

Ministry of Housing, Communities and Local Government consultation
on Reforms to the Energy Performance of Buildings regime

Response from Propertymark

February 2025

Background

1. Propertymark is the UK's leading professional body of property agents, with over 19,000 members representing over 12,800 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

Consultation – overview

This consultation seeks views on the reform of the Energy Performance of Buildings (EPB) framework. It covers the following areas:

- Clarifying and consolidating regulations, and focusing on improving the applicability, quality, and data usage of energy certificates in domestic and non-domestic buildings.
- Updating Energy Performance Certificates (EPC) metrics.
- Refining requirements for Energy Performance Certificates (EPCs) and Display Energy Certificates (DECs).
- Improving data management protocols and strengthening quality control.
- Revising air conditioning inspection reports (ACIRs).

Propertymark response – summary

2. Propertymark welcomes many of the proposals in the consultation which we think will make EPC's more practical for all stakeholders in understanding and managing the energy performance of buildings and to align this in reaching the governments goals of net zero emissions by 2050, alleviating fuel poverty and enhancing building standards across England and Wales. We think there is strong justification in EPCs providing a more complete representation of building energy performance including energy cost, carbon, energy use, fabric performance, heating system and

¹ <https://www.propertymark.co.uk/>

smart readiness. We also welcome changing the validity period from ten year to five years to allow building upgrades to be captured more frequently and ensuring a valid EPC is present throughout a tenancy period. However, we have reservations that EPCs should be required for individual Houses in Multiple Occupation (HMOs) and that heritage properties should be exempt from the regulations as we do not feel these proposals will offer significant value to consumers and protections are need for heritage properties.

Questions

Question 1: To what extent do you agree or disagree that information using an energy cost metric should be displayed on EPCs? Please select one option for each building type

3. Propertymark agrees with the proposed metrics for domestic stock. Energy type and cost is a headline metric for consumer information and will provide the consumer with a clear overall understanding of the energy performance of the property and a clear comparison of energy consumption. Energy cost will help individuals understand the financial implications of a building's energy efficiency and make informed decisions about potential improvements. We assume such a metric will be a similar metric to the current Energy Efficiency Rating (EER), enabling continuing use in relation to fuel poverty policy? Furthermore, fabric performance data will enable consumers to accurately understand how improvements to fabric efficiency can improve the overall energy performance of their property, which we think could be prioritised over improving heating system data. However, separate data on heating sources will encourage consumers to move to cleaner heating solutions. Finally, although supportive of integrating smart metre technology, until smart metre take up is of a sufficient level, we do not feel they should be part of the energy performance assessment.
4. We disagree with using the same methodology for non-domestic property and feel there are several areas the UK Government should consider for non-domestic stock. Accordingly, EPC reform should recognise the differences in both non-domestic and domestic stock and continue the different metrics used in Energy Efficiency Rating (EER) for domestic stock and Environmental Impact Ratings (EIR) for non-domestic buildings. This is because, firstly, the energy performance of commercial nondomestic properties is complex, and subsequently we think a different regime should be used over domestic stock. Some non-domestic properties, such as large warehouses might be challenging to decarbonise and meet the legislation. We hope that the UK Government will consider the diverse challenges of non-domestic stock. Secondly, any reforms must remain vigorous and offer a true reflection of the energy efficiency of non-domestic stock.

5. Finally, an additional complication, while separate from the EPC assessment, is who is responsible for meeting the standard the landlord or the tenant in relation to standards in non-domestic stock? This is particularly complex during leasehold renewals or when a lease has ended. Typically, a tenant is responsible for returning the property to the original standard and not required to make energy efficiency improvements. However, this is causing disputes between the two parties and is likely to increase as the standards to decarbonise become more demanding.

Question 2: To what extent do you agree or disagree that information derived from a fabric performance metric should be displayed on EPCs? Please select one option for each building type.

