

## EPC consultation

**Question 1: Do you agree with government's preferred position of using new Energy Performance Certificate (EPC) metrics following EPC reform as the basis for higher minimum energy efficiency standards (MEES) for privately rented homes? (1,500 characters)**

*Disagree*

*We associate ourselves with the submission from the Professional Association of Self-Caterers UK (PASC) as it relates to short-term let properties in rural areas. We appreciate that these are not currently in scope but note that question 12 relates to a proposal to bring them in scope.*

*The consultation is premised on two assumptions: that a rental property will be inhabited all year round and so require heating through the cooler months, and that tenants are responsible for paying energy bills. In the case of these properties, neither holds true.*

*Properties such as short-term self-catered accommodation are generally inhabited seasonally, so they may not require above minimal heating throughout much of the winter. We appreciate the desire to improve the energy efficiency of buildings, but where they are not in practice being heated to habitable standards through the winter, that issue does not arise. In addition, with energy bills being the responsibility of the business owner, considerations of affordability for tenants do not arise either.*

*Beyond short-term lets, recognising that rural properties of all varieties are characteristically older and harder to insulate, we are concerned that a requirement to achieve EPC C standard could have wider impacts on the private rented sector in rural areas. Housing in these areas can already be expensive, and we would not want to see a situation where those who provide services that communities rely on are priced out of the market.*

**Question 2: Government would welcome views on options for setting future minimum energy efficiency standards against a combination of new Energy Performance Certificate (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? (3,000 characters)**

*[No response]*

Question 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.

Please select your preferred option

Please expand on your answer in 3000 characters or less.

*[No response]*

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

Yes

No

Please expand on your response here in 3000 characters or less.

*[No response]*

Question 5: Do you agree with government's proposal to increase the maximum required investment (cost cap) for private rented sector minimum energy efficiency standards 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.

Agree with increasing the cost cap to £15,000

Agree with increasing the cost cap but not to the proposed amount of £15,000

Disagree with increasing the cost cap

Disagree with a cost cap exemption or think the exemption should be applied in a different way  
Don't Know

Please expand on your response here in 3000 characters or less.

*Disagree with increasing the cost cap*

*The consultation question does not entirely fully with the underlying proposal as described in the consultation document. Page 10 of the Executive Summary describes the cost cap exemption as follows: "landlords should be required to invest up to a maximum of £15,000 per property on improvements to meet the standard". This suggests a requirement that a landlord actually spends £15,000 pursuing an EPC rating of 'C'. The question, however, states that landlords might "be able to register an exemption if expenditure would take them over this figure," which could be taken to imply that they might demonstrate that they would have to pay more than £15,000 to achieve the standard, without actually having to spend it. We would suggest that further clarity and precision as to the nature of the proposal would be warranted.*

*We understand that the average annual profit a business owner can make from a self-catered short-term let is around £5,000. Supposing that the proposal is to require actual expenditure of up to £15,000 and that short-term lets are brought in scope, the owner of a rural holiday let that cannot be brought up to EPC C standard would therefore be required to spend three years' profit in the futile pursuit of an unobtainable objective.*

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

Yes  
No  
Don't Know

Please expand on your response here in 3000 characters or less.

Yes

*We do agree that if there is to be a cost-based exemption then this should last for as long as possible, so that business owners are not required to make repeated investments simply for the sake of meeting a regulatory requirement. As such, the extension of the exemption period to ten years and the freezing of the cap level are*

*welcome ameliorations. We also believe that expenditure towards any cost cap should be counted from as early a date as possible. That said, we continue to question the relevance of the EPC standard to short-term lets.*

Question 7: Do you agree with the 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?

Agree

Disagree

Don't Know

Please expand on your response here in 3000 characters or less.

*Disagree*

*As PASC has noted, the nature of the short-term let market is such that there is a new tenancy every few days or, at most, weeks, so an extended implementation timeline would be of no benefit to these rural business owners.*

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?

Agree

Disagree

Don't Know

Please expand on your response here in 3000 characters or less.

*Agree*

*Given that there is currently no requirement for short-term let properties to have an EPC at any level, if these properties are brought in scope we would oppose any additional requirements on these properties or business owners during any transition period.*

Question 9: Do you agree properties that have an EPC rating of C against the Energy Efficiency Rating (EER) on Energy Performance Certificates (EPCs) before 2026 should be recognised as compliant with the future standard until their EPC expires or is replaced?

Agree  
Disagree  
Don't Know

Please expand on your response here in 3000 characters or less.

*Agree*

*[No response]*

Question 10: Do you agree with government's proposal to require landlords to commission a new Energy Performance Certificate (EPC) before taking action to comply with higher minimum energy efficiency standards (MEES)?

Agree  
Disagree  
Don't Know

*[No response]*

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

Yes  
No  
Don't Know

Please expand on your response here in 1500 characters or less.

*Yes*

*[No response]*

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?

Yes  
No  
Don't Know

Please expand on your response here in 1500 characters or less.

[No response]

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.

Yes

No

Don't Know

If yes, please select which proposed approach you support:

Rent level approach

Broad rental market approach

Council tax

Local authority area

[No response]

Question 12: Should the government apply the private rented sector (PRS) minimum energy efficiency standards (MEES) regulations to short-term lets? Please explain your answer.

Yes

No

Don't Know

Please expand on your response here in 3000 characters or less.

No

*As our response to this consultation has indicated, our primary concern about these proposals relates to the prospect of their extension to short-term lets and the resulting impacts on rural businesses. We oppose any such extension and would suggest that, for reasons outlined above, the MEES regime is inappropriate for and would be maladapted to the short-term let market.*

*Further to our earlier remarks, we would note that bringing short-term lets within the scope of these proposals runs contrary to other government policies aimed at*

*encouraging the diversification of farms, such as the welcome extension of permitted development rights from 21 May 2024. The conversion of surplus agricultural buildings into short-term let accommodation for the sake of creating an additional revenue stream is to be applauded, and ought not to be constrained by onerous energy efficiency requirements that do not benefit tenants.*

Question 13: What actions could the 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 private rented sector (PRS)? Please provide your rationale and evidence for any suggestions for actions you have. Please expand on your response here in 3000 characters or less.

*[No response]*

Question 14: Do you think the current minimum energy efficiency standards (MEES) exemptions available to landlords are suitable?

Yes

No

Don't Know

Please expand on your response in 1500 characters or less.

Yes

*For rural properties, we would support the continuation of the current exemption that limits costs to £3,500.*

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

Yes

No

Don't Know

Please expand on your response here in 1500 characters or less.

*As above, we would support a retention of the current cost cap of £3,500 for rural properties, which would imply the creation of a rurality exemption. We would also support retaining the exemption for listed buildings, where conventional means of improving energy efficiency are not always viable or permissible.*

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 private rented sector (PRS) Database is being developed for properties in England?

Agree

Disagree

Don't Know

Please expand on your response here in 3000 characters or less.

*[No response]*

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.

Yes

No

Please expand on your response here in 3000 characters or less.

*No*

*[No response]*

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

Yes

No

Please expand on your response here in 3000 characters or less.

*No*

*[No response]*