Department for Energy Security and Net Zero

Consultation on Home Energy Model (HEM) methodology for assessing existing dwellings and producing new Energy Performance Certificates metrics (England and Wales)

Response from Propertymark

February 2026

Background

1. Propertymark is the UK's leading professional body of property agents, with over 19,000 members representing over 12,500 branches. We are member-led with a Board which is made up of practicing agents, and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development[1].

Overview

2. The UK Government is reforming the Energy Performance of Buildings (EPB) regime in England and Wales to improve how Energy Performance Certificates (EPCs) work. Key changes include introducing new EPC metrics that better explain a home's fabric performance, heating systems, and smart technologies, alongside practical recommendations for improvement. These reforms aim to give clearer information to homeowners, landlords, renters, and the retrofit industry, supporting warmer and cheaper-to-run homes, reducing fuel poverty, raising building standards, and helping the UK reach net-zero emissions by 2050. The UK Government will publish its final response to the EPB consultation in early 2026.

3. Alongside this, the UK Government is consulting on EPC-specific features of the Home Energy Model (HEM), following an earlier consultation concluded in 2025. HEM is a tool for simulating energy use in homes and will be adapted through an EPC "wrapper" to support EPC assessments. Current proposals include expanding HEM to allow on-site inspections of existing homes and setting out how new EPC metrics will be calculated and converted into EPC bands. The consultation is led by the Department for Energy Security and Net Zero, supported by the Ministry of Housing,

[1] https://www.propertymark.co.uk/

Communities and Local Government and seeks input from stakeholders across the built environment sector.

Questions

Question 1: Do you agree with the introduction of a modular approach to data input for existing builds, where assessors can enter complete data where available and rely on defaults for other elements?

4. Yes, Propertymark agrees with the introduction of a modular approach to data input for existing buildings. We think this for two reasons and have two additional comments to make. Firstly, allowing assessors to use full, property-specific data where it is available, and default values where it is not, has the potential to improve the accuracy of EPCs. This is particularly important for older, non-standard and heritage properties that are not well reflected by current RdSAP assumptions. Secondly, this flexibility is especially relevant to the private rented sector, where properties often include complex or mixed archetypes and have been assessed under different methodologies over time. In many cases, previous EPCs have not accurately reflected the true performance of these homes. A modular approach could help address these issues and improve confidence in EPC ratings used for regulatory and investment decisions in the PRS. Additionally, it is important for the Department to consider two things. Firstly, it is important that any new approach remains simple, consistent and affordable. EPC ratings must be easy for consumers to understand and compare, and the process should not lead to higher costs or unnecessary complexity for homeowners, landlords or agents. Secondly, in order to maximise these opportunities, clear guidance and appropriate training will be essential to ensure assessors apply the modular approach consistently. EPCs should also clearly show which information is based on evidenced data and which relies on default assumptions.

Question 2: Please share your views on the following potential impacts of a modular approach.

a. Quality of assessments and EPCs:

- **assessment accuracy**
- **trust, usability, or consistency in EPCs**
- **how inputs are communicated to consumers/householders**

b. Impact on assessors workloads, costs, training, and skills.

c. Implementation risks, for example: QA/audit and fraud risk, supply-chain readiness and training needs.

d. Anything else you feel is relevant.

5. Propertymark recognises that a modular approach could have both positive and negative impacts, depending on how it is designed and implemented:

   - **Quality of assessments and EPCs -** a modular approach has the potential to improve assessment accuracy by allowing assessors to use better, property-specific information where it is available, rather than relying solely on standard assumptions. This should improve EPC quality, particularly for complex, older and non-standard properties, including many in the private rented sector. However, there is a risk that trust and consistency in EPCs could be reduced if different assessors use different modules or levels of detail for similar properties. Clear rules, guidance and controls will be needed to ensure consistent outcomes. It will also be important that EPCs clearly explain which parts of the assessment are based on measured or evidenced data and which rely on default assumptions. This transparency will help consumers understand and trust the results.