6. Propertymark strongly agrees that information derived from a fabric performance metric should be displayed on EPC's for both domestic and non-domestic buildings. However, greater consideration should be given to the different circumstances and archetypes of the building fabric in non-domestic buildings. As we outlined in the previous question, improvements to building fabric should be prioritised when improving the overall energy efficiency of buildings supports a fabric-led approach to the improvement of housing. Fundamentally, we think that only once the fabric of properties is adequately improved, can consideration be given to improving the quality and performance of heating systems. By taking this approach, and demonstrating the importance of prioritising building fabric, consumers will save money in costs through heating systems. Therefore, as much information that is practical on the building fabric should be made available.

Question 3: When evaluating the fabric performance of buildings, which methodology do you think should inform the basis of calculating a fabric metric? Please select one option for each building type.

7. We do not have a preference for this question.

Question 4: To what extent do you agree or disagree that information based on a heating system metric should be displayed on EPCs ? Please select one option for each building type.

8. We agree that information based on a heating system metric should be displayed on EPCs, but as we have previously highlighted, the priority must be on improving the building fabric. Accordingly, we think that EPCs should state this as guidance to the EPC user. However, once consumers have exhausted all possible improvements to the building fabric, improved data on heating systems could be used to incentivise the transition to efficient low-carbon options like heat pumps over

more energy intensive direct electric heating or carbon intensive fossil fuels. This should apply to both domestic and non-domestic property.

Question 5: What are your views on the design principles and the scope for a Heating System metric?

Please provide evidence where possible.

9. Any heating system metric must be clearly able to be understood by all including homeowners and renters as consumers, as they are the most likely group to influence change in choice of heating system. As a result, we recommend using a simple categories of heating system ranked from 1 to 6 as recommended by the Climate Change Committee², which will demonstrate the benefits of heating systems. However, we also think that heating systems within the same type, for example heat pumps, should be categorised to assess their individual performance level and efficiency.

Question 6: To what extent do you agree or disagree that information based on a smart readiness metric should be displayed on EPCs? Please select one option for each building type.

10. Propertymark currently does not agree or disagree that information based on a smart readiness metric should be displayed on EPCs. In principle, we are supportive of smart metre technology. However, we do not feel that it is the right time for their data to be included on EPCs until the technology is more readily received. This would be the case especially for non-domestic property where their use is even more limited. For the time-being, it might be appropriate to include data for consumers to understand their building's potential to optimise energy usage and reduce demand during peak periods through smart technologies like meters, appliances, storage systems, and time-of-use pricing. Other data, such as on-site renewable generation and microgeneration self-use could follow later.

Question 7: What are your views on the definition, design principles and the scope for a smart readiness metric? Please provide evidence where possible.

11. We do not have any further comments.

² [Climate Change Committee](#)

Question 8: To what extent do you agree or disagree that information from an energy use metric should be displayed on EPCs? Please select one option for each building type.

12. Propertymark agrees that the display of energy use metrics would be a useful addition for all parties involved in domestic and non-domestic property. As the consultation document notes, it would help users understand the building's predicted energy consumption and identify areas for improvement. While it is likely that energy use metrics can allow for easy comparison of energy performance between different buildings. We would draw caution to this as energy use is only one criterion towards defining energy efficiency in buildings and that the building fabric is a more important feature to compare different buildings. Nevertheless, it would be useful as energy use is not subject to fluctuations such as energy costs like cost measure would be.

Question 9: If an energy use metric is to be displayed on Energy Performance Certificates (EPCs), which type of energy use measurement should be used to calculate this metric? Please select one option for each building type.

13. Our favoured energy use measurement would be delivered energy for both domestic and non-domestic buildings. We think that this is a more easily understandable for users such as tenants of both social and private housing, as well as landlords and property agents. Using a delivered energy measurement is a better measurement for existing buildings, which would be significant proportion from the private rented sector.

Question 10: To what extent do you agree or disagree that information from a carbon based metric should be displayed on EPCs? Please select one option for each building type.

14. Propertymark neither agrees nor disagrees that information from a carbon based metric should be displayed on EPCS. We would not like to discount the usefulness of such information. However, we have reservations over whether the information would incentive landlords, tenants and homeowners to align with the UK Government's net zero ambitions. Additionally, there could be limitations in the data as building emissions can change with little or no interaction from energy efficiency measures. Subsequently, the rating for a property may change even when no changes have been made to the building itself which could be misleading. We do not think this should be considered as part of non-domestic assessments as is currently the case.

