

Consultation: Improving the energy performance of privately rented homes

May 2025

The UK Green Building Council represents the voice of the UK's sustainable built environment industry. We are a charity powered by more than 700 members from banks, large estate owners, housebuilders, and manufacturers to innovative startups, universities, local councils and government departments - all working to transform the built environment in the face of the climate, nature and cost-of-living crises.

This is a response to the Department for Energy Security and Net Zero's 'Improving the energy performance of privately rented homes' consultation, concerning changes to Minimum Energy Efficiency Standards (MEES) in the residential sector.

UKGBC welcomes this consultation and the government's renewed commitment to improving the private rented sector (PRS). Achieving net zero and tackling fuel poverty must include and support upgrades within the PRS which consists of over 4.5 million households in the UK. Despite existing support schemes, uptake remains low, underscoring the need for more effective solutions.

Too many PRS homes are cold, inefficient, and poorly ventilated – driving up energy bills and contributing to damp, mould, and resultant poor health consequences – issues which are largely driven by poor energy efficiency, with over half of PRS homes rated EPC D or lower. Landlords face pressures of high interest rates and policy uncertainty which has led many to reduce planned investment and some to abandon improvement plans altogether.¹ Any strategy for upgrading PRS must address the needs of both tenants and landlords.

Changes to the Minimum Energy Efficiency Standards (MEES) system requires clear, tailored guidance for landlords to meet new energy efficiency standards. This should include practical advice on required upgrades, financing options, and how to work with tenants. Support must be specific to different property types, such as flats which make up 40% of the PRS (see the GLA's Flats Retrofit Toolkit²). There will be a strong pressure for EPC's assessors to produce EPC's which comply with MEES to avoid works and once upgrades are complete. Robust systems will be needed to ensure assessment are not gamed and outcomes measured to ensure ongoing compliance. Enforcement bodies should be properly resourced to monitor and act on non-compliance.

Minimum Energy Efficiency Standards (MEES) should be raised in order to decarbonise our homes and address fuel poverty across the country. The role of MEES for PRS should drive high-quality retrofits, reduce landlord reliance on exemptions, and ensure the PRS keeps pace with other housing tenures. This must form part of an overarching retrofit strategy with a long-term vision for improving our built environment (i.e. The Warm Homes Plan) and work within a wider supportive policy framework beyond this consultation.

¹ [National Retrofit Hub \(2024\): Raising standards in the private rental sector report](#)

² [Greater London Authority: Flats Retrofit Toolkit](#)

Consultation response

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?

We support the use of the new EPC metrics as the basis for MEES, aligning with the Secretary of State's aim for more accurate and reliable assessments. However, the effectiveness of this approach depends on the specific metrics chosen—some of which are still undefined as per the recent EPC consultation.

Extensive consultation, testing, and assessor training will be essential before implementation. To ensure a successful rollout, the government must support assessor training, strengthen fraud prevention measures, and raise awareness among those affected by the changes. Guidance for both landlords and tenants will be needed to support with implementation of changes in a way which works for both parties, and across all property types (including flats).

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

The Government should provide a framework which guides landlords toward measures that effectively reduce fuel poverty and support decarbonisation. To support implementation, the government should provide a national and regional retrofit advice service offering independent, tailored assessments. This would help landlords understand, prioritise, and act on EPC recommendations.

Using a fabric metric could significantly improve thermal comfort and reduce energy demand, helping to tackle fuel poverty and aligning with the government's Warm Homes Plan mission to lower costs. To be effective, the metric must be well-designed with clarity on what prioritising fabric means in practice, with unique guidance for flats where standards approaches may not be possible. Strong and clear communication with landlords and tenants is essential to ensure understanding and prevent confusion or inaction. For a fabric metric to be meaningful, it must be backed by in-use performance measurement to ensure improvements are measurable and provide real assurance.

