the consultation proposals could have on the domestic PRS: **We would welcome views on possible impacts of the policy on the size of the PRS sector, the effect this could have on vulnerable households, and suggestions to mitigate this effect where it does occur.**

Overall Responses: **609 (84%)** Not answered: **120 (16%)**

The majority of respondents raised concerns that landlords may decide to sell their properties rather than make energy efficiency improvements. It was argued that the potential knock-on effects would be higher eviction rates, homelessness, and rental prices. A small number of respondents stated the contrary that the proposals would have little to no effect on the size of the sector in the long-term.

The responses that suggested mitigations stressed the need for financial support for landlords, and argued that the target should be lowered or implemented later. The UK Green Buildings Council (UKGBC), stated, *'to avoid adverse effects on renters, it is therefore important that, when implemented, the new policy should be accompanied by appropriate protections for tenants,' and suggested action such as ending 'no fault' evictions, introducing measures to cap rental increases, and extend[ing] the regulations to holiday lets to discourage the loss of privately rented homes to this sector.'*

More positive responses included that the proposals would support vulnerable tenants through lower energy bills and warmer homes, and one key stakeholder said, *'the proposals could change the composition of the sector and further increase its professionalisation.'*

Question 2 sought views and evidence on whether the policy could contribute to any unintended or discriminatory outcomes for protected groups and contribute to greater inequality overall: **Do you foresee any impacts for protected groups? Please explain your answer and provide evidence to support your answer.**

Overall Responses: **604 (83%) Yes: 343 (47%) No: 56 (8%) Don't Know: 205 (28%) Not answered: 125 (17%)**

Although many responses agreed there would be a disproportionate impact on people with particular 'protected characteristics,' a number of these responses argued there would be a positive impact. Responses from tenant and fuel poverty groups, local authorities, and sustainability groups, suggested the proposals would benefit people of certain groups, such as those of an ethnic minority background, with a disability, and pregnant women. It was also highlighted that recipients of benefits and those on a low income are disproportionately represented in the domestic PRS. These benefits include driving improvements to the quality of their homes, making it more affordable to keep the home warm, reducing the risk of underheating, improving mental and physical wellbeing, and increasing disposable income. Some responses noted that children under five, people over 65, pregnant women, people with mental health issues, and people with existing coronary, respiratory and other chronic health conditions (disabilities) are at a higher-than-average risk of harm from living in a cold home. Others noted that ethnic minority households are far more likely to live in overcrowded, inadequate or fuel poor housing.

One key stakeholder stated, 'Households in non-white ethnic groups tend to more likely be in private rented properties than white British households. This applies across socio-economic groups and regions. Non-white ethnic groups are also more likely to live in poor quality housing: for example, mixed White and Black Caribbean (13%), Bangladeshi (10%), Black African (9%) and Pakistani (8%) households are more likely to have damp problems than White British households (3%). BAME households are also far more likely to be in fuel poverty than white households, an inequality that has gradually increased in recent years.'

Furthermore, the Greater London Authority (GLA) stated, 'we do not expect there to be either significant contractions in supply or rent increases overall due to improved regulation. Moreover, [BAME and migrant renters] are also the most likely to be living in fuel poverty and in hard-to-heat homes and will therefore stand to benefit the most from increased energy efficiency in properties.'

Those who raised concerns noted that landlords may become less willing to take on tenants who may be seen as 'risky', such as those on low income or without a guarantor, and should the PRS stock shrink, landlords, mortgage lenders, and insurance companies may discriminate more against vulnerable households. It was also stated that landlords may decide to increase rent to recoup the costs of the work, which would disproportionately impact vulnerable, low-income households, and many respondents suggested that less affordable PRS housing stock would be available to rent for those on low incomes and some tenants would face eviction, in turn leading to increased homelessness. The Centre for Sustainable Energy (CSE), a national charity, said, *'Where the proposals do result in increased rental costs or shrinkage of the sector, this could increase the risks of income poverty and even homelessness among people with protected characteristics. Mitigation against this should include incentives for energy efficiency improvements that are linked to rent freezes and protections against no fault evictions. Landlords of tenants with protected characteristics who are at greater risk of fuel poverty and/or harmful health impacts from living in a cold home should be able to access grants which support them to make improvements which would not be affordable within the landlord cost cap.'*

A few respondents were concerned that some Houses of Multiple Occupation (HMOs) are currently outside the scope of the PRS Regulations as an EPC is not always required and called for this to be rectified. They expressed the concern that this may result in landlords changing the use of properties from single family accommodation to HMOs to avoid the regulations. As well as reducing the overall impact of the policy, this would mean some protected groups, who can be over-represented in HMOs, would not enjoy the benefits of higher standards.

Government response

Government recognises that many of the impacts raised in this section will continue to be relevant even though the policy proposed in this 2025 consultation has changed from that proposed in 2020. We encourage respondents with new or further information on the impacts of the proposed policies to submit this evidence through their 2025 consultation response.

Covid-19

Summary of responses

Question 3 in the 2020 consultation was an open question, which asked: **We would welcome views on any possible long-term impacts of COVID-19 that could impact on making the required energy efficiency improvements from April 2025 and suggestions to mitigate this effect where it does occur, including any evidence.**

Overall Responses: **496 (68%)**, Not answered: **233 (32%)**

Many respondents highlighted the financial impact of the COVID-19 pandemic on landlords in terms of lower rental yields and being unable to evict tenants in rent arrears, and that this would impact landlords' ability and willingness to spend money on improvements. This view was commonly expressed by landlords, lettings agents, and local authorities. Other issues raised were access to properties, a shortage of labour during the pandemic, as well as other supply chain issues.

Some stakeholders argued that the pandemic highlighted a greater need for improved energy efficiency in the sector. The GLA said, *'COVID-19 has brought a renewed focus on climate change and the environment in recovering from the economic and social impacts from the pandemic. It has also led to a significant increase in the numbers of people working from home, leading to higher energy bills. In this context, MEES in the PRS are critical to the financial wellbeing of renters.'* Additionally, the UK Green Buildings Council said, *'It is clear that the pandemic has increased the need to urgently tackle poor energy performance and thereby bring fuel bills down. COVID-19 has led to 2.8 million people falling behind on their energy bills – and to higher household energy use as people are forced to spend more time at home,'* and National Energy Action (NEA), a charity focussed on tackling fuel poverty, stated, *'The impact of the pandemic on households has been severe, increasing the number of households that struggle to afford to keep their homes warm, as it has led to both reduced incomes and increased energy usage. This has led to increased utility debt.'*

A minority of respondents also suggested that government should introduce grants and tax incentives to address any adverse financial impacts of COVID-19, or defer implementation of the proposed regulations.

Government response

Government recognises the important role that landlords play in providing homes to millions of people around the country and that COVID-19 placed pressure on landlords and supply chains. At the same time, the pandemic highlighted the importance of having a comfortable, warm home to live and work in. Government acknowledges the various concerns raised by those who disagreed with the proposed implementation timeline. Given the time that has passed since the 2020 consultation, further proposals on the implementation timeline can be found in Chapter 1 of this document, under the [‘Implementation timeline’](#) section.

Adjusting the cost cap for inflation

In the 2020 consultation, government asked whether the proposed £10,000 cost cap should be adjusted for inflation. If not adjusted for inflation, previous modelling estimated that a ~2% rate of inflation could mean that in eight years’ time, £10,000 would be worth 15-20% less.

Summary of responses

Question 7 in the 2020 Consultation asked: **Should the £10,000 cost-cap be adjusted for inflation?**

Overall Responses: **609 (84%)**, Yes: **257 (35%)**, No: **216 (30%)**, Don’t Know: **136 (19%)**, Not answered: **120 (16%)**

The main reasons cited in support of adjusting for inflation were that the rate of inflation was difficult to predict, and the cost of improvements will rise in line with inflation, so the cap should also rise in parallel to maintain the real term value of investment made under the spending requirement. The NRLA said *‘The cap must be linked to real costs and reviewed regularly’*, whilst the Property Energy Professionals Association (PEPA), a representative body for energy assessor accreditation schemes, said, *‘The cost of improvement is likely to increase along with inflation, and cost of rent is likely to mirror this too. Therefore, we feel the cost cap should also be adjusted in line with inflation as appropriate...by announcing the intention to adjust for inflation in advance it should also encourage early adoption.’*

Those who disagreed were concerned that if the cost cap were adjusted for inflation, it would be constantly changing and make compliance more challenging. The British Property Federation, who represent the UK real estate industry, said, *‘any proposed cost cap should be adjusted for inflation, but should only be reviewed periodically (perhaps every five years) so as to avoid disruption’*. It was also suggested that landlords do not increase rent in line with inflation and therefore cost would rise at a greater rate than income.

