

Department for Energy Security and Net Zero

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

Domestic Private Rented Sector Minimum Energy Efficiency Standards

Response from Propertymark

May 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 Development¹.

Consultation – summary

2. The Department for Energy Security and Net Zero (DESNZ) are consulting on views on the UK Government's proposal amend the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015² (from now on referred to as the 'the PRS Regulations.) It also seeks views on changes to the Energy Act 2011³, the primary legislation which gives the UK Government the power to amend the PRS Regulations.

Propertymark response

3. Propertymark welcomes the opportunity to respond to the Department for Energy Security and Net Zero's (DESNZ) consultation on improving the energy performance of privately rented homes. While Propertymark supports efforts to improve the energy efficiency of homes, it must be done in a way that effectively improves energy efficiency while ensuring minimum disruption for those involved in the private rented sector (PRS) - targets must be realistic and achievable. As it stands, we are concerned that the proposals will cause significant disruption to tenants as landlords will be unable to afford the improvements they would need to make or force tenants out of the property while considerable alterations are made. To prevent this, we would encourage a system where Minimum Energy Efficiency Standards are based on a property-by-property basis where a

¹ <https://www.propertymark.co.uk/>

² [The Energy Efficiency \(Private Rented Property\) \(England and Wales\) Regulations 2015](#)

³ [Energy Act 2011](#)

more realistic EPC rating can be achieved, with sufficient grant funding to support property upgrades.

4. Overall, our positions can be summarised by the following four points:

- Reform of the EPC metric system is welcome, but it must work for the sector, taking into account the diverse nature of property types across the UK and the fact that properties in the PRS are generally much older and of lower value than the rest of the market.
- The cost cap is too high, many landlords will struggle to afford this, both large-scale landlords with many properties and those with just one will not be able to afford changes and our members predict a significant number will exit the market.
- There needs to be more grant funding, and tailored funding based on landlord circumstances and property value, to support property improvements. This additional expense will be transferred onto tenants through higher rents, which will strain the PRS further.
- The timeline for implementation should be set to the later date of 2030 for both new and existing tenancies. This will create a level playing field which landlords can work towards and allow the industry to recruit and train the number of tradespeople required to complete the work.

5. Our positions have been informed by engagement with our members; we held an online survey which garnered 350 responses and held roundtable discussions with member agents working in both England and Wales. The quotes and statistics in this response come directly from our members who work in both urban and rural communities, with a wide range of property types and landlord experiences.

Questions

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 (MEES) for privately rented homes?

6. Yes, Propertymark agrees that there is need for reform of Energy Performance Certificate (EPC) metrics. The current system is deeply flawed and out of date, it does not take into account the individuality of properties and the changes in energy prices in recent years. However, consideration needs to be made to the timescale of introducing a new metric, ensuring that it matches up with the timescales for landlords to meet a higher criterion and that the infrastructure is in place in terms of fully recruited and trained EPC assessors and tradespeople to do the work.

Question 2: Government would welcome views on options for setting future MEEES 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?

7. No, Propertymark members are concerned that looking at a fabric-first approach does not work for a lot of properties in the private rented sector. We think this for two reasons:

- Firstly, it will have a detrimental effect on older and heritage properties. The English Housing Survey 2023 - 2024⁴ states that the PRS contains the highest number of older properties, “the proportion of private rented dwellings built pre-1919 was 31% compared to 20% of owner-occupied dwellings and 7% of social rented sector dwellings.” This is significant is because older properties are more difficult and costly to retrofit, due to the nature of their design and construction. Data from the English Housing Survey shows that most properties in the PRS are semi-detached and terraced, pre-1919 terrace properties are difficult to upgrade as external insulation is not appropriate and, in many cases, not compliant with local planning regulations. Rural properties also present problems, as they are less likely to use standard construction methods and have access to more efficient fuel sources such as mains gas rather than oil or LPG. According to 2024 Energy efficiency of housing in England and Wales data⁵ “of all dwellings built before 1930 in England and in Wales, more than 80% were rated in bands D to G.” This reflects the challenge that the PRS faces in terms of updating older properties to meet a minimum of an EPC C.
- Secondly, our members are concerned that having a fabric-first approach will be more expensive for landlords to implement. This may require large-scale changes to properties, which are more likely to be very disruptive to tenants. Internal cladding, for example, can cost a significant amount of money to install, as well as additional work required to re-plaster, re-carpet and redecorate. Tenants are likely going to have to temporarily move out of the property, it is not yet clear if the cost of temporary accommodation could be included in the cost cap, and if the property is void it would be an additional loss of income on the landlord to make improvements before the property is liveable again. Under a different approach (see