Question 11: To what extent do you agree or disagree with incorporating smart metering technologies, like SMETERS, into the energy performance assessment framework for buildings? Please select one option for each building type.

15. We agree that incorporating smart metering technologies, like SMETERS, into energy performance assessments frameworks for buildings could be advantageous. We recognise that while installing a smart meter won't directly improve an EPC rating by itself, it could give consumers better insight into how much energy their property uses, and that smart meters give consumers a greater understanding of which changes they need to make for energy improvements. We also acknowledge that smart meter data could feed in more accurate data into EPCs which give the potential of metric reform, could be advantageous. For private rented sector property, further consideration how information will be used as the landlord will be responsible for the EPC and the tenant is responsible for the payment of energy bills, and are responsible for the coordination with energy providers.

Question 12: Do you have any views on key transition issues?

16. We agree with the proposed transition of changes to the EPC metrics to be introduced in the second half of 2026. We think that homeowners, landlords, property agents and tenants will need as much time as possible to understand the changes. The EPC changes must be in place before additional Minimum Energy Efficiency Standards (MEES) are introduced for the private rented sector. Any changes to EPCs must allow landlords and agents to adjust ahead of the new MEES targets. Furthermore, regardless of what transition period is considered, MHCLG and DESNZ must promote these changes with stakeholders including landlords and property agents. We would be very happy to have further discussion on how these changes could be promoted to property agents.

Question 13: What should be the validity period for Energy Performance Certificate (EPC) ratings?

17. We see merit in reducing the validity period of EPCs from ten to five years. Essentially, we feel that a ten-year period is too long, and a lot can happen to a building over that period. This is an issue some of our members have addressed with us and we would be very happy to engage further with the UK Government on this. On the other hand, such a proposal would require some promotion and awareness raising for property professionals to ensure they are compliant and understand the requirements. We encourage property agents to consider a new EPC assessment as frequently as possible to reflect current building performance, especially if new energy efficiency measures have

been installed and because an EPC assessment is relatively cost effective. However, any validity period of two years or less could prove over burdensome for consumers, the capacity for assessments to be carried out and property agents especially those with high energy performing properties.

Question 14: To what extent do you agree or disagree with the approach for any changes to validity periods to only apply to new EPCs?

18. Propertymark agrees with the UK Government's preference to allow all existing EPCs to remain valid until the end of their existing validity period and apply any new validity period to new EPCs. There is already significant ambivalence from some landlords over their obligations to decarbonise their properties, especially those who are not supported by a professional property agent. This is not surprising given the changes in policy direction from successive governments including changing timescales for new MEES requirements. We also think that for new EPCs, there should be a grace period of one year where the UK Government's focus should be on promotion and educating stakeholders on new requirements rather than going down a financial penalty route.

Question 15: To what extent do you agree or disagree that a new EPC should be required when an existing one expires for private rented buildings?

19. Propertymark agrees that a new EPC should be required when an existing one expires for private rented buildings. As the consultation document notes, the proposal could also support energy performance improvements in private rented sector property that are subject to MEES. This would also be similar to other requirements on landlords throughout tenancies, such as valid building insurance or gas safety certificates. However, firstly, such fundamental changes must be well promoted to key stakeholders including property agents and their landlords. Secondly, the UK Government's focus must be on improving the data and usage of EPCs and subsequently improving the energy efficiency of buildings. Accordingly, enforcement in the first year should focus on education and promoting requirements rather than sanctions.

Question 16: To what extent do you agree or disagree that the regulations should be amended so that a property must have a valid EPC before it is marketed for sale or rent?

20. Propertymark disagrees that the regulations should be amended so that a property must have a valid EPC before it is marketed for sale or rent. Current regulations require an EPC to be

commissioned prior to a building being marketed for sale or rent but allow a maximum of 28 days following the marketing for the certificate to be produced. This allows some flexibility not to hinder the housing market and to cause fall throughs. While we accept that the EPC market has now matured and has proven more resilient in providing the property market with timely EPCs, this is not always the case and delays are possible especially in cases where an EPC assessor can not do the assessment.