Government response

Since the 2020 consultation, inflation rates have been shown to be more volatile than previously projected. Government believes it is important to balance the need for landlords to make energy efficiency improvements, as well as ensure that costs to landlords are fair and proportionate and do not put increased financial pressure on them. Balancing the need to ensure cost cap changes are fair and proportionate and the need to meet increased energy efficiency standards means government is proposing to not increase the cost cap in line with inflation. Should the proposed £15,000 cost cap be implemented, this would allow for the

necessary improvements to be made to a property. Government remains open to views on alternatives to the £15,000 cap as set out in Chapter 1 of this 2025 consultation.

Ensuring the quality of energy performance improvements

The 2020 consultation sought views on whether the use of government-endorsed installer accreditation schemes should be incorporated in the MEES regulations. TrustMark is the only UK Government endorsed quality scheme for work carried out in a home.

Summary of responses

Question 13. Should we incorporate TrustMark into energy performance improvement works? If not, please explain why not and provide evidence with your answer.

Overall Responses: **613 (84%)**, Yes: **230 (32%)**, No: **203 (28%)**, Don't Know: **180 (25%)**, Not answered: **116 (16%)**

Of those who were not in favour of incorporating TrustMark, a minority of respondents again argued that there would not be sufficient supply of registered installers, and that the proposal would needlessly restrict some installers from carrying out works. The NRLA said, '*There appears to be less consumer confidence in TrustMark than in word-of-mouth recommendations and a cultural shift would be required to ensure landlords are confident about the work produced.*' Others were also concerned a requirement to use accredited installers could raise the cost of works.

A small number of respondents noted that landlords already used trusted tradespeople regularly that are not necessarily accredited, and a few other respondents felt that some measures, such as loft insulation, could be installed by the landlord themselves. These views were mainly held by individual landlords and lettings agents. Respondents also suggested that mandating TrustMark would add barriers to installations and could be counter-productive to government's aims. The Centre for Sustainable Energy (CSE) argued that only recognising installation from TrustMark registered installers could '*result in a situation where a successfully installed efficient and appropriate measure would need to be removed and redone to be recognised as compliant. This would not only be an additional financial burden on the landlord but would also be a waste of resources and have its own associated carbon cost. This is likely to apply particularly to DIY installed loft insulation, replacement of double-glazing undertaken as part of previous essential maintenance works.*'

Lastly, a minority of respondents said they would be in favour of some form of quality assurance, but that multiple methods of providing assurance are available, and care should be taken not to require registration to multiple schemes.

Government response

To meet the proposed EPC C or equivalent standard, government recognises that work to install energy efficiency measures is a considerable investment and must be carried out by reputable companies to a high standard. Requiring energy efficiency measures to be installed by an installer with the relevant accreditation would provide confidence in the installation for the landlord and tenant. For government schemes, work must be carried out by a TrustMark registered business.

Using TrustMark registered installers has numerous advantages for landlords and tenants, including:

- Assurance that the installer has been thoroughly vetted;
- That the highest quality standards are being adhered to;
- That, if a PAS 2030 certified installer is used, the risk of unintended consequences, such as build-up of condensation and mould growth, is kept to a minimum; and
- That redress is available if needed.

While this system is working in most cases, we know that issues remain. We know that the standards and accreditation process for government schemes are complex, and the accountability structures are not always clear. We also know the supply chain is constrained. Retrofit work must be carried out by competent individuals to deliver high-quality installations: preventing unintended consequences that result in the measures installed being ineffective or, potentially, causing damage to the property. Clear technical standards and strong consumer protection and redress are pivotal to ensure quality installations. We are committed to improving the system, spanning from how installers working in people's homes are certified and monitored, to where homeowners turn to for rapid action and enforcement if things go wrong. This work is already underway, with existing frameworks being tightened, but we will set out further plans for reform as part of the Warm Homes Plan.

Further tightening of regulations in the 2030s

Summary of responses

Question 15 in the 2020 consultation asked: **We would welcome views on whether the PRS Regulations may need to be tightened further for the 2030s? Please provide evidence with your answer.**

Overall Responses: **511 (70%)**, Not Answered: **218 (30%)**

The majority of responses were against further tightening of standards in the future, but a significant number were in favour. Across responses both against and in favour, there were calls for government to set out a long-term pathway for improving energy efficiency in the sector to allow for landlords to plan and stagger upgrades to limit costs and disruption. The NRLA said, *'We already know EPC C is not the final destination. We would like clarity on the long-term objectives and what does this mean. If gas is to be removed from domestic properties we need to know the proposed timetable in order to appropriately plan.'*

The majority of individual landlords and letting agencies that responded were against tightening the regulations, arguing that there is already a large regulatory burden on landlords and landlords may leave the sector as a result.

Reasons cited in favour of tightening the regulations in the future were that the higher standards will make an important contribution to support a cost-effective transition to low carbon heat and achieve Net Zero, as well as to tackle fuel poverty. Some suggestions for what tighter regulations could look like included a higher cost cap, a review of the exemptions framework, and the integration of the carbon-based EIR. The GLA said, *'A minimum standard of EER B should be required after 2030. All remaining exemptions should also be reviewed*

before this point and adequate financial support or incentives available,' whilst Generation Rent stated, 'We believe that the priority should be to raise the cap on getting to C, as it would benefit renters who will continue to struggle with energy costs. The annual difference in energy costs between C and A/B is £247, while the difference between C and E is £748.'

Lastly, a minority of respondents felt that tightening of the regulations should be reviewed at a later date, or that it was too early to comment on tightening.

Government response

This consultation aims to lay out the long-term pathway for domestic PRS MEES into the 2030s, to help landlords plan for the future of their properties and business.

The Warm Homes Plan will upgrade 5 million homes across the country by making them cleaner and cheaper to run, including in the PRS. This will involve rolling out insulation, solar Photovoltaic (PV) and low carbon heating. This will be published following the 2025 Spending Review.

Increasing awareness of PRS Regulations

Summary of responses

Question 16 in the 2020 consultation asked: **What are the other steps government could take to increase awareness and understanding of the PRS Regulations? Please provide your views below and provide evidence to support your answer.**

Overall Responses: **435 (60%)**, Not answered: **294 (40%)**

Some responses included suggestions to simplify the regulations or explain them in a way that is easy to understand, for example through information on the regulations in 'How to rent' and 'How to let' guides, as well as more proactive and constructive engagement with stakeholders such as landlord bodies and agents. Others mentioned better enforcement along with national or targeted communication campaigns.

Some responses focused on the education of landlords towards the positive outcomes of complying with MEES, for example in the response provided by the NRLA which said, *'We believe that the best way to engage with landlords is to work positively with them, recognise the diversity of the sector and to educate landlords on the positive benefits in complying with MEES and in improving their housing stock. Generally, local authorities who take this approach rather than using heavy financial sanctions, have a far more positive relationship with landlords and subsequently have made better progress in improving the quality of housing within the local PRS.'* Many other stakeholders also raised the point of making landlords aware of the existing PRS Regulations as well as what changes are expected to take place. The Committee on Fuel Poverty (CFP) stated *'We are therefore of the view that there is an immediate need to increase awareness of both current and future PRS regulations. Early implementation of the proposed property compliance and exemption database, with full access for local authorities would greatly assist compliance.'*

Government response

Government's [Help for Households](#) provides landlords and tenants with information in how they can improve their property's energy performance to meet the PRS Regulations. Reports from the Landlord Panel Survey conducted in the second quarter of 2020 show that 94% of landlords with EPC E, F and G rated properties were aware of the current regulations.¹⁹ These findings indicate that levels of awareness of the regulations have been consistently high since before the introduction of the regulations in April 2018.

It is required that EPC ratings be provided by the owner or landlords of any property for sale or advertised as a rental property, which ensures that EPC data is always visible to potential renters or buyers. Furthermore, information about the current EPC E regulations is included in the 'How to rent' and 'How to let' guides. Government will update these documents to reflect the forthcoming change to the regulations to help raise awareness amongst landlords and tenants. Government will also publish detailed guidance to accompany the regulations in due course.

More information on the proposed PRS Database for England, which may support awareness and understanding of the PRS Regulations is available in the next section, Chapter 2: Compliance and enforcement – MEES Compliance and Exemptions Database.