⁴ [Chapters for English Housing Survey 2023 to 2024: Headline findings on demographics and household resilience - GOV.UK](#)

⁵ [Energy efficiency of housing in England and Wales - Office for National Statistics](#)

response to Question 3), landlords will be able to make smaller changes which may have a better outcome for the tenant and the cost can be spread over time.

8. Several of our members commented on this issue:

A large independent property agency based in **Yorkshire and Humberside**, representing around 950 properties where roughly 42% of their stock is an EPC D said:

Most of our housing stock are terraced houses, to try and successfully make these all C rating or above, without huge disruption to tenants and significant cost to the client is almost impossible.

An agent from the **South West**, where over 70% of their properties are an EPC D or below said:

Many of our properties are in a rural location and are older, expecting landlords to reach a C in these properties will cause many of our private landlords to consider selling as it will not be feasible to reach a C, or they will have to look for an exemption. It just isn't realistic for our area.

An agency from **Wales**, representing around 850 private rented properties, the majority of which are EPC E commented:

Insulation is detrimental to some property structures, therefore maybe properties that are required to 'breath' such as old stone properties should be exempt.

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 2 of the following: fabric performance, heating system and smart readiness.

Alternative 2: A requirement to meet an overarching standard set against all 3 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.

9. Propertymark takes the preferred view of using Alternative option 2. As stated above, a fabric-first approach is not suitable for many property types, we have focused on rural and older properties, but this can also affect flats and other communal properties, or those with shared facilities. For

these reasons, an approach which allows the property owner to install systems which works specifically for the property they are improving is most beneficial.

10. The flexibility of this approach also allows for property types where improving the fabric of the building will be most beneficial, for example where it would increase the efficiency of new or existing heating systems. Yet allows for other improvements to be upgraded first in other properties. All properties are different, as well as the circumstances of individual property owners and tenants. It may not be feasible to install internal wall insulation in a terrace house, for example, as it would reduce internal living space significantly. Whereas in other properties this may be the preferred option. Another example is loft insulation, one terrace house on a street may have sufficient loft space for optimal insulation, where another on the same street may have a loft conversion and no space for insulation.
11. Alternative option 2 allows a greater degree of landlord discretion which means that they will be able to make an assessment, or commission a qualified assessor to make recommendations, on the most appropriate measures for their property, which also fits within their financial means.
12. Several of our members commented on this issue:

An independent agency in the **West Midlands** with around 350 properties, 51% of which are currently an EPC E said:

Storage heaters need to be assessed correctly as we have landlords fitting "high heat retention storage heaters" much more efficient and can set when you want them to come on and go off, but not recognised on EPC algorithms.

A small Estate Management agency, based in the **West Midlands**, with 36 properties. Just under half of their properties are an EPC E said:

I look after a country estate without mains gas and fibre, do smart meters don't work. Everything seems geared so let to city centre properties with no allowances given for very rural properties. It will force tenants to live in towns as it will be too expensive for rural, predominantly older, homes to be improved sufficiently thus driving rents up and reducing choice.

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 (for example, fabric or cost based?) Please provide a rationale with your answer.

13. No, Propertymark is happy to endorse Alternative option 2 proposed above.

Question 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.