Question 17: To what extent do you agree or disagree that houses in multiple occupation (HMOs) which don't already fall under the (Minimum Energy Efficiency Standards) MEES should do so when a room is rented out?

21. Propertymark strongly disagrees that HMOs which don't already fall under the MEES should do so when a room is rented out. We think this for three reasons. Firstly, as the consultation document correctly notes, HMOs provide an affordable housing solution for predominantly vulnerable and low waged tenants and are especially important given the shortage of social housing. While the cost of an individual EPC is relatively affordable for most landlords, having to pay for multiple EPCs would significantly drive the costs and administration up for landlords and subsequently rents for tenants. Secondly, we do not envisage, in most cases, significant variance in EPC ratings between individual rooms within an HMO. In the rare cases where there is significant variance in EPC ratings, we are concerned this could open disputes between tenants and landlords on the variation of rent accordingly. Thirdly, the consultation document notes that the proposal would give greater understanding to vulnerable on the energy efficiency of their dwelling. While this might be true, in the case of HMOs, it is often the landlord who is responsible for payment of utility bills which is included in the tenant's rent.

Question 18 To what extent do you agree or disagree that there should be a transitional period of 24 months to allow HMO landlords to obtain a valid EPC and comply with MEES regulations?

22. Propertymark does not agree that individual HMOs that are not already part of MEES regulations should be included. However, if there is a change, a transitional period of twenty-four months would be useful providing the UK Government works with stakeholders such as Propertymark to raise awareness.

Question 19 To what extent do you agree or disagree with requiring short-term rental properties to have a valid EPC at the point of being let?

23. Propertymark agrees that short-term rental properties should have a valid EPC at the point of being let. We think this would help level the playing field between holiday lets and the rental market. In addition, some short-term lets can be used as rental accommodation or if the landlord wished to change the use from a short term let to a rental property, this would bring the property more seamlessly in line with legislation. To this end, the UK Government must enact the registration of short-term rental property requirements as passed in the Levelling-up and Regeneration Act 2023 alongside reforms to the private rented sector as a whole to level the playing field for landlords and the long-term rental market.

Question 20: To what extent do you agree or disagree with requiring short-term rental properties to have a valid EPC irrespective of who is responsible for meeting the energy costs?

24. Propertymark agrees that a short-term rental property should have a valid EPC regardless of who is responsible for meeting the energy costs. This would make enforcement simpler and less confusing for owners of short term lets on their requirements.

Question 21: To what extent do you agree or disagree that we should remove the exemption for landlords from obtaining an EPC for buildings officially protected as part of a designated environment or because of their architectural or historical merit?

25. Propertymark strongly disagrees that exemptions for landlords should be removed in obtaining an EPC for buildings officially protected as part of a designated environment or because of their architectural or historical merit such as grade II listed buildings or buildings in conservation areas. We have three concerns. Firstly, owners of historic and environmentally protected buildings should be encouraged to obtain an EPC and to make sufficient efforts to improve their EPC ratings. This may enable owners of such buildings to lower their energy bills, which are likely to be high in the first place, but also lower mortgage costs as many providers are increasingly aligning cheaper products to improved EPC ratings. However, in some cases, improvements to such properties could radically change the appearance and character of historic buildings, and this could lead to loss of value. Secondly, in many cases buildings owners can not get permitted development rights to make improvements on such buildings. Thirdly, there is currently a lack of incentives to improve the EPC of heritage with the risk not worth the possible benefits. In some areas of the country,

there are a lack of skilled workers to work on such buildings and there are limited financial incentives to counter the additional cost incurred for energy efficiency works on historical buildings.

Question 22: How useful do you find Display Energy Certificates (DECs) for understanding and improving a building's energy performance?

Question 23: Are there any limitations or challenges with the current DEC approach that reduce its effectiveness?

Question 24: What alternative approaches, if any, could drive energy performance improvements more effectively than DECs for public sector buildings?