   - **Impact on assessors' workloads, costs, training and skills -** Propertymark thinks that a modular approach could increase workloads and costs for assessors, particularly if additional data collection or evidence gathering is encouraged or expected. This could also increase costs for consumers. Assessors will require clear guidance and proportionate training to ensure they understand when and how to use different modules. Training requirements should be realistic and not create barriers to entry or reduce assessor capacity. The initial availability of a simplified input option equivalent to RdSAP will be important to avoid unnecessary disruption and allow assessors to transition gradually.

   - **Implementation risks -** there are potential risks around quality assurance, audit and fraud if a modular system is not carefully controlled. Robust QA processes will be essential to ensure modules are applied correctly and consistently. There is also a risk that the supply chain, including accreditation bodies and training providers, may not be ready for rapid change. Adequate lead-in time, clear communication and phased implementation will be necessary.

6. Furthermore, Propertymark stresses the importance of maintaining confidence in EPCs, particularly where they are used for regulatory purposes, such as minimum energy efficiency standards in the private rented sector. Any changes must improve accuracy without undermining comparability or increasing costs disproportionately. Finally, we strongly recommend ongoing

stakeholder engagement will be essential to ensure the system works in practice and delivers benefits for consumers, assessors and the wider housing market.

Question 3: **Please share your views or provide any evidence on any alternative approaches you think we could consider for assessing existing dwellings.**

7. Propertymark thinks that EPC assessments for existing dwellings could be improved by combining flexibility with practicality. A tiered approach could be considered, where a basic assessment uses standard assumptions, but assessors can provide more detailed, property-specific information where it is available. This could include using building records, retrofit documentation, previous compliance data, or green building passports where available. Updating default assumptions for older, non-standard, or complex homes, particularly in the private rented sector, could also improve accuracy without increasing assessor workload or cost.

8. Looking further ahead, we think improvements could be made with the introduction of digital logbooks, real-time energy data, and green building passports which could help give a more accurate picture of actual building performance over time. Other emerging technologies and measurement tools could also be considered, provided their use is optional, tested, and carefully regulated. Any alternative approach must maintain consistency, transparency, and consumer confidence, and avoid creating unnecessary complexity, cost, or delays, especially where EPCs are used for regulatory purposes.

Question 4: **If a modular approach is adopted, the term "Reduced data HEM" (RdHEM) may not accurately reflect the model's structure or purpose. We want to ensure the terminology clearly conveys this flexibility and avoids confusion with previous approaches. A clear, intuitive name will help stakeholders understand the purpose of the methodology and distinguish it from both full HEM and legacy RdSAP. Potential options for the new name are:**

- **HEM for Existing Dwellings (HEMEX)**
- **HEM Input Expansion (HEMIE)**
- **Mixed Data for HEM (MdHEM), or**
- **Reduced data HEM (RdHEM).**

Do you have any views on the proposed alternative name(s) that would better capture the intent and flexibility of a modular version of HEM? Do you have any other suggested options that are not listed above?

9. Propertymark supports using a clear and simple name, such as "HEM for Existing Dwellings (HEMEX)," rather than "Reduced data HEM." This is because the name needs to be easy to understand for both industry professionals and consumers, clearly show that the tool is for existing homes, and reflect its flexible, modular approach without implying lower quality.

Fabric performance metric

Scoring and banding considerations

Question 5: Do you agree with the proposal to evaluate fabric performance using FEE?

10. Propertymark agrees with the proposal to evaluate fabric performance using the Fabric Energy Efficiency (FEE) methodology. Using FEE provides a clear, standardised way to measure a building's thermal performance, which should improve the consistency and comparability of EPCs.

11. We note, however, that care will be needed when applying this approach to heritage properties and older dwellings, particularly in the private rented sector, where traditional construction methods or non-standard features may not fit neatly into standardised assumptions. It will be important to ensure that these properties are assessed fairly and that existing improvements are recognised.