14. Propertymark does not agree with the UK Government's proposal; to increase the maximum required investment to Private Rented Sector MEES to £15,000 per property. We recognise that the previous UK Government set the cost cap exemption to achieve EPC E at £3,500. We recognise that the financial bar must be lifted to reflect the more challenging level and that the cost-of-living crisis and geo-political events have resulted in increased energy and material costs which should be reflected in the new cap. However, we think a fairer and more gradual level should be set at £5,000 per property, which would strike the balance with landlords' affordability and increased costs. We have three main reasons for this:

- Firstly, the proposed level of £15,000 per property is inappropriate and will disproportionately impact smaller landlords causing them financial hardship and resulting in some landlords exiting the market or passing on the costs to tenants through increased rents. This of course could have the unintended consequences of reduced supply in the private rented sector and rents increasing with less affordable housing options especially for vulnerable tenants.
- Secondly, we think the £15,000 cap is an arbitrary figure and the UK Government have provided insufficient evidence as to why they are setting the cost cap at this level. This will have a greater and more disproportionate impact for landlords who own property that commands a low property value. For example, for landlords who own property in the SR1 postcode of Sunderland, where the average property value is £67,493⁶, the impact on the rate of return of the £15,000 will be far greater than for landlords who own property in areas such

⁶ [House Prices in SR1](#)

as the Home Counties where property is generally of a far higher value. This could result in less investment for areas where there are already challenges in low demand and investment.

- Thirdly, the proposed cost cap will have a disproportionate impact on property that is currently set at a lower EPC level, which generally impacts older stock. Again, this will have a more detrimental impact on certain areas of the UK where there are higher levels of older stock. For example, in Wales there is a high proportion of older stock for homes which were built during the Industrial Revolution. According to the Health Foundation⁷, In the 10 local authorities with the highest proportion of older properties, over 46% were built before 1919. Five of these local authorities are in London and three are in Wales.

15. Turning back to the challenges for property that currently has a lower EPC level, according to a report from Reapit⁸, an estimated 2.7 million rental properties will need some form of energy efficiency retrofitting across the PRS in England, Scotland and Wales, adding up to about £24.03 billion. This on average will cost around £10,000, but costs will be significantly higher for property with lower EPCs. Furthermore, we know from our survey of letting agent members that only 20% of their landlords have accessed any type of funding support to help fund energy efficiency measures with 60% never having accessed any funding. The most accessed funding support was the UK Government Boiler Upgrade Scheme, followed by the Energy Company Obligation and then local authority schemes. Of those who did access funding, only 8% said they had a positive experience with 30% saying it was time consuming to go through the process. When asked for a reason why landlords hadn't accessed funding, 29% said that landlords were not aware of any funding schemes (main reason) and 19% of letting agents said the financial support wasn't enough to support landlords.

16. Propertymark thinks a cost cap set at £5,000 would be sensible and appropriate. This is because many of the most impactful energy efficiency upgrades such as draught-proofing, loft insulation, low-energy lighting, radiator reflectors, and secondary glazing can be delivered well within a £5,000 budget. Ultimately, we think setting the MEES cost cap at £5,000 is a practical, fair, and effective approach that balances the UK Government's energy efficiency ambitions with the economic realities faced by landlords and tenants. It would deliver meaningful energy efficiency improvements without destabilising the rental market or pricing landlords and renters out of their homes.

⁷ [Proportion of properties built before 1919 by local authority | The Health Foundation](#)

⁸ [Revealed: the cost of EPC C in the PRS Reapit](#)

17. Several of our members commented on this issue:

A large agency group representing over 5000 properties for rent in the **West Midlands**, with the majority being an EPC E commented:

£15,000 is too much for a landlord to spend on improvements for each property they own & this will result in many landlords selling their properties - we are already seeing a high number of Landlords doing this & there will be fewer properties to rent.

A property agent from the **East Midlands** said:

The properties we will struggle to get up to a C are those that have electric boiler systems, where this was the only option available to us at the time. These properties constitute 16% of our portfolio, and the cost of making alterations to these properties at the proposed cap would be £165,000! We are therefore looking at selling these properties off (9 out of 11 are in one building) which will remove 11 apartments from the rental market, in an area where the local authority has declared a housing crisis.

Question 6: Should government extend the exemption period for the cost cap to 10 years? If not, how long do you think the cost cap exemption should last? Please explain your answer.