While efficient, low-carbon heating is essential, a separate heating metric may be unnecessary. A carbon metric offers a clearer link to outcomes and can reflect regional differences and carbon intensity of heat network systems, better guiding landlords and tenants toward low-carbon choices, and minimising the risk of landlords selecting the cheapest option over one that's best for their property.

Smart readiness metrics requires a robust framework and clear communication for both landlords and tenants to understand smart technologies - awareness of smart technologies is currently low, posing a risk of confusion and potential exclusion.

Please see our [response to the Energy Performance of Buildings \(EPB\) consultation](#) for further comment on the suggested EPC metrics.

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

Alternative 1: A requirement to meet a standard set against dual metrics of equal weighting. The standard would be set against dual metrics including two of the following: fabric performance, heating system and smart readiness.

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

We do not support the proposed alternative EPC metric approaches, as they lack clear direction on what measures are best for reducing fuel poverty and carbon emissions. A clear, consistent framework is needed, rather than landlord discretion which risks confusion, inefficiency and inconsistent results. Clear government guidance is essential for effective implementation.

Fabric performance and carbon metrics align best with the government's fuel poverty and decarbonisation goals. As above, both would need to be complemented by in-use performance measurements (i.e. SMETERS).

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

More detail and clarity on the new EPC metrics are needed from the EPB consultation.

In our [response to the EPB consultation](#), as above, we are supportive of a carbon metric as it directly supports the goal of decarbonisation. A simple, easy-to-understand carbon rating should be used to track progress toward Net Zero targets (accounting for planned grid decarbonisation), incentivise low-carbon heating, and align with the Net Zero Carbon Building Standard.

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.

Yes. We support the increase of the cost cap to reflect updated prices and ensure more homes meet minimum standards. A cost-cap of £15,000 should help incentivise significant, high quality, retrofit activity rather than a piecemeal approach of individual

low-cost measures, and should be met with clear support and frameworks for landlords to implement packages of complimentary measures to prevent unintended consequences. The purpose of the cost cap is “to invest in the energy performance of these properties” - the government must make this as inclusive as possible, and provide clear guidance as to what falls into this category and what does not (i.e. the cost of expert advice, modelling and a retrofit plan).

As per the National Retrofit Hub’s guidance³, the government should aim to avoid complete exemptions with the use of dynamic cost-caps which can vary depending on factors such as property size, value, or EPC gap; incentives and guidance to apply for existing grant schemes; and installation of low-cost measures where whole house retrofit is truly cost-prohibitive.

To support landlords, the Government should remove or reduce the VAT due on retrofit measures (such as installations of qualifying materials and technologies) ([see our submission to the Autumn Budget 2024](#)).

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

No. Longer exemption periods limits action to tackle fuel poverty and reduce emissions. According to the Climate Change Committee’s seventh carbon budget⁴, half of all homes will need to be electrified by 2040 in order to meet net-zero ambitions - delaying sequential improvements in the PRS through long exemptions is not aligned with this target, and would keep tenants in fuel poverty for longer.

As per the National Retrofit Hub’s guidance⁵, the government should aim to avoid complete exemptions with the use of dynamic cost-caps, incentives and guidance to apply for existing grant schemes, and installation of low-cost measures where whole house retrofit is truly cost-prohibitive. Where exemptions are necessary to be begin with, we would support keeping the five-year exemption period and working with finance providers and landlords to provide support, guidance, and solutions to fund the works required for hard-to-treat homes.

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?

Yes. We support faster movement on decarbonisation and believe this proposal will enable that. We acknowledge that 2028 for existing tenancies is ambitious but it is crucial for implementation to be within this parliament to give confidence it will not be withdrawn or revised.