PRS MEES Compliance and Exemptions Database

The following questions asked in the 2020 consultation related to a PRS MEES Compliance and Exemptions Database.

Summary of responses

Question 17 of the 2020 consultation asked: **Is the introduction of a PRS property compliance and exemptions database necessary to help local authorities to proactively enforce MEES? If yes, should we include the per-property registration fee within the cost cap? If not, what alternatives to a PRS property compliance and exemption database would you suggest?**

Overall Responses: **586 (80%)**, Yes: **241 (33%)**, No: **243 (33%)**, Don't Know: **102 (14%)**, Not answered: **143 (20%)**

Diverse reasons were given in support of a compliance and enforcement database. Some argued it is necessary and beneficial to have a well-designed and well-managed database to identify rogue landlords and that there should be strict consequences for non-compliance. It was also argued that a central compliance and exemptions database would assist local authorities to proactively enforce MEES, thus encouraging compliance amongst private landlords. Often those who supported the proposal advocated for no fee or a low fee and were also in favour of including the fee in the cost cap.

Some stakeholders argued government should go further to improve data collection and monitoring to enable compliance and enforcement in the PRS more broadly. Generation Rent said, *'We would go further and urge the government to combine this with a broader national landlord register, to be developed by MHCLG with BEIS's involvement on the energy-related*

¹⁹ <https://www.gov.uk/government/publications/domestic-private-rental-sector-minimum-energy-efficiency-standards-interim-evaluation-2020>

aspects.’ On a different note, the NRLA advocated for better use of existing data, saying, ‘*We appreciate that there is no bespoke database specifically for monitoring the PRS, and that this has resulted in inefficiencies in local authorities in monitoring the sector for compliance in EPC registrations. However, this could surely be improved by more effective data sharing protocols between the EPC database, the Exemptions database, Tenancy Deposit Schemes, and other possible relevant data sources such as from the Land Registry.*’

Limited support with caveats, came from individual landlords who recognised the need for a compliance and exemption database, with a minority of respondents saying there should be no fee while others said the database should be voluntary.

Those who were opposed to the proposal gave several reasons, including the idea that introducing this database would lead to local authorities misusing their powers. A small number of respondents said any new fee will eventually be paid by tenants by pushing the rent up, thereby negatively impacting the sector.

Question 18 in the 2020 consultation asked: **Do you agree that government should set a maximum total registration fee for landlords with a very large portfolio? If yes, how many properties should qualify as a “very large” portfolio? What should the maximum fee be? If you do not agree to a maximum total registration fee proposal, do you have alternative suggestions?**

Overall Responses: **568 (78%)**, Yes: **176 (24%)**, No: **242 (33%)**, Don’t Know: **150 (21%)**, No response: **161 (22%)**

Respondents in favour of the proposal stated that any number of properties between 10 and 50 should be considered a large portfolio and anything above 50 should be considered a very large portfolio. The BPF stated, ‘*Our members have hundreds, often thousands of properties within their portfolios. The costs involved in facilitating greater energy efficiency are significant enough without having to pay an additional registration fee per property. We would suggest that a ‘very large’ portfolio would constitute 50 properties or more.*’ Suggestions for maximum registration fees varied from £10 to £5000. It was noted by local authorities and tenant and fuel poverty groups that capping the registration fee for landlords with large portfolios would be a sensible approach if there are clear cost savings of processing multiple registrations from the same landlord.

However, a recurring theme was that the price should be calculated on a per-property basis, as this would not dissuade individuals with small portfolios. It was suggested that this would make it fair and equal across the board as every property would require the same level of administration. Others also argued that a fee of £30 is affordable and appropriately reflects the cost of providing suitable accommodation for tenants.

It was suggested by individual landlords that the fee should be based on the cost of the property or rental income rather than on the number of properties, due to the level of regional variation.

A further suggestion from the NRLA showed them to not be in favour of any additional charge, stating ‘*We do not believe that landlords should be given an additional charge for a database that could already be produced by improving current data sharing protocols.*’

Question 31 in the 2020 consultation asked: **Do you agree that the updated exemption regime should come into force on 1 April 2025? If yes, do you agree that the property**

compliance and exemptions database should be opened six months prior to commencement of exemptions? If not, please explain why.

Overall Responses: **579 (79%)**, Yes: **193 (26%)**, No: **250 (34%)**, Don't Know: **136 (19%)**, Not answered: **150 (21%)**

Those who disagreed with the proposal included, but were not limited to, private landlords and local authorities. Amongst the reasons provided was the view that landlords need more time to make the required changes. Others suggested that there should not be exemptions if government is aiming for net zero. Of those who agreed, a few respondents argued that the compliance and exemptions database should be opened earlier. The main reasons in support of opening the compliance and exemptions database earlier were that it would incentivise landlords to carry out works early and therefore spread the demand on the supply chain, as well as help ease the burden on local authorities and large landlords by giving them more time to process exemptions.

Government response

Government no longer intends to develop a specific PRS MEES compliance database as the feedback received called for a broader national landlord database. Government instead plans to continue to provide a standalone PRS MEES Exemptions Register and share information with the proposed PRS Database in England. This will reduce duplication for landlords and local authorities. The proposals for the PRS Database include a question on MEES compliance and provide link to our guidance when a property does not meet the requirements.

Government intends to use the PRS Database to collect a range of information about private residential landlords and rental properties in England, including information about the health and safety of the properties, such as their energy performance.

The availability of the PRS Database in England and Rent Smart Wales will greatly increase availability and ease of access to information for local authorities.

Local Authority powers

Summary of responses

Question 22 in the 2020 consultation asked: **Should government enable LAs to inspect properties for PRS compliance? If not, please explain why not and provide evidence with your answer.**

Overall Responses: **601 (82%)**, Yes: **301 (41%)**, No: **238 (33%)**, Don't Know: **62 (9%)**, Not answered: **128 (18%)**

Those who showed support for the idea of government enabling local authorities to inspect properties for PRS compliance, did so for several reasons, including that it would allow rogue landlords to be identified, bring MEES standards in line with Housing Act 2004, and enable compliance. This could be seen in the response from UKGBC: *'Currently a number of local authorities use their inspection powers under the HHSRS as a means whereby also to check for compliance with the PRS Regulations (in practice local authorities will often use an EPC F or G-rating as a proxy for a Category 1 hazard for excess cold under HHSRS). However, as the PRS minimum standard increases to a minimum of EER C, local authority officers will no longer be able to use an HHSRS inspection as a means whereby to check PRS compliance.'*

Suggestions were given alongside positive feedback such as, ensuring local authorities have sufficient resources and power to carry out inspections. Generation Rent noted that *'We would recommend that the government gives local authorities powers to inspect properties without requiring them to inform the landlord. Landlords responsible for homes that do not comply with minimum standards are more likely to be intimidating their tenants into staying quiet about mistreatment. We hear from renters who withdraw complaints to the council when they learn that the council needs to contact the landlord first as they fear reprisals if the landlord is made aware of their complaint. Allowing authorities to inspect without needing permission will encourage more renters to raise concerns – about energy efficiency, or other problems.'* It was suggested by some stakeholders that local authorities should not need permission from landlords to inspect properties when a tenant has reported an issue.

On the other hand, those who disagreed with the statement did so for reasons such as they felt a valid EPC was sufficient to observe compliance, that inspections were a duplication of work from local authorities as well as being unnecessary and invasive for tenants, and that compliant landlords may be unfairly targeted. It was also suggested that it may lead to non-compliant landlords putting pressure on tenants to not answer the door to local authorities and threatening eviction.

Government response

Government recognises the mixed views and wider comments made in response to this question, including the concerns that tenants have in reporting problems. Comments and potential concerns raised by the responses to this question will be further explored and addressed in consideration with other steps being taken to improve tenants' rights through the Renters' Rights Bill.

As well as improving tenant's rights, the Renters' Rights Bill seeks to strengthen local authority enforcement by expanding civil penalties, introducing a package of investigatory powers and bringing in a new requirement for local authorities to report on enforcement activity. These measures will all help to identify and address PRS quality issues including compliance with HHSRS (Housing Health and Safety Rating System).

Maximum fines

Summary of responses

Question 28 in the 2020 consultation asked: **Should government seek primary powers to increase the maximum fine level to £30,000 per property for each breach of the PRS Regulations? If yes, should it be adjusted for inflation? If not, what would be an alternative, appropriate maximum fine level? Please provide evidence with your answer.**

Overall Responses: **596 (82%)**, Yes: **166 (23%)**, No: **354 (49%)**, Don't Know: **76 (10%)**, Not answered: **133 (18%)**

Of the 356 responses that disagreed with raising the maximum fine to £30,000, 85% were from respondents sharing their personal views or not responding on behalf of an organisation, estate agents, letting agents, property managers, and individual landlords. Responses from those representing local government made up 30% of those who agreed with the proposal.