18. Propertymark agrees that the exemption period for the cost cap should be increased to 10 years.

We think this for three reasons. Firstly, we have already explained the challenges that some landlords will experience in meeting EPC C. This will generally be challenging for smaller landlords, landlords with older property and those that already have lower EPCs. Fundamentally, we think a 10-year exemption period provides landlords with the time needed to plan, save, and spread the costs of improvements sensibly, without causing financial strain or forcing some to exit the market. We also think this strikes the right balance in giving landlords the right level of time and support to contribute towards the Net Zero by 2050. Secondly, those properties that require a cost cap exemption of 10 years are likely to be some of the most challenging to get up to standard with potentially major works being required. This will give landlords more time to save, plan and use the correct accredited contractors to ensure as little disruption to tenants as possible. Thirdly, a ten-year period would support the needs of portfolio landlords improve the performance of their properties by taking a more strategic approach and maximising local procurement opportunities and economies of scale. This could further reduce costs to landlords, ensure higher quality energy efficiency standards and less disruption to tenants.

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?

19. Propertymark does not agree with the UK 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.' Propertymark thinks that all tenancies, regardless of if they are new or existing should be required to meet EPC C by 2030. We think this for two reasons. Firstly, the previous UK Government consulted on their preferred implementation date being 2025 for new tenancies and 2028 for all other tenancies. This proposal was not implemented, and we are concerned that the multiple timescales could now prove confusing for landlords especially those who are not supported by a Propertymark registered letting agent. Ultimately, the main area of support required from landlords and agents is a clear policy framework which is clear for all stakeholders. By adopting a universal 2030 timescale, we think landlords will have sufficient time to make improvements, reduce the financial burden for landlords while simultaneously contributing towards the UK Government's Net Zero ambitions and improve energy efficiency. Secondly, we think the 2028 timescale for new tenancies would prove challenging as the energy efficiency retrofit market, including installer availability, skilled labour, and materials, may not be adequately prepared to meet demand within this timeframe. By adopting a 2030 timescale, landlords will have more time to prepare and utilise regional skills and supply chains. This is key as Propertymark worked alongside key stakeholders, National Residential Landlords Association (NRLA) and independent think-tank Localis⁹ to urge the UK Government to give serious consideration to the impact of regional variability in house prices and dwelling stock when installing heat pumps to hit decarbonisation targets.
20. Despite our call for one single timescale where all properties meet EPC C by 2030 regardless of them being a new or existing tenancies, we do recognise that this could lead to most landlords bringing their properties up to standard just before the 2030 deadline, and that there could be questions whether the energy efficiency sector has the capacity to deal with this volume of properties together. To prevent this, we recommend that the UK Government considers further taxation and financial incentives for those landlords who bring their property up to standard prior to 2030 as an 'early bird' incentive. Secondly, we recommend that the UK Government invests in skills and training for the green economy to ensure that there are sufficient skills across England

⁹ [Lagging behind: energy efficiency in low-viability properties | Propertymark](#)

and Wales to ensure there is sufficient capacity for properties to be retrofit, regardless of their location, by 2030.

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?

21. No, Propertymark sees this phased approach to implementing new metrics and new timescales as confusing to landlords and overly complicated, with little or no benefit to the tenant. As mentioned above, there is already confusion over the differing dates of implementation for the new EPC C rating requirement. Landlords, especially those who do not benefit from working with a qualified Propertymark agent, will struggle to follow the new requirements and deadlines. Lettings can change very quickly, especially following the imminent introduction of the Renters' Rights Bill which will see the end of fixed-term tenancies, meaning that landlords will be unable to prepare to make changes in the long term as the tenancy could end at any point. For example, a landlord who is letting a property in 2028 may have an existing EPC E but if their tenant gives 2 months' notice and leaves they will be required to make major improvements before they can relet the property, whereas the neighbouring property may also have an EPC E but the tenancy is ongoing and that landlord does not have to make improvements until 2030.
22. Furthermore, according to the consultation document, 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. Yet, this property could still be let with an EPC E. This presents further confusion, adding in a new date for the new metric which does not align with the proposed date for new tenancies. The simpler, less disruptive for tenants and more cost-effective approach for landlords would be to introduce the new metric at the same time as the new EPC C requirement. This should be set at the later date of 2030 for all tenancies in order to give landlords time to prepare and secure funding, as well as giving the energy efficiency sector time to recruit and train skilled tradespeople to complete the works required. 86% of Propertymark agents surveyed said that introducing a new EPC system in 2026 would be somewhat or very disruptive for landlords who are in the process of refurbishing their properties.
23. Additionally, as outlined in the consultation document, some landlords may see their property's rating fall under the new metric which means it drops below an E. In this scenario, maintaining the

current qualification of an EPC E (under the old EPC) would be beneficial to landlords, but would only provide a temporary reprieve before the new rules were implemented in 2028. This adds further confusion to landlords and agents who are preparing to let properties within these deadlines and a simpler approach of setting the new metric and implementation date at the same time in 2030 is preferred.