³ [National Retrofit Hub \(2024\): Raising standards in the private rental sector report](#)

⁴ [Climate Change Committee \(2024\): The Seventh Carbon Budget](#)

⁵ [National Retrofit Hub \(2024\): Raising standards in the private rental sector report](#)

The implementation timeline must fit within a wider decarbonisation and retrofit strategy, give landlords clarity and certainty to plan for the new requirements, align with other related government policies (such as the new EPB framework, Warm Homes Plan, grid decarbonisation strategy, heat network regulations, and the renters rights bill), and be deliverable in the required timeframe by locally available supply chains and skills bases. All of this can be achieved by clarity and confidence from government in concrete timeframes to support the retrofit sector with delivery.

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?

Yes. Requiring landlords to make additional improvements to meet a revised EPC rating of E during the transitional period between the release of new EPCs and the introduction of higher MEES could be counterproductive. It would unfairly affect landlords whose EPCs expire during this time and may prompt a rush to obtain EPCs under the old framework in 2025 and early 2026 - offering no real benefit to tenants. A more effective approach would be for landlords to focus their efforts and resources on preparing for the new, higher standard.

Priority should be given to improving the lowest rated properties first, and key to this will be for landlords to focus efforts and resources on the new EPC framework so the transition can happen effectively. This will require clear guidance and support to carry out improvements under the new EPC system, as well as a clear communication strategy to explain the differing EPC standards and timelines for alignment.

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?

We support this proposal as a pragmatic approach to delivering sustainable growth in the retrofit sector without overwhelming the workforce and supply chains. Many landlords have invested in improving their properties to EPC C or above under the current EPC regime, we think this proposal avoids being unduly burdensome to those who have already made such investments to improve their property beyond the minimum - and would then be more likely to go beyond the minimum standard in the future without fear of being penalised.

It's currently unclear how many properties will be devalued under the new framework and greater clarity on the new EPC metrics and validity period is required, but the priority should be given to improving the lowest rated homes. This will require clear guidance and support to carry out improvements under the new EPC system, as well as a clear communication strategy to explain the differing EPC standards and timelines for alignment.

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

Yes. It would be beneficial for landlords to understand what rating their property is under the new EPC system so they can plan improvements accordingly. To be effective, the government must consider methods of improving the reliability, skills and number of assessors, and deliver a framework of high quality advice and guidance for landlords and tenants.

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

We would support inclusion of the first new EPC under the new regime within the cost cap to support landlords with the transition.

However, to avoid reducing funds for improvements significantly and preventing the cost cap serving its purpose as per the consultation "to invest in the energy performance of these properties", there should be a limit on how much can be claimed for a new EPC and the average cost of these should be regulated and determined by government.

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?

A post-improvement EPC should be required upon completion of retrofit improvements (not for minor cosmetic, or general upgrade works) to demonstrate compliance with the standard, and to provide local and national governments with the information they need to track progress towards net zero, fuel poverty and health targets, and plan their own strategies.

As above, we support the inclusion of the cost of the post-improvement EPC within the cost cap, but up to a limited amount to ensure it does not risk reducing funds for improvements, or on the condition that the work has resulted in an improved EPC. However, beyond the first new EPC and any post-improvement EPCs to comply with the new MEES, we do not think the cost of future EPCs should be covered as they are a standard part of landlord compliance necessary to let out properties.

This all needs to be met with methods of improving the reliability, availability and quality of EPC assessments.

It is also essential to ensure energy efficiency improvements deliver real benefits by requiring in-use performance measurement. Post-retrofit assessments must confirm not just that work has been completed, but that it meets the expected outcomes. Currently, the lack of a comprehensive property database makes it difficult to track compliance or evaluate the effectiveness of regulations. Additionally, the 10-year validity of EPCs means upgrades may go unrecorded, leaving tenants without an accurate picture of their home's

condition.⁶ This is crucial for verifying that retrofit measures are working as intended and supporting tenant affordability.

We suggested in our [response to the EPB consultation](#) that the Government should look to introduce a more dynamic input to EPCs which could streamline and reduce the cost of a post-improvement EPC, and may remove the need for assessors to conduct site visits, should evidence of the improvement works be available.

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.