Question 25: To what extent do you agree or disagree with the proposed changes to the validity periods for DECs and DEC recommendation reports?

Question 26: What would be an appropriate validity period in years for these DEC and DEC recommendation reports? Please select a validity period for each option.

26. Public authority buildings are not fall within the remit of Propertymark or our membership. Accordingly, we do not have any comments to add to this section.

Question 27: There is a proposal to provide an exception in the regulations for certificates that have been marked as cancelled or not for issue to be removed from the Energy Performance of Buildings (EPB) Register after 2 years. To what extent do you agree or disagree with the proposal?

27. Propertymark agrees with this proposal and does so for two reasons. Firstly, removing certificates that have been cancelled after two years would reduce the carbon and monetary cost of running the Energy Performance of Buildings Register. Secondly, we do not see that such data adds any value to stakeholders or intelligence in building efficiency.

Question 28: To what extent do you agree or disagree with the approach to remove the option to opt-out EPCs from the EPB Register public address search?

28. Propertymark neither agrees nor disagrees with the approach to remove the option to opt-out EPCs from the EPB Register public address search. We recognise that the opt-out hinders prospective buyers and tenants without access to the Report Reference Number seeking information about the energy performance of a property. We further recognise that this can prevent new homeowners accessing government schemes that require an EPC. It is also reasonable for tenants to expect to have access to relevant certification about the building they rent via a public register. However, we think that a suitable alternative would be that this information is accessible to property agents and can be accessible to potential home buyers via the agents. This we believe would strike the balance between potential homebuyers accessing information and the privacy of property owners.

Question 29: To what extent do you agree or disagree with retaining the option to opt-out EPC address level content from the Open Data?

29. As explained above, some stakeholders, such as property agents or conveyancing solicitors could have access to this information and supply it to consumers when appropriate.

Question 30: There is a proposal to remove the general prohibition on sharing data gathered under the EPB Regulations and replace it with a Secretary of State discretion about when, how and with whom to share the data.

30. We support the proposal to remove the general prohibition on sharing data gathered under the EPB Regulations and replace it with a Secretary of State discretion about when, how and with whom to share the data.

Question 31: To what extent do you agree or disagree that data gathered in previous EPC assessments should be available for use in future EPC calculations for a dwelling?

31. We disagree that data gathered in previous EPC assessments should be available for use in future EPC calculations. We recognise that this could reduce costs and resources for assessors. However, assessors should consider the appropriateness of using historic data only when a building has not had significant upgrades. When a building has had energy efficiency upgrades then the most up to date data should be used for that aspect of the assessment. Many buildings, particularly in the

private rented sector have had concerns about the validity of EPC assessments, and we are pleased that the consultation appears to be considering improving the assessment stage. Accordingly, we think that only when assessment is at an agreed standard across the board should historic data be considered.

Question 32: What are your views on the approach to using existing data, while balancing accuracy and practicality?

32. We do not have any further comments to make.

Question 33: To what extent do you agree or disagree that Accreditation Schemes should be given more responsibility for overseeing the training of energy assessors?

33. Propertymark neither agrees nor disagrees that Accreditation Schemes should be given more responsibility for overseeing the training of energy assessors. However, there are two things that we think must happen to support the oversight and training of energy assessors. Firstly, the UK Government must commission a review and ensure there is a sufficient pool of competent and skilled EPC assessors available in the market. This is vital to ensure they can handle any anticipated increases in the volumes of EPCs needed to be produced to evidence compliance with any proposed, future mandatory standards. Secondly, there must be significant improvements in the auditing process from Accreditation Schemes. According to Which?, the UK's consumer champion, 2% of EPCs are audited each year by the Accreditation Schemes, as is required under the scheme rules agreed with the government. 70% of the audits are selected randomly and 30% are selected using risk based 'smart' criteria³. Furthermore, Which? Also found that auditing gaps in data make it difficult to assess how many EPCs have significant errors or how successful the smart auditing process is. Consequently, we think that consumers will only have greater confidence in EPCs, and that Accreditation Schemes should only have a greater role in their accuracy, when the government improves data collection of EPC accuracy. This in turn would be more effective in monitoring the performance of Accreditation Scheme's ability to oversee the training and accuracy. Accreditation Schemes should also be mandated by the UK Government to publish more data on the auditing results and consider additional steps to support the auditing process and improve accuracy.