Those who were in favour of the proposal felt that the proposed fine level would be proportionate to the proposed cost cap; would act as a good deterrent to non-compliance; and would align well with penalties already in place under the Housing Act. Often stakeholder support for this proposal went alongside recommending that monies should be ring-fenced to help local authorities enforce the PRS Regulations. This was evident from the response received by the NRLA which stated, *'In principle we agree that the government should seek primary powers to increase the maximum fine level to £30,000 for each breach of the PRS regulations. It is perfectly correct that those landlords who are guilty of serious breaches of the regulations should receive significant financial sanctions.'*

Those who were opposed to the proposal thought that the proposed fine level was too high, with some comments that the current upper fine level of £5,000 was sufficient.

As for adjusting the fine for inflation, there were mixed views. Those who supported the proposal in principle noted that it was difficult to implement and could be confusing for landlords if fine levels were to change. A few suggested that government build in a review in several years' time to assess whether adjustment for inflation was needed. This could be seen in the response from the Committee on Fuel Poverty who said, *'If set at £30,000, an inflation adjustment will not be necessary, but a review of the level every 5 years should take place.'*

Government response

In the [Cost cap](#) section of this 2025 consultation, government proposes increasing the maximum investment required from landlords to £15,000. Whilst some respondents who were not in favour of the 2020 proposal indicated that the current fine level was sufficient, there remains a risk that the current maximum fine structure will not be an effective deterrent to non-compliance compared to a proposed maximum investment of £15,000. The maximum penalty amounts apply per property and per breach of the Regulations. They are:

- up to £2,000 and/or publication penalty for renting out a non-compliant property for less than 3 months
- up to £4,000 and/or publication penalty for renting out a non-compliant property for 3 months or more
- up to £1,000 and/or publication for providing false or misleading information on the PRS Exemptions Register
- up to £2,000 and/or publication for failure to comply with a compliance notice

The maximum amount landlords can be fined under the current regulations is £5,000 per property.

As such, government's preferred position is that the fine level for future increased PRS MEES is set at £30,000 per property, and per breach of the regulations.

Tenant powers

Summary of responses

Government sought views on whether tenants should be given the power to request that non-compliant landlords carry out energy performance improvements to the required standard.

Currently, tenants can report suspected non-compliant landlords to their local authority if they believe their property may not meet the required MEES.

Should government introduce powers for tenants to request that energy performance improvements are carried out where a property is in breach? If yes, how could a redress mechanism be devised?

Overall Responses: **604 (83%)**, Yes: **230 (32%)**, No: **305 (42%)**, Don't Know: **69 (9%)**, Not answered: **125 (17%)**

Those who were in favour noted that it would be an effective way of supporting landlord compliance and local authority enforcement action. It was noted that suitable protections need to be in place to ensure that tenant redress does not increase the risk of eviction or retribution for tenants. Of the redress approach, one key stakeholder, who provides advice to consumers across the UK, said, *'the mechanism needs to be designed in a way that is simple for tenants to use, including a simple online platform, a clear customer journey, and minimal and simple evidence requirements. It also needs to be accompanied by provision of advice and support for tenants through the process. A compensation mechanism could be based on rent repayment orders, which are already used where local authorities have taken enforcement action on housing safety issues.'*

Additionally, the Great London Authority (GLA) said, *'Redress could be in the form of Rent Repayment Orders for the duration of the time the property was in breach. However, any mechanism which encourages a tenant to put forward a request that their landlord would be legally obliged to comply with carries the risk of retaliatory eviction. As set out above numerous times, for any new regulatory regime to function well, renters must be protected from this by Government acting swiftly to ban Section 21 evictions, as promised.'*

Those who opposed the proposal felt that the current system of tenants being able to report suspected non-compliant landlords to their local authority is sufficient, and a few commented that government should focus on introducing higher fines and the compliance database instead, whilst others considered tenant redress over-regulation.

Some respondents were also unaware that tenants can already report suspected non-compliant landlords to their local authorities if they believe their property may not meet the required MEES. Other broader points made were that money should be ring-fenced to help local authorities enforce the amended PRS Regulations and breaches should be recorded on the Rogue Landlord Database.

Government response

On 11 September 2024, government introduced the Renters' Rights Bill to Parliament. This bill seeks to improve tenants' rights relating to the PRS. While this bill does not provide the tenant with increased powers to request the landlord make energy efficiency improvements, it does seek to introduce a new PRS Landlord Ombudsman which will provide quick, fair, impartial and binding resolution for tenants' complaints about their landlord. This will bring tenant-landlord complaint resolution on par with established redress practices for tenants in social housing and consumers of property agent services. The Renters' Rights Bill also seeks to apply the Decent Homes Standard to the PRS and 'Awaab's Law' to the sector in England. More information on the Renters' Rights Bill can be found here: <https://www.gov.uk/government/publications/guide-to-the-renters-rights-bill/82ffc7fb-64b0-4af5-a72e-c24701a5f12a>.

Local Authority disclosure and benchmarking

Summary of responses

Question 30 in the 2020 consultation asked: **Should government introduce some form of local authority disclosure or benchmarking where a property is in breach of PRS Regulations?**

Overall Responses: **574 (79%)**, Yes: **185 (25%)**, No: **234 (32%)**, Don't Know: **155 (21%)**, Not answered: **159 (21%)**

Those who supported the introduction of local authority disclosure or benchmarking when a property is in breach of PRS Regulations said it would deter non-compliance by showing that breaches were taken seriously and enable transparency. This was evident from the response received from the CSE which said, *'Such disclosure or benchmarking should encourage local authorities to take action to enforce regulations in their area and will provide tenants and third parties a way to hold the local authority to account for its actions in driving compliance'*. Additional comments and suggestions included incorporating this with the current landlord database and making sure local authorities have enough resources (i.e., funding and guidance). It was also noted that having one single database for tenants to check would be beneficial as opposed to numerous different databases, which could be costly, time consuming and cause confusion.

On the other hand, those who disagreed with the statement did so for several reasons. These included concern about inconsistencies between local authorities and the risk of inaccuracies, as well as broader concerns that landlords are being unfairly targeted. Others felt that such a system is unnecessary as EPCs are already publicly available on the EPC register. A few respondents raised privacy concerns.

Government response

Having considered the views of stakeholders, government's preferred position is to progress this proposal by introducing local authority disclosure when a property is in breach of PRS Regulations. This will aid greater monitoring and compliance with the PRS Regulations. The concerns expressed in responses to this question will be further explored and addressed as this proposal is implemented. Government is minded to take powers in primary legislation to implement this position, and will engage local authorities on how best to enable effective monitoring and enforcement of MEES in the private rented sector.

Temporary exemption due to recently becoming a landlord

Summary of responses

Question 32 in the 2020 consultation asked: **Should the 'new landlord' temporary exemption be simplified so that it applies to any person who has become a landlord within the last six months? Please explain your answer and provide evidence to support your answer.**

Overall Responses: **684 (94%)**, Yes: **258 (35%)**, No: **137 (19%)**, Don't Know: **170 (23%)**, Not answered: **45 (6%)**

The main reasons given in favour were that the proposal is required to give new landlords time to carry out the improvement work and to enable 'accidental' landlords time to familiarise themselves with the regulations. Stakeholders, including local authorities, also felt that simplifying the exemption would make it easier for landlords to understand and for local authorities to enforce. Many stakeholders supported the six-month exemption. A few stakeholders specifically referenced extending this exemption further, raising concerns for accidental landlords and new landlords requiring longer than six months to understand the requirements and undertake the necessary work. Of these stakeholders supporting increasing the length of the 'new landlord' exemption, the most frequent suggestion was to increase this to 12 months.

Those who disagreed with the proposal argued that landlords should understand the relevant legal requirements before becoming a landlord, and were concerned that simplifying the exemption could create loopholes in the regulation and extend its scope beyond just 'accidental' landlords. It was also stated it would be difficult for local authorities to track when someone becomes a landlord. The GLA specified this in their response, stating that, *'it is unclear how local authorities will know when someone becomes a landlord. A national landlord register with stiff penalties for non-compliance would aid in this.'*

Government response

Government has reviewed the exemptions framework and acknowledges the stakeholder feedback that the 'new landlord' exemption is perceived as too complex and needs simplifying. Accordingly, government is minded to remove the set circumstances under which landlords become eligible for an exemption. Instead, the six-month exemption will apply to all new landlords where the property already has a tenant in place. Landlords will be required to provide evidence that they have become the landlord of the relevant property within the last 6 months, and the exemptions should last for 6 months from this date.