Question 6: Do you agree with the approach to maintain close equivalence between the C/D boundary in the current EER rating and the C/D boundary in the Fabric Performance Metric?

12. Propertymark strongly agrees with the approach to maintain close equivalence between the C/D boundary in the current EER rating and the C/D boundary in the Fabric Performance Metric Where a property currently meets an EPC C rating for MEES compliance, the new Fabric Performance Metric should reflect that performance, so that landlords and tenants do not lose the benefit of measures already installed. Ultimately, we think that it is a matter of fairness that those landlords who have met the standards early in good faith or have achieved it already should have this level recognised otherwise it could undermine.

Supplementary fabric performance information: SMETERs and HTCs

Question 7: **Do you agree with the Government's proposal to introduce an option for recording Heat Transfer Coefficients based on SMETER measurements in the EPC system, as supplementary information about fabric performance?**

13. Propertymark agrees with the proposal to introduce a voluntary option to record Heat Transfer Coefficients derived from appropriately validated SMETER measurements within the EPC system, as supplementary information on fabric performance. For the private rented sector in particular, where EPCs play a central role in regulatory compliance, this approach has the potential to provide a more accurate reflection of how homes perform in practice, especially where standard modelling assumptions do not align well with real-world conditions.

14. This could be especially beneficial for older, more complex and heritage properties, where current EPC methodologies often struggle to represent construction types, historic fabric and the impact of past alterations. Measured data may help distinguish between buildings that are inherently hard to model and those that are genuinely underperforming, supporting more proportionate and informed decision-making.

15. However, Propertymark considers it essential that any SMETER-derived data remains supplementary, voluntary and subject to robust validation, quality assurance and clear guidance on interpretation. Care must also be taken to ensure tenant behaviour, data privacy and building complexity do not result in unintended consequences for landlords or tenants. With these safeguards in place, this proposal could enhance confidence in EPCs without undermining their consistency or usability.

Question 8: Do you have any views on how the provision of additional information, such as that derived from SMETERs, should be enabled within the energy assessment process in practice? Please provide any evidence to support your answer.

16. Propertymark considers that any additional information derived from SMETERs should be integrated into the energy assessment process in a clear, consistent and proportionate way. SMETER-derived Heat Transfer Coefficients should be collected and recorded through a standardised national framework, with defined methodologies, robust validation and quality assurance requirements, and clear thresholds for data reliability. Energy assessors and property agents should be provided with clear guidance on when such data can be used, how it should be

interpreted alongside outputs from the Home Energy Model, and how it should be communicated to landlords and tenants.

17. In practice, the inclusion of SMETER data should be voluntary, supplementary and clearly distinguished from headline EPC metrics to avoid confusion for landlords, tenants, property agents and enforcement bodies. The process should be designed to minimise additional cost and administrative burden, particularly for the private rented sector, where agents play a key role in supporting compliance with EPC and minimum energy efficiency requirements. Clear and accessible presentation of any additional information will be essential to ensure agents can accurately explain results and obligations to clients.

18. Consideration should also be given to the suitability of SMETER data for complex, heritage and mixed-use buildings, where occupancy patterns and building characteristics may affect the reliability of measurements. Evidence from existing research indicates that SMETER measurements can, in some cases, provide a more accurate representation of in-situ fabric performance than modelled estimates, particularly in older buildings. However, as accuracy varies by technology and dwelling type, careful deployment, transparency, and strong safeguards around data quality and privacy will be necessary to maintain confidence in the EPC system.

Question 9: **Do you agree with our proposal on the design and methodology for the Heating System metric?**

19. Propertymark neither agrees nor disagrees with the proposed design and methodology for the Heating System Metric. While we recognise that limiting higher ratings for heating systems that rely on fossil fuels aligns with the government's wider decarbonisation objectives, this approach must not be progressed at the expense of vulnerable tenants, particularly those living in the private rented sector.