³ [Why gaps in the data from EPC audits leave as many questions as answers - Which? Policy and insight](#)

Question 34: Do you have suggestions for other actions which could be taken to improve the accuracy and quality of energy assessments, or to help identify fraud in EPC assessments?

34. To tackle fraudulent EPC activity and to improve standards, the UK Government must put in place a formal error reporting system for the register, for EPC assessors, consumers, Ofgem and assessor schemes to flag up incorrect or fraudulent EPCs and have them investigated. Issues raised must also be fed back into the smart auditing process.

Question 35: To what extent do you agree or disagree with these proposals to improve compliance?

35. Propertymark strongly agrees with the proposals to improve compliance, and we recognise the role that estate and letting agents may have in this process. As the consultation document notes, under Regulation 7(3) requires that a person acting as an agent for a responsible person must be satisfied that an EPC has been commissioned for the building. We would also be very happy to support MCHLG consult further with our members of sales and letting agents, in the proposal to require an EPC before marketing a property and that this could be in the form of a roundtable discussion.

Question 36: To what extent do you agree or disagree that penalties should be increased?

36. Propertymark agrees that penalties should be increased as the current penalty may not act as a sufficient deterrent and that these charges have not been increased since 2007.

Question 37: If penalties were to increase, how much should current penalties increase by?

37. We think that penalties should be increased by an inflation adjusted increase. This would be the simplest method should the government wish to consider further increases in later years.

Question 38: When should penalties be imposed for non-compliance with Energy Performance of Buildings Regulations (EPBR) requirements?

38. We would support penalties being imposed for non-compliance with EPBR for up to eighteen months, which would bring EPBR penalties into line with penalties for MEES regulations.

Question 39: What are your views on changing the current allocation of responsibilities for enforcing Energy Performance of Buildings Regulations (EPBR)?

39. We would be happy for MHCLG to engage further and directly with our members on this matter.

Question 40: There is a proposal for a new penalty charge fine amount of £800 for non-compliance with the requirement to have an ACIR for systems with an effective rated output over 12kW.

Question 41: To what extent do you agree or disagree with the proposal to redesign the structure of ACIRs?

Question 42: What should be included in a redesigned report?

Question 43: To what extent do you agree or disagree with the proposal to add a cost metric in the assessment methodology for ACIRs?

Question 44: If you agree to including a cost metric, what would be the most suitable data on air conditioning system output to use in the calculation and how could it be obtained? Please comment both on data quality, suitability and likely availability.

Question 45: If you agree to including a cost metric, what would be the most suitable data on electricity prices to use in the calculation? Please comment both on data quality, suitability and likely availability.

40. Propertymark does not have sufficient expertise in Air Condition Inspection Reports to respond to these questions.

Question 46: Please let us know if you have any evidence on the rate of voluntary implementation of recommendations made in EPCs.

Question 47: Please let us know if you have any comments on the regulatory or equalities impact assessments presented alongside this consultation, in particular, are there any impacts on groups with protected characteristics that we have not identified in the equalities impact assessment?

Question 48: Please let us know if you have any comments on the impact assessment in general, including any evidence you have on the impact of these proposed reforms.

41. In April 2023, Propertymark surveyed members on Energy Performance Certificates and Minimum Energy Efficiency Standards. Our report looks at the decisions of homebuyers, property investors, and tenants. It reveals that while there is some consumer interest in EPCs, the level of importance varies across different sectors. In the residential market, the majority of homebuyers show at least some interest in EPCs, but their influence on purchase decisions is limited. Similarly, tenants in the rental market show some interest but not to a significant extent. For instance, while only 12 per cent of member agents reported that tenants never show an interest in the EPC rating of a rental property, only two per cent reported that they always show an interest.⁴

⁴ <https://www.propertymark.co.uk/resource/energy-efficiency-in-uk-property.html>