Government will seek to simplify the exemption to include any person who becomes the landlord of a property and, on the date of purchase, or other ownership transfer it was let on an existing tenancy. This allows new and accidental landlords time to complete any work required to upgrade the property or collect evidence and apply for a further exemption and comply with the regulations.

This also allows for properties to be bought and sold with tenants in situ, providing reassurance to prospective landlords when they buy a property that they will not be penalised if it does not meet the PRS Regulations. This provides them with time to comply with the regulations without impacting the existing tenancy. This also provides reassurance to landlords looking to sell a property that they do not need to evict tenants, whilst also reassuring tenants that they do not need to be evicted should a landlord wish to sell a property to another prospective landlord.

EPC assessments and the underlying methodology

Summary of responses

Question 26 in the 2020 consultation asked: **How can the most consistent set of recommendations in the EPC be assured? Does using only the most recent Standard Assessment Procedure (SAP) methodology allow this?**

Overall Responses: **544 (75%)**, Yes: **84 (14%)**, No: **112 (15%)**, Don't Know: **348 (48%)**, Not answered: **185 (25%)**

The main reason given in favour was that it would reduce inconsistencies in assessments and recommendations arising from the 10-year validity period of EPCs and SAP updates. The UK Green Buildings Council (UKGBC) said, *'the way to ensure the use of the most recent SAP methodology is by (a) requiring a new EPC to be produced after the previous one has expired, regardless of whether the property is being re-let; and (b) reducing the validity period of an EPC from 10 years to a shorter period. We would favour a 5-year validity period, which would strike a balance between the need for up-to-date information about a property's performance and the cost to building owners.'*

Respondents suggested that the period for which an EPC is considered valid should be reviewed to ensure EPCs reflect SAP methodology changes and regular on-site inspections. It was also suggested that a new, valid EPC should be provided when the tenancy is renewed or extended with the same tenant in situ throughout, as well as when it is re-let.

Another suggestion was that the roll-out of Building Renovation Passports could provide even more accurate and up-to-date data, with the potential to incorporate real time energy efficiency performance monitoring. In addition, it was also suggested that the assessment of heat-pump performance, based on post-retrofit fabric conditions, could provide a more accurate recommendation.

Reasons given by those who disagreed with the statement included, that the current EPC system is sufficient, concern that the proposal would be unnecessary and invasive for tenants and concern that compliant landlords may be unfairly targeted rather than less compliant, rogue landlords. There were also concerns about the accuracy of the SAP methodology. Of particular concern, was that the methodology uses assumptions made by assessors which was felt to reduce the accuracy of the assessment and recommendations and undermine confidence. A few respondents felt that the SAP methodology needs to be overhauled to ensure the ratings and recommendations are accurate, as well as ensure it is transparent and accessible to users.

Government response

Government acknowledges the need for accurate, reliable and trusted EPCs. The ['Reforms to the Energy Performance of Buildings Regime'](#) consultation was published on 4 December 2024 and asks for views on the period for which EPCs are valid.

New EPC metrics will be produced using the Home Energy Model (HEM). Government intends to consult on a HEM methodology for producing EPCs in 2025.

EPCs and the Energy Performance of Buildings Regulations

The following questions asked in the 2020 consultation relate to EPCs and the Energy Performance of Buildings Regulations.

Summary of responses

Question 23 in the 2020 consultation asked: **Question 23: Should government permit local authorities to use EPC Open Data for some phases of PRS enforcement? Please provide evidence with your answer.**

Overall Responses: **595 (82%)**, Yes: **307 (42%)**, No: **165 (23%)**, Don't Know: **123 (17%)**, Not answered: **134 (18%)**

Those in favour of government permitting local authorities to use EPC Open Data felt that it would enable identification of underperforming properties and areas that would benefit from greater promotion of the regulations, which in turn would facilitate targeted awareness-raising and enforcement activity. Many responses also suggested that continuing to drive up data accuracy is vital. Association of Local Energy Officers (ALEO), a charity in England and Wales that supports local government officers in reducing the UK's domestic-sector carbon footprint and fuel poverty, said, *'Local authorities should have maximum access to data which would allow them to carry out their enforcement duties efficiently. In addition, EPC holders should not be permitted to remove their EPC from EPC Open Data as this may impact on the ability of local authorities to take enforcement action on the worst properties.'*

Those who disagreed with the proposal highlighted concerns about data privacy issues and the accuracy of the data, specifically that the information may be out of date. PEPA said, *'It is imperative that the open data available is as up to date and complete as possible. The current cycle for updating this data is 3 months, and this would hinder such activity, especially if the property has not had an EPC before, or the previous EPC has expired, and would force the LA to refer back to the EPC register. This would slow the process down. PEPA strongly advise that the Open Data is updated in real time. This may be possible now that the EPC register is controlled by government under a .gov website.'* Additionally, a few respondents felt that landlords may be unfairly targeted and that local authorities are too intrusive and should not be involved at all.

Question 20 in the 2020 consultation asked: **Should government remove the seven-to-twenty-one day exemption period on landlords making all reasonable efforts to provide a valid EPC prior to a property being marketed or let? If not, please explain why not and provide evidence with your answer.**

Overall Responses: **594 (81%)** Yes: **235 (32%)** No: **262 (36%)** Don't Know: **97 (13%)** Not answered: **135 (19%)**

Reasons given in favour of the proposal included the fact that most local authorities believe EPCs can be obtained in a few days and as tenancy notice periods are usually 28 days, there was plenty of time for an EPC assessment to be undertaken. Stakeholders highlighted that many properties are let soon after advertising and a valid EPC should be available when the property is first advertised rather than when it is let, so tenants know the EPC rating when deciding which property to rent. PEPA said *'PEPA believes it should always be a requirement to have a valid EPC on any dwelling, not just those bound under PRS Regulations. Ensuring that a valid EPC is in place prior to marketing is a clear and practical step. There are no issues with supply within the EPC market, given that there are over 10,000 certified energy assessors who are currently practicing. The market has delivered over 2 million EPCs per annum in previous years and there is capacity for similar numbers now.'*

Of the respondents that disagreed with the proposal, the main concerns were around unplanned delays in acquiring a valid EPC and the effect on tenants. Others stated it is not always practical to be provided with one immediately if a tenant needs to move in and refurbishment is ongoing. These stakeholders felt that the exemption is beneficial as advertising before acquiring EPCs helps in minimising delays due to access and COVID-19 reducing void periods and the stock of vacant properties. It was commented that a valid EPC should be provided before tenancy agreement but not necessarily before marketing.

Question 21 in the 2020 consultation asked: **Should government increase the level of the fixed civil penalty fine for offences under the Energy Performance of Buildings Regulations (currently set at £200)? If yes, how high should the fine be?**

Overall Responses: **585 (80%)** Yes: **207 (28%)** No: **279 (38%)** Don't Know: **99 (14%)** Not answered: **144 (20%)**

Reasons given for not increasing the fine included a belief that £200 was a sufficient deterrent, that an increased fine would discourage the PRS, and that the PRS needs support instead of regulation.

From those that supported the proposal, there was a widespread view that the £200 was not an effective deterrent. CSE said, *'In the enforcement pilot study, it was highlighted that enforcement of the PRS Regulations is extremely difficult or even impossible where a valid EPC is not in place. By not having a valid EPC, a landlord can effectively avoid the costs associated with compliance with PRS regulations, including paying for improvements required to achieve the required minimum EER (which are often low compared to the benefit to the tenant and the long-term increase in property value).'* A few stakeholders specifically mentioned that a fine of £200 was not worth investigation and enforcement by local authorities. The NRLA said, *'We acknowledge most landlords and agents will comply with the EPB Regulations. However, to act as a further deterrent to those who will take the risk in ignoring the regulations, we believe the fine should be increased and set to £500.'* Suggestions from some who supported an increase ranged from £400 to £30,000. £1,000 was the most popular response, but support for a fine of £30,000 was argued for because it is in line with the Housing and Planning Act 2016. Generation Rent stated, *'Yes, we believe this should be brought into line with the Tenant Fees Act 2019 and have a maximum fine of £5000.'*

Other respondents supported a fine that was proportionate to the value of the rental property or the rental income. A multiplier of monthly rent was the most popular option of those proposed, with suggested fine levels ranging from one to twelve months rent. It was also suggested that the fine level should increase with repeat offences.