20. Propertymark would be more supportive of this measure if greater and more accessible support were made available to landlords and property agents to enable the transition away from fossil fuel heating. At present, grants and financial support are heavily restricted and often unattainable due to strict eligibility criteria, particularly for smaller landlords and for older or more complex properties. Without adequate support, there is a risk that landlords may exit the market, further reducing the supply of homes available to rent.

21. It is therefore essential that the Heating System Metric is introduced in a proportionate way, clearly as an information tool, and aligned with realistic timescales, improved funding mechanisms and practical guidance. With appropriate safeguards and support in place, the metric could help inform longer-term change without creating unintended consequences for tenants, landlords or the wider rental market.

Question 10: **Do you agree with the proposal to set the C/D boundary such that direct electric will always score a D or below, and that storage-based technologies would score above or below the C/D boundary based on their emissions relative to direct electric?**

22. Propertymark currently disagrees with the proposal to set the C/D boundary such that direct electric heating will always score a D or below, and storage-based technologies are rated relative to direct electric. We recognise why the UK Government is taking this approach to support its wider decarbonisation aims and the move towards lower-carbon heating systems.

23. However, without significantly improved and more widely accessible financial support, particularly for landlords and property agents in the private rented sector, we are concerned that this approach could create practical and unintended consequences. Many landlords, especially those with older, complex or heritage properties, may not be able to transition to storage-based or low-carbon heating systems due to technical, cost, or eligibility barriers. This could result in higher costs, reduced rental supply, and negative impacts on vulnerable tenants.

24. Propertymark considers that any changes to the metric should remain proportionate, clearly informational, and supported by realistic timescales, guidance, and funding mechanisms to ensure the policy achieves its decarbonisation goals without adversely affecting the rental market.

Question 11: **What is your view on the option of reserving the highest scores of A/B for electric cooking appliances?**

25. Propertymark agrees with the principle of reserving the highest scores of A or B for electric cooking appliances, as this aligns with wider decarbonisation and health objectives by encouraging the transition away from gas. Highlighting electric cooking within EPCs could help landlords, property agents, and tenants make more informed decisions when upgrading or replacing kitchen appliances.

26. However, we note that the contribution of cooking to overall household energy use is relatively small compared with space heating and hot water. Any scoring approach should therefore be

proportionate, clear, and not create unnecessary complexity or additional compliance burden for landlords or agents. It is important that the metric remains practical and understandable for the private rented sector, and that guidance is provided on how these scores relate to broader energy performance and emissions targets.

Smart Readiness Metric

Question 12: Do you have any views on the proposed list of technologies that would be recognised under the Smart Readiness Metric and their relative scoring? Please provide any evidence to support your answer.

27. Propertymark considers the proposed list of technologies recognised under the Smart Readiness Metric to be generally appropriate, as it covers key measures that enable energy generation, storage, and flexibility, including solar PV, batteries, thermal storage, smart heating controls, smart EV charge points, and smart meters. These technologies are relevant to improving energy efficiency and supporting decarbonisation, and the scoring approach that rewards greater flexibility and self-consumption is logical in principle.

28. However, we note that many properties in the private rented sector, particularly older, heritage, terraced housing or flats, may face practical constraints in installing some technologies, such as solar panels, batteries, or EV charge points. In these cases, the metric should be applied flexibly, and exemptions or alternative scoring pathways should be available, so that landlords and tenants are not unfairly penalised. Clear guidance for property agents and landlords on how technologies are scored and the implications for EPCs will be essential to ensure the metric is practical and understandable. Overall, Propertymark supports the principle of recognising these technologies but emphasises the need for a proportionate approach that reflects the constraints of the housing stock they deal with.

Question 13: Do you have views on the options we have set out for how to achieve a C on the Smart Readiness Metric?