Question 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?

24. Yes, if landlords take action to improve their property now before the transition to the requirement for EPC C, then properties that meet a C under the old metric should be exempt until their rating expires. Propertymark members support the government's proposals to reduce energy poverty and to improve standards in the private rented sector, but they find that barriers to implementing changes in properties are prohibitive.
25. The consultation document mentions support for landlords in the form of grants, yet very few grants are available to all landlords, and some are location-specific or relate to the income of the tenant. Our survey asked agents if they or landlords they work with had accessed a government grant or similar funding for energy efficiency measures and 61% said they had not. Only 20% said they had accessed some grant support. Those that did receive grant support had mixed reviews on whether the experience was positive or negative, several stated that even though improvements were made, it made no impact on the EPC rating. This highlights further that there needs to be a clearer, simpler process for landlords to access funding to make improvements to properties.

An agency from the **South West**, which has a lettings portfolio of 79 properties, the majority of which are currently EPC C and D:

In my opinion, there will be so many properties that will not be able to reach EPC C, or will prove too expensive to upgrade, that any gain from the exercise will be offset by the size of the exemptions list, and the number of properties that will be withdrawn from the market.

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?

26. Yes, Propertymark agrees that landlords will require a new EPC under the new metric in order to understand what their current rating is and to see what improvements could benefit their particular property and increase the EPC rating. The UK Government should be able to use the information from up-to-date EPCs to inform what grants and incentives can be made available to landlords in order to improve energy efficiency ratings in their properties.
27. It would also be beneficial to commission a post-improvement EPC demonstrating what work has been completed and how it fits with the new metric and contributes to reducing fuel costs for tenants and improves efficiency in the property. Some of our members have expressed an opinion that EPCs should be updated more regularly than every 10 years. This would account for improvements made during that time and would allow landlords to make more incremental adaptations which fit within their budget and with available government funding. It would also allow for changes in the market and introduction of new energy efficiency measures as the sector becomes more advanced.
28. However, Propertymark is concerned that there are not enough qualified EPC assessors to complete the work. This could lead to a backlog of assessments and would delay the implementation of new changes. As outlined above, the governments need to ensure that the sector is equipped with enough trained tradespeople as well as qualified assessors for the increased volume of assessments that will be required by 2030.
29. In relation to EPC certification both before and after improvements, both should be included within the cost cap to create a fair and level playing field for all landlords.

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.

30. Yes, an affordability exemption should be considered to prevent a reduction in the supply of the PRS, however the existing cost cap must be reviewed as it would be ineffective. According to our survey of 350 members, 90.5% of respondents stated they did not agree with the proposals to for landlords to invest a minimum of £15,000 to be exempt from meeting MEES requirements for 10 years. There are four major concerns that Propertymark members have raised with us regarding proposals to set a cost cap at £15,000.

- Firstly, when facing upfront costs of £15,000 without sufficient financial support, many landlords will consider selling their homes. When asked “Even if more time was provided to achieve an EPC C, do you expect at least some properties will be sold and taken out of the private rented sector” 95% of respondents said “yes”. For landlords who have the financial means to invest £15,000 in their properties, they will look to recover the costs. When asked “how will the increase in investment to a minimum of £15,000 impact the properties you manage” 82% of respondents stated landlords will recover these costs by increasing rents, 60% stated that many landlords will exit the market, and no responders stated it would have no negative impact.
- Secondly, without price caps that take into account the feasibility of achieving EPC C, minimum energy efficiency requirements risk negatively impacting certain areas over others. During a roundtable with Propertymark members, one agent stated that 70% of their stock was an EPC E as it consisted primarily of Victorian terrace houses, which would cost an estimated £20,000 to bring to EPC C. Even if landlords do not sell, reducing supply, these homes would require extensive works at the same time, which could see existing tenants evicted and unable to find alternative accommodation.
- Thirdly, a fixed cost cap at £15,000 doesn’t take into account variations in property prices nor the financial means of landlords. While a landlord with a £800,000 property in London may have the means to afford the energy efficiency measures, landlords with lower-value properties would be less able to afford them. A landlord in Burnley with an average house price would need to rent out the property for over 25 months on the average rent to cover the