A small number of responses suggested that enforcement would also need to be expanded to ensure compliance with the EPB Regulations and there was recognition that fines were not handed out where they should be.

Question 25 in the 2020 consultation asked: **Should a valid EPC be in place at all times while a property is let? Please explain your answer below and provide evidence to support your answer.**

Overall Responses: **617 (85%)**, Yes: **360 (49%)**, No: **216 (30%)**, Don't Know: **41 (6%)**, Not answered: **112 (15%)**

The main reason given in favour of the proposal was that it would close an existing loophole in the regulations whereby, properties not required to obtain a new EPC when the existing one expires fall out of the scope of the PRS Regulations. This particularly affects properties with long tenancies. Consequently, it was felt that the proposal would support compliance, enforcement, and record-keeping. A few respondents highlighted that there needs to be consideration for regulated tenancies, where these tenancy types continue to fall outside the scope of MEES, given the tenants remain unchanged, and for this reason are also difficult to renovate. It was also suggested that if a valid EPC is required at all times, there should be a grace period to allow landlords to arrange a new EPC following the expiration of the previous one, and there should be provisions for extenuating circumstances and exemptions. The NRLA

said of the proposal, *'This brings clarity to the situation. Where there will be an issue is where a tenant is not giving permission for an inspector to enter the property. A landlord must be able to register that they are unable to have an inspection undertaken.'*

A minority of respondents who disagreed with the proposal stated the EPC rating of a property was unlikely to have changed since the last assessment, therefore a new one would not provide new information unless retrofit had occurred. It was also argued the EPC was only necessary to inform new tenancies, as sitting tenants already understood the cost of running the home. Additionally, it was articulated by some landlords that the proposal may disrupt tenants whilst providing little benefit to them, and in some cases, tenants may refuse access.

Lastly, a few respondents believed that it was already a requirement to have a valid EPC at all times.

Question 27 in the 2020 consultation asked: **Should listed buildings and those in a conservation area be legally required to have an EPC? Please explain your answer.**

Overall Responses: **615 (84%)**, Yes: **317 (43%)**, No: **213 (29%)**, Don't Know: **85 (12%)**, Not answered: **114 (16%)**

The main reasons given in favour of the proposal were that all properties should be held to the same requirement, and it would simplify compliance and enforcement, especially given the current confusion around whether these property types are eligible for exemptions. Others noted that EPCs provided valuable information on the running costs and carbon emissions of the property for prospective tenants, landlords, and buyers, and that the proposal would help give a complete picture of the housing stock. One key stakeholder representing the interests of heritage buildings said, *'We believe that all properties should have an EPC and should aim for a higher energy efficiency, and where energy efficiency measures can be added without impact on their historic significance, contribution to character of place and on their value to communities we support this.'*

The UK Green Buildings Council said, *'Listed buildings are often the most expensive to heat affordably. Having an EPC in place can help prospective and existing tenants understand living costs. It is also the case that conservation areas can also include numbers of more modern properties, which can be straightforward and relatively inexpensive to improve,'* and the GLA stated, *'All privately rented dwellings should be legally required to have an EPC, in order that all private tenants are fully informed. This would provide consistency and clarity for private landlords, tenants, and enforcement authorities. London contains around half of all English dwellings in conservation areas, so the current exemption disproportionately impacts Londoners. All properties below C can be improved, albeit that listed buildings or those in conservation areas may be more expensive to improve.'*

There was a call from some respondents for a clearer and more consistent approach in relation to making improvements to, and protecting, historic buildings. There were warnings against applying a blanket approach for all property types given the diversity of historic buildings, and some suggested that the policy should distinguish between listed properties and properties in a conservation area in the exemption regime. It was also argued that consideration should be given to older property types that do not fall under either of these categories, but nonetheless, face similar problems in terms of the feasibility of retrofit work. Another key stakeholder representing the interests of heritage buildings said, *'it is possible to improve the energy efficiency to some degree of any building and we support achieving the maximum possible improvement in-line with existing standards and guidance for the historic environment, rather than a rigid standard that does not accommodate the needs of traditionally constructed and*

historic buildings and that may drive harmful change. Achieving energy improvements requires a clear understanding of the significance of the asset, and skilled, knowledgeable practitioners within Local Authorities to guide building owners and architects.'

Support was limited from individual landlords, but it was suggested that listed properties could be required to have an EPC without being subject to MEES requirements. Others suggested that exemptions could be applied based on feasibility or cost on a property-by-property basis, rather than a blanket exemption on these property types.

Government response

On 4 December 2024 government published the consultation on 'Reforms to the Energy Performance of Buildings Regime' which closes on 26 February 2025. The consultation puts forward a range of proposals to improve the Energy Performance of Buildings framework within which EPCs sit, in light of their growing role in underpinning energy efficiency and decarbonisation policies. The above proposals relating to EPCs from the 2020 consultation are included within this consultation to be considered in the context of the newly proposed wider reforms to the system. Relating to the above proposals, the consultation is seeking views on the following:

- Changing the validity period for new EPCs and whether the validity period of existing EPCs should be affected.
- Simplifying the sharing of EPC data from the Energy Performance of Buildings Register such that it can be shared at the discretion of the keep of the register on behalf of the Secretary of State.
- Simplifying the Energy Performance of Buildings Regulations such that a property must have a valid EPC before it is marketed for sale or rent, by removing the existing allowance for properties to be marketed for up to 28 days whilst an EPC is being produced.
- Requiring a valid EPC to be in place throughout the tenancy period for private and social rented properties.
- Changing the circumstances that some rented, heritage buildings are required to obtain an EPC.
- Increasing the penalties local authorities can administer for breaches of the Energy Performance of Buildings Regulations and the amount by which penalties should be increased.

Full details of these proposals can be accessed at:

<https://www.gov.uk/government/consultations/reforms-to-the-energy-performance-of-buildings-regime>. The responses to the proposals relating to EPCs from the 2020 consultation will be considered alongside the responses to the consultation on 'Reforms to the Energy Performance of Buildings Regime'.

Annex A: summary of responses to 2020 proposals government is consulting on further

Included in this annex are summaries of the responses to the questions asked in the 2020 consultation that relate to the proposals included in this 2025 consultation in Chapter 1. Government will respond in full to the responses to these questions in the government response to this consultation. Each section corresponds to the sections in Chapter 1.

Section 1: EPC Metrics

Question 4 in the 2020 consultation asked: **Do you agree with the government's preferred new target of EER C as a minimum energy performance standard in the PRS?**

Overall Responses: **660 (91%)**, Yes: **203 (28%)**, No: **422 (58%)**, Don't Know: **35 (5%)**, Not answered: **69 (9%)**

Respondents who agreed with the proposal emphasised that the proposed target is necessary for government to achieve Net Zero by 2050, reduce fuel poverty, and improve the thermal comfort of tenants. Generation Rent stated, '*Raising the minimum energy performance standard to C would reduce energy costs to renters and also improve the overall quality of housing for those who currently cannot afford to heat their homes to a comfortable temperature*'. Some responses from local authorities stated they had much more ambitious targets for their own areas, so were therefore supportive of the proposed target.

The most common reason from those who disagreed, was that it would be very difficult to attain an EER C within the £10,000 cost cap for certain property types and landlords may consequently leave the market. This is a misunderstanding of how the cost cap applies under the regulations. In circumstances where landlords have invested in relevant energy efficiency improvements up to the value of the cost cap and the property has not reached the standard, the landlord may register an exemption and continue to let the property. Many of those who disagreed suggested a compromise of EER D. A minority of respondents also suggested using an alternative metric, namely the carbon-based Environmental Impact Rating (EIR) (which is also present on the EPC), because this would better align with government's Net Zero target. Some suggested that the target should vary depending on property type or location.