29. Propertymark recognises the rationale for setting a C rating on the Smart Readiness Metric to reflect a meaningful level of energy flexibility and the use of smart technologies, such as microgeneration and storage. However, we are concerned that the proposed requirements could be challenging for many properties in the private rented sector, particularly older, complex,

terraced housing or heritage homes, and flats where solar panels or storage systems may not be feasible.

30. We consider that achieving a C should remain practical and proportionate, with flexibility for properties where full microgeneration or storage installations are not possible. Exemptions and alternative pathways should be clearly defined, and guidance should be provided for landlords and property agents on how to achieve the rating. Propertymark supports measures that encourage smart technologies but emphasises that they must not create unintended barriers for landlords or tenants.

Question 14: **Do you have any evidence to provide on what an appropriately sized solar array should be to reach a C?**

31. Propertymark does not have technical evidence on what size of solar array would be required to achieve a C rating on the Smart Readiness Metric. We would emphasise that any guidance should take into account the practical constraints faced by landlords and property agents, including older, heritage, or smaller properties where installing large arrays may not be feasible. We support the principle of using solar to achieve smart readiness, but the size requirements should be realistic and proportionate to ensure that landlords are not unfairly disadvantaged.

Question 15: **Do you have any evidence to provide on what an appropriately sized electric battery should be to reach a C?**

32. Propertymark does not have technical evidence on the size of electric batteries required to achieve a C rating. We refer to our response to the previous question on solar arrays: any guidance should be practical and proportionate, taking into account the constraints of older, heritage, or smaller properties, and exemptions or alternative pathways should be available where full battery installations are not feasible.

Questions 16: Do you agree that a bidirectional EV charge point should be recognised as an alternative to other forms of energy storage, such as batteries, in order to achieve a C on the Smart Readiness Metric?

33. We neither agree nor disagree. Propertymark recognises that bidirectional EV charge points could function as a form of energy storage and contribute to the Smart Readiness Metric. However, we are concerned that treating them as an alternative to home batteries could create practical

challenges, particularly for older properties, flats, heritage buildings, and homes with limited off-street parking.

34. We will support this approach only if it remains voluntary, with clear guidance, exemptions where installation is not feasible, and appropriate financial support for landlords and homeowners. This reflects our previous submission to the Welsh Government[2], in which we highlighted the need for balanced support, flexibility, and exemptions to ensure EV infrastructure is practical and does not disadvantage landlords or limit housing supply.

Question 17: **Do you have any other comments regarding the design and methodology for the Smart Readiness metric?**

35. We do not have any further comments.

Energy Cost metric

Question 18: Do you agree with our proposed approach to the design and methodology for the Energy Cost metric?

36. Propertymark disagrees. We recognise the value of presenting predicted energy costs in a way that is clear and understandable for buyers and tenants. We would prefer that the Energy Cost metric shows both the estimated energy cost in pounds and a corresponding rating band, as the bands are widely recognised and provide a useful way to compare properties like-for-like.

37. We note that energy costs can fluctuate significantly over time, which may reduce the accuracy of the information provided. Any approach should therefore include clear guidance and signposting to allow consumers to access the most up-to-date information. Propertymark also considers it important that the metric is presented in a way that is practical for landlords and property agents to explain, particularly in the private rented sector.

Question 19: **Do you agree that the cost metric should be presented in £, rather than bands?**

38. Propertymark disagrees that the Energy Cost metric should be presented in pounds only. As we have alluded to in our previous response, while showing estimated energy costs in £ is useful, we

[2] Electric-vehicle-charging-in-residential-and-non-residential-buildings-response-from-Propertymark-December-2024.pdf

consider it important to also retain a rating band alongside the cost. Bands are widely recognised, easy to understand, and provide a consistent way to compare properties like-for-like, which is particularly important for buyers, tenants, landlords, and property agents. Presenting both the cost and a band would ensure the metric is practical, comparable, and informative.