cost cap of £15,000¹⁰ and this is without considering any mortgage payments or other costs related to the tenancy. Faced with this expense, this landlord is likely to sell, putting their tenants at risk of eviction.

- Fourthly, extensive works that would potentially require tenants to be evicted put an additional cost to the landlord. In addition to having to meet the cost cap, they would lose rents for what could amount to months as the property undergoes renovation. Effectively, the cost cap £15,000 plus multiple months of lost rent.

31. There are four options that Propertymark would recommend which would help to ensure more homes can be made more energy efficient at a lower risk of reducing supply and disrupting tenants.

- Firstly, reducing the cost cap to more manageable levels. When asking how much landlords should be required to invest, 59% of agents stated it should be £3,500 with an additional 30% recommending it should be £5,000. It should be noted that this would be on top of any financial support given to landlords.
- Secondly, a cost cap that is proportionate to the annual rent charged to tenants. This would address issues of affordability across the UK but also limit rent increases as a means to pay for energy improvements, as raising rents would increase the cost cap for landlords.
- Thirdly, introducing a 10-year exemption for landlords who have been able to improve their EPC rating by one level. This would offset costs for energy efficiency improvements for properties with lower EPC ratings by providing landlords with the ability to make improvements over a longer period of time.
- Fourthly, where considerable works are required that would mean all occupants have to vacate the property, the landlord should be able to recover rent lost during this period.

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

32. Propertymark agrees that's the UK Government should apply the PRS MEES Regulations to short-term lets. Propertymark recognises that residential buildings in England and Wales account for a

¹⁰ [Housing prices in Burnley](#)

significant share of the UK's carbon emissions. If short-term lets were exempt there would be a gap in the UK Government's energy efficiency strategy, undermining the UK Government's Net Zero ambitions.

33. Propertymark also recognises that an increasing number of private landlords are turning to short-term lets. In January 2020, Propertymark commissioned Capital Economic to assess the impact of short term lets on the private rented sector¹¹. The study found that one in four landlords moved into short-term letting, and the number of holidays lets in England has surged by 40% in just three years. Our study also found that 12% of landlords with short-term lets have transitioned their properties from long-term to short-term lets, leaving an estimated 50,000 fewer options for long-term tenants.
34. Some of the fundamental reasons why landlords are turning to short term lets include removal of tax reliefs, additional property taxes when purchasing buy to let property, the impact of legislation such as the Tenants Fees Act¹² in England and Renting Homes (Fees etc.) (Wales) Act¹³ in Wales and some of the provisions in the Renters' Rights Bill including abolishing Section 21¹⁴. Essentially, we are concerned that exempting MEES for short-term lets could act as a further incentive for private landlords to leave the sector and convert to short term lets. This could further restrict the supply of private rented accommodation especially in tourism hot spot areas such as Wales, Devon and Cornwall. Finally, we also think that consumers of short term lets should expect a certain quality and standard in energy efficiency and including short term lets as part of the MEES regulation would help consumers make an informed choice when using short term accommodation.

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.

35. Propertymark recognises the advantages of using smart meter technology including providing real-time data on electricity and gas usage, eliminating estimated bills and ensuring tenants and landlords only pay for what's used. While we do recognise the benefits of smart metres, we do not

¹¹ [PowerPoint Presentation](#)

¹² [Tenant Fees Act 2019](#)

¹³ <https://www.legislation.gov.uk/anaw/2019/2/contents>

¹⁴ [Renters' Rights Bill - Parliamentary Bills - UK Parliament](#)

think there should be any additional requirements from the MEES regulations on their use. In the vast majority of tenancy agreements tenants are responsible for arranging their energy provider and paying energy bills. Conversely, if the landlord pays the energy bill for the property, the decision to get a smart meter will be made by the landlord. In either scenario, energy providers are the ones who will liaise directly with the end user and thus are best placed to influence people to install smart meter. To this end, the UK Government must focus on ensuring that energy providers contact tenants, and landlords, directly and encourage them to install a smart meter rather than looking for legislative levers or placing an onus on landlords and letting agents who, in the vast majority of tenancies, are not directly involved in arranging utilities at the property.