Question 5 in the 2020 consultation asked: **We would welcome your views on the pros and cons of these alternative metrics, in relation to our overall policy goals around reducing carbon emissions, fuel poverty, and energy bills.**

Overall Responses: **482 (66%)**, Not answered: **247 (34%)**

This question sought views on alternative metric options to the cost-based EER and carbon-based EIR. These metrics were:

- a Final Energy Rating (FER) to assess energy performance based on the energy demand of the building

- a Heat Transfer Coefficient (HTC) to assess energy performance based on heat loss
- a Primary Energy Rating (PER) to assess energy performance based on energy use, including the primary energy required to produce that energy

Of the 482 total responses to this question, only 175 related directly to metrics. Views on the alternative metric options were mixed. Whilst each metric was seen to have merits in addressing the flaws of the EER, for example a FER could measure energy efficiency independent of price variations, there was also a common concern raised that these metrics would be challenging to present to and be understood by consumers and landlords on the EPC. One key stakeholder representing the interests of heritage buildings said of the need to reduce cost and carbon emissions, *'one metric is unlikely to ever give an effective measure of both (as seen by challenges with the current EER metric) and, while seeming simple as a single metric solution, this approach may actually be complicating effective understanding of what is being measured and resulting delivery. We suggest the potential of multiple metrics should be explored. A multiple metric approach with a metric applied to operating cost could also be applied to help solve the challenge of balancing cost of energy (fuel poverty) against achieving carbon reductions.'*

Question 9 in the 2020 consultation asked: **Should a requirement for landlords to install fabric insulation measures first be introduced? If yes, when, and how should such a requirement be implemented? If no, what are the alternative installation methods that maximise energy efficiency outcomes?**

Overall Responses: **633 (87%)**, Yes: **224 (31%)**, No: **265 (36%)**, Don't Know: **144 (20%)**, Not answered: **96 (13%)**

Amongst those who supported the proposal, there was a preference towards an asset-specific approach rather than prescriptive requirements. The National Residential Landlord Association (NRLA) stated, *'The NRLA supports a fabric first approach, this has to be based on the archetype of the property and the best route for that property to achieve an EPC C, and beyond. The government should set out the overarching principles and not be prescriptive on how a property gets there.'*

A fabric first approach was seen as supporting government's fuel poverty objectives, enabling a cost-effective transition to low-carbon heat, and reducing energy demand ahead of widespread electrification of the grid. The lifespan of fabric measures was also seen as a benefit, as well as the potential for fabric measures to reduce the need for maintenance work. A small number of respondents advocated for a fabric first approach to be a mandatory requirement, but most in favour of a fabric first approach did not state a preference between a mandatory or guidance-based approach.

A small number of respondents felt that a fabric first approach should be tailored to the building. The PAS2035 whole house retrofit approach was a popular suggestion as a method of implementation. PAS2035 is a publicly available specification that is used to assess domestic dwellings for energy retrofit, taking into account the requirements of the entire building. The specification was designed by the British Standards Institution (BSI) and is sponsored by DESNZ. Proponents argued that using PAS2035 would account for buildings' unique characteristics, though it was acknowledged there was limited availability of qualified installers.

Arguments against a fabric first approach in general included: landlords' right to choose how to improve their property, the risk of unintended consequences from incorrect or unsuitable

installations, and the feasibility of fabric measures in certain property archetypes such as traditional buildings and leaseholds.

Question 10 in the 2020 consultation asked: **We would welcome views on the alternative of a dual metric target to reach both EER C cost metric and also EIR C carbon metric, with an increased cost-cap of £15,000 inclusive of VAT.**

Overall Responses: **419 (57%)**, Not Answered: **310 (43%)**

The majority of respondents argued against this proposal, with some suggesting that the higher cost cap was too expensive for landlords. Many were concerned that a dual metric approach might be too complicated.

A minority of respondents were in favour of the dual metric approach, with one of the key reasons being the importance of the standard to meet net zero and emissions reduction targets.

A minority of respondents also gave a mixed response to the question. The UK Green Buildings Council (UKGBC) said, *'It is important to note in relation to the EER that energy costs are not static and will be subject to change. For example, the relative costs of gas and electricity mean that at present the EER supports gas boilers over electric heating systems such as heat pumps. A sole focus on the EER would therefore frustrate the UK's ambitions for low carbon heat.'*

Views on the level of the cost-cap were divided between those that felt it was too high and therefore unaffordable, particularly for smaller landlords, and those that said the higher cap is necessary with a dual metric, but that government support should be available for expenditure over £10k. More widely, responses mentioned that a blanket approach would not work for the PRS, as the condition of properties varies greatly, and older properties would be harder to treat.

There was also mention of the EIR metric being brought in at a later date. Those who mentioned carbon emissions in their responses also suggested the EIR metric should be applied instead of the EER given our legislative net zero target.

Section 2: Cost cap

Question 7 in the 2020 consultation asked: **Do you agree with increasing the cost cap to £10,000 inclusive of VAT as our preferred policy proposal?**

Overall Responses: **631 (87%)**, Yes: **166 (23%)**, No: **364 (50%)**, Don't Know: **101 (14%)**, Not answered: **98 (13%)**

A number of key stakeholders supported the proposal, including the Greater London Authority (GLA) who said, *'The cost cap should be increased to £10,000 as it is appropriate that landlords contribute to the costs of these works. We know that this is a sector with significant financial reserves on average.'* Of those key stakeholders that disagreed with the proposal, most argued that the cap should be higher, as a higher cost cap would lead to a greater reduction in carbon emissions and fuel poverty. The UK Green Building Council (UKGBC) said, *'Even if the Government decides not to proceed with the dual metric, we would still support increasing the cost cap for an EER C target from £10,000 to £15,000, inclusive of VAT.'*

Of those that disagreed with the £10,000 proposal, some argued this level of investment was not financially or commercially viable for landlords. A minority of responses discussed a lower cost cap, such as £5,000 or not raising the current £3,500 cap that applies to the existing EPC E requirement. There were concerns that energy efficiency improvements would not raise property value, and that the benefits of bill reductions for tenants would not be significant enough if landlords recouped costs through rent increases. Consequently, it was suggested landlords would leave the sector rather than improve their properties.

A minority of responses stated that a blanket cost cap for all properties was not appropriate given the significant regional variation in property prices and rental income. It was also suggested that landlords with low value properties or multiple properties would find the level of investment challenging, and that government support would be needed. Some respondents also argued that the cap should be based on the level of work required for individual properties.

Section 3: Implementation timeline

Question 6 in the 2020 consultation asked: **Do you agree with the government's preferred policy scenario of requiring 'new tenancies' to reach EER C from 1 April 2025 and 'all tenancies' to reach EER C by 1 April 2028? If not, do you have alternative suggestions?**

Overall Responses: **643 (88%)**, Yes: **185 (25%)**, No: **423 (58%)**, Don't Know: **35 (5%)**, Not answered: **86 (12%)**

The majority of stakeholders that disagreed with the proposal cited the timings attached to the proposal as their reason. Respondents that felt the proposed implementation date was too soon, argued that landlords would not have enough time to carry out improvement works and were still adapting to the EPC E regulations and the financial impacts of COVID-19. A minority of respondents suggested that a lower EPC rating as a target, such as EPC D, would be more appropriate and achievable in the timeframe.

Other respondents that disagreed with the implementation timeline felt it was too late, including the Committee on Fuel Poverty who stated *'We do not support the proposed timings for the regulations to come into effect as they would result in missing the fuel poverty strategy 2025 Band D milestone. Commencing the regulations in April 2025 would result in only a small fraction of PRS Band E and below properties, being upgraded to Band D by the end of the year. Therefore, to achieve the 2025 fuel poverty Band D milestone and avoid fuel poor households living in Band F/G PRS properties until 2028, we advocate that the regulations should require 'new tenancies' to reach EER C from 1 April 2023 and 'all tenancies' to reach EER C by 1 April 2026.'*

Amongst those that agreed with the proposal, respondents supported a phased implementation as it would limit disruption to tenants by providing more of an opportunity for landlords to complete works in void periods. A few respondents also suggested bringing the date forward for new tenancies to allow landlords more time to carry out qualifying works and to help leverage the natural trigger point of tenants moving on.

Section 4: The transition from the EPC E standard and existing EPCs

Question 24 in the 2020 consultation asked: **Should there be a requirement for post-improvement EPCs (and for the cost to be included within the cost cap)? Please explain your answer below and provide evidence to support your answer.**

Overall Responses: **586 (80%)**, Yes: **321 (44%)**, No: **116 (16%)**, Don't Know: **149 (20%)**, Not answered: **143 (20%)**

Of those who agreed that post-improvement EPCs should be required following retrofit, a minority of responses felt this would be necessary for local authorities to enforce the regulations. It was also argued this would enable building owners to verify work that had been carried out to demonstrate compliance and this would inform property owners, and government, on what progress has been made. Some said that EPCs would need to be current and up to date to accurately convey the energy performance of buildings.