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

36. Yes, 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?

37. Yes, we would recommend the following exemptions not currently covered by the MEES exemptions regime:

- **Listed property** – where a property is a listed building, and the landlord can evidence that the energy efficiency measures available to them would either not be allowed or would considerably alter the unique nature of the property. This would protect listed buildings from requiring improvements that are not compatible with its nature as a listed building. Furthermore, the UK Government must publish separate guidance on improving energy efficiency in listed buildings and those in a conservation area. Many local authorities do not have a conservation officer, and many local trading standards teams are overstretched and under resourced to deal with the specific detail needed to support the private rented sector. Therefore, it is very difficult for landlords and letting agents to find accurate information and ask for advice.
- **The property has had its EPC rating improved in the past 10 years** – where landlords can evidence that EPC improvements have been made that led to the improvement in its EPC rating. This would help reduce costs for landlords with particularly low EPC ratings, preventing cases where the large cost cap would cause landlords to sell these properties but offsetting costs over a longer period of time.

- **The improvements would lead to increased energy costs for tenants/the landlord** – where the only improvements that could be made would be changes to the heating system and landlords can evidence that replacing a gas system to one that uses electricity is more expensive to run. In these cases, landlords and tenants should not be asked to pay to increase the cost of their energy bills.
- **Where tenants would reject proposed improvements** – where the tenant has signed that they would rather the energy efficiency improvements not be carried out, this should prevent the landlord from making improvements. This will prevent cases where all occupants have to vacate the property, which could put a tenant at risk of homelessness.

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?

38. Yes, we are in favour of requiring letting agents and online property platforms to only advertise properties that are compliant with all PRS regulations.

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.

39. We have uploaded the results of our member survey on the MEES proposals and EPC reforms.

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?

40. We gathered a considerable amount of feedback from our members and have collated some of the responses here:

A large agency in the **East Midlands** which has around 850 properties in their portfolio, 45% of which are currently an EPC D had this comment:

This has to be really carefully considered. The private rented sector is very important to provide homes for communities. The local authority does not have enough properties and in my opinion and increase from an E to a C is too much of a change. It must be considered that the scale does not

stand still, accounting for new technologies and therefore what was a D 10 years ago may not score the same now. We manage many traditional properties with good boilers and heating systems. The only option would be to apply internal or external wall insulation to reach a C. These properties have stood for well over 100 years; the cost of installing this would be equal to 1 year's rent. If landlords have to pay this, they cannot keep the investment and will exit the market. Additionally, there are not enough installers who can complete the works to a suitable standard and there is not sufficient understanding of the impact of this on traditional buildings.

Air source heat pumps are unsuitable in many properties due to natural lack of insulation and/or layout of building (i.e. terraced houses). Where other methods of improving ratings are impossible due to nature of building, they should be excluded. Grade Listing of building or Conservation area should also be taken into account.

An agent from the **South West** which represents around 800 properties, 42% are an EPC C under current regulations, but 47% of their portfolio is an EPC D or E said:

Landlords are taxed on their rental income yet expected to use 15k of the income to make energy efficiency changes to the property. No consideration has been given to rural area of the country, where mains gas isn't available, nor are contractors to install the energy efficiency measures. I feel the proposed EPC changes will have a detrimental impact on the PRS and landlords will leave the sector, decreasing supply further, if landlords do stay alongside the RRB changes rents are only going to increase, which will counteract any energy savings costs the tenant may get from the new measures.

An independent property agency in the **East of England**, representing around 130 properties with an average rating of EPC D said:

Internal insulation would generally mean that the tenants would not be able to continue living at the property whilst works are carried out.