Of the organisational stakeholder responses, the vast majority supported the proposal. Some responses suggested that EPC assessments were inexpensive and thus would add little cost to retrofit. It was also argued that the cost of the EPC should not be included within the cost cap, as it was a cost of compliance, and should not detract from the amount spent on improving the property. This was evident in the response from the Association for Decentralised Energy (ADE) who stated, *'There should be a requirement for a post-improvement EPC, but it should not be included in the cost cap as it is not an investment in improved energy performance, but a compliance element that is required for letting a property.'*

In contrast, a small number of responses also suggested that should a post-improvement EPC be required, the cost of the assessment should be included within the cost cap as it was a part of the cost of complying with MEES. Some respondents who disagreed with the proposal suggested that the requirement was unnecessary and would disrupt tenants, and the decision should be at the discretion of the property owner. Individual landlords made up the vast majority of those who opposed the proposal.

Section 5: Affordability exemption

Question 11 in the 2020 consultation asked: **Should government introduce an affordability exemption? If yes, we would welcome views on how such an exemption should be designed and evidenced, and any potential impacts on the PRS market.**

Overall Responses: **609 (84%)**, Yes: **347 (48%)**, No: **160 (22%)**, Don't Know: **102 (14%)**, Not Answered: **120 (16%)**

The key reason in support of the affordability exemption proposal was that the cost cap would not be affordable for every landlord, with the Committee on Fuel Poverty saying, *'The fuel poverty Band C target includes cost effective and affordable. The Impact Assessment clearly shows that a £15,000 cap on landlord's expense is on average 'cost-effective', however we do accept that in some circumstances for individual properties, this may not be affordable for the landlord.'* It was felt the exemption could help prevent landlords leaving the sector, particularly those with properties where the cap makes up a larger proportion of the property value or is too high relative to the rental yield.

Opposition to the proposal was more wide-ranging with respondents raising concerns that landlords may use the exemption to evade the regulations, that the exemption would be difficult to administer and therefore increase the risk of fraud, and that the exemption could be unfair to tenants and lead to regional disparities. Although some responses suggested that the risk of regional disparities could be mitigated by government providing low-cost finance and grants to support fuel poor occupants where the exemption has been applied.

One key stakeholder, National Energy Action, also said, *'If the government do choose to implement an affordability exemption for the extension of MEES, then this exemption should be consulted on fully. It has the potential to have a significant impact on the delivery of the policy, and no solid policy proposals have been articulated in this consultation.'*

Question 12 in the 2020 consultation asked: **What should the eligibility criteria be for an affordability exemption if it is introduced, and how can the criteria accommodate fluctuations in a landlord's finances and/or in the value of a property?**

Overall Responses: **411 (56%)**, Not answered: **318 (44%)**

Responses suggested a range of factors to include in the eligibility criteria including property value, gross rental income, net rental profit, the overall financial position of the landlord, and the cost of measures versus the payback period. A few also suggested that the portfolio size of the landlord should be taken into consideration. The trade body PEPA stated they were in favour of the latter, stating, *'the only exemptions relating to affordability should centre around landlords with a high number of properties with high-cost measures (i.e., where all properties would require the full cap in order to improve to EPC C). Having said that, given the anecdotal evidence that suggest that MEES and EPC ratings are already impacting on house valuations, it is likely that landlords, may benefit from lower purchase prices or at least be able to negotiate lower purchase prices to be able to afford the improvement works'*.

It was also suggested landlords should be expected to demonstrate not only that they do not have available upfront capital, but are also not able to raise the funds in an affordable manner (i.e., cannot access business loans or low-cost finance). Others commented that consideration should be given to how the landlord acquired the property portfolio, with allowances made for 'accidental' landlords and inherited portfolios.

Section 6: Smart Meters

What role can the PRS play in supporting the rollout of Smart Meters and what are the barriers and possible solutions to achieving this?

Overall Response: **511 (70%)** Not answered: **218 (30%)**

There were a variety of responses to this question which evidenced the breadth and complexity of the challenges facing the national rollout of smart meters in the PRS.

There was broad support for the rollout of smart meters in the PRS. The Centre for Sustainable Energy (CSE) stated: *'The PRS continues to have relatively high numbers of old-style [traditional] prepayment meters which are inconvenient, more costly for consumers requiring a temporary price cap to be imposed and make it difficult for tenants to switch to a cheaper tariff. Smart meters can be switched between credit and pre-payment modes remotely, as well as allowing for remote emergency top-ups and friendly credit.'*

Respondents who were supportive of the smart meter rollout cited the importance and potential value of the data collected by smart meters, which can also provide important insights on the energy performance of the property. The trade association Property Energy Professionals Associate (PEPA) explained: *'Data collected from a Smart Meter is a pathway to digital data about the dwelling. Data collected by this method is extremely useful for the owner/occupier and would have value on a national basis, when used in conjunction with the efficiency of the dwelling's fabric and the way the occupants use the property.'*

The benefits offered by installing smart meters to both landlords and tenants were highlighted by some respondents, including automatic meter readings and accurate billing, which help tenants to better manage their energy consumption and take steps to reduce their bills, and help landlords to manage their properties more efficiently. Some landlords, letting agents and property management companies explained how they already encouraged tenants to have a smart meter installed.

Some respondents expressed concerns about smart meters with some landlords indicating that they would actively seek to prevent an installation at their rented property.

Many private landlords also stated that it is not the responsibility of the landlord to install a smart meter in the property; the tenant is responsible for energy-related matters, including the decision to change the meter. On this basis, some of these respondents argued the PRS does not need to change to include additional requirements or guidance around smart meter installations. OFGEM guidance (OFGEM, 2024)²⁰ states that the energy billpayer can choose to have a smart meter installed; if a landlord is the billpayer, installing a smart meter would be their responsibility. Meanwhile, tenants who are billpayers are advised they may need to check their tenancy agreements; however, the landlord should not unreasonably prevent the installation – this advice can cause confusion amongst landlords and tenants.

Some respondents suggested that landlords should have more of a role in arranging smart meter installations, with a minority suggesting that positive incentives could help encourage landlords and drive uptake. A few respondents also suggested that a requirement on landlords to install smart meters could help increase smart meter installations. However, were a landlord to be made responsible for arranging the installation themselves, challenges of arranging installations during short void periods, when the landlord becomes the billpayer, were highlighted as a key barrier.

A minority of respondents specifically mentioned MEES as a possible way to increase smart meter installations in the PRS. For example, Cambridgeshire & Peterborough Combined Authority indicated: *'It could feasibly be a requirement under MEES to have a smart meter – and there is no obvious technical reason why not'*, while also noting the importance of balancing requirements against customer choice. The London Energy Transformation Initiative (LETI) also suggested adding smart meter requirements into MEES, alongside a suggestion to legislate to prevent landlords from refusing reasonable tenant requests to install a smart meter.

Section 7: Letting agents and online property platforms

Question 19 in the 2020 consultation asked: **Should government seek primary powers to place a requirement on letting agents and online property platforms to only advertise and let properties compliant with the PRS Regulations?**

²⁰ <https://www.ofgem.gov.uk/get-smart-meter>

Overall Responses: **595 (82%)**, Yes: **335 (46%)**, No: **197 (27%)**, Don't Know: **63 (9%)**, No response: **134 (18%)**

Those in support argued the proposal would aid monitoring, compliance and enforcement, and that lettings agents and online platforms should take responsibility for the properties they are brokering. The UKGBC said, *'This is an excellent proposal. The legislation should additionally be future-proofed to apply to any form of promotion, marketing or advertising to let – so that it includes lets via Facebook, Gumtree and other forms of online promotion yet to be invented,'* and the BPF said, *'after the regulations have come into force from 2025/2028, it would be appropriate for letting agents and online property platforms to only advertise and let properties that are of a minimum EPC C standard. In fact, the letting agent and online property platform markets are an incredibly valuable mechanism through which compliance can be sought.'* It was also argued that the proposal would raise awareness of the regulations and the energy performance of properties let.

Of those respondents who did not support the proposal, a few suggested that the current system of EPC rating and advertising was sufficient, or that they believed this was already in place (presumably referencing the legal requirement for a valid EPC when a property is let). Other reasons included a fear that the policy would create a two-tier system of compliant properties let through agents covered by this policy, and a 'grey market' of non-compliant properties let by other means. Respondents also stated that the proposal would have a negative impact on tenant choice, or that this is best left to tenants to decide. Finally, some mentioned that this proposal would be a burden on letting agents and/or local authorities.

This consultation is available from: www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes-2025-update

If you need a version of this document in a more accessible format, please email alt.formats@energysecurity.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.