Affordability exemptions risk leaving the worst-performing homes, and often the lowest-income or most vulnerable renters behind – as was noted in the consultation. For this reason we would not support an affordability exemption.

As per the National Retrofit Hub's guidance⁷, the government should aim to avoid complete exemptions with the use of dynamic cost-caps, incentives and guidance to apply for existing grant schemes, and installation of low-cost measures where whole house retrofit is truly cost-prohibitive. For those landlords who do not have tenants eligible for funding there must be a suitable range of financial products available to them to meet the costs of retrofit works.

In addition, measures should be taken to protect tenants from landlords increasing rents to cover costs through a combination of measures that limit rent increases and prevent post-upgrade evictions, and finance solutions that enable landlords to fund work without increasing rents.

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

Yes, it is important for all buildings to be upgraded to meet climate ambitions and fuel poverty. Short-term lets require valid EPCs so minimum energy efficiency standards should also apply, and leaving them out risks perversely incentivising landlords to switch their homes to short term lets to avoid improvement works and reducing the supply of private rental homes.

Additional support and guidance will be required for owners of short-term lets who are less likely to have the capacity or expertise to undertake retrofit improvement measures.

⁶ [Department for Business, Energy & Industrial Strategy \(2021\): Evaluation of the Domestic Private Rented Sector Minimum Energy Efficiency Standard Regulations](#)

⁷ [National Retrofit Hub \(2024\): Raising standards in the private rental sector report](#)

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.

N/A

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

N/A

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

N/A

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?

N/A

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.

Please see evidence submitted as part of the Green Homes Group response below:

- Energy efficiency in the PRS:
 - o [Energy Efficiency in the Private Rented Sector](#) - Generation Rent
 - o [Damp, cold and full of mould: The reality of housing the private rented sector](#) - Citizen's Advice
 - o [Room for Improvement](#) - Citizen's Advice
 - o [A Warmer, Fairer Private Rented Sector](#) - E3G
- Enforcement:
 - o [Local enforcement](#) - E3G
 - o NEA PRS conference write up - National Energy Action
 - o [Local authority enforcement in the PRS](#) - Department for Levelling Up, Housing and Communities
 - o [Compliance and enforcement in the PRS](#) - Centre for Sustainable Energy
 - o [A study into the variability of UK domestic energy performance certificates](#) - University of Salford
- Regulation in the PRS and housing policy:
 - o [Bringing private homes into social ownership can rewire the housing market](#) - Joseph Rowntree Foundation
 - o [Regulation of the PRS in England using lessons from Ireland](#) - Joseph Rowntree Foundation
 - o [Through the Roof](#) - Resolution Foundation

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?

Delivering the MEES upgrades throughout the PRS must form part of an overarching retrofit strategy (i.e. The Warm Homes Plan) - it requires a wider supportive policy framework beyond this consultation. This includes EPC reform, renter rights reform, development of the Home Energy Model (HEM), investment in skills and capacity, and tailored advice for both landlords and tenants:

- EPC assessments are carried out by private providers, so it is essential that accreditation bodies ensure assessors are properly trained to support this transition.
- Landlords will need clear, practical guidance to comply with new regulations based on their specific circumstances. Similarly, tenants must be engaged and educated on energy efficiency and low-carbon heating technologies effectively. Without a clear framework and guidance throughout the whole of the retrofit process, benefits may not be realised, leading to dissatisfaction amongst both landlords and tenants.

An overarching retrofit strategy should shift from focusing solely on installed measures to prioritising actual performance outcomes. The national framework must support retrofit providers in routinely testing how homes perform after improvements are made to build consumer trust, support net zero goals, and encourages innovation. One method of ensuring outcome-based improvement guarantees is the use of 'approved HTC SMETER measurements',⁸ ensuring energy efficiency upgrades deliver verified results rather than relying on assumed performance.

The proposed Private Rented Sector Database in the Renters' Rights Bill is welcomed because it will provide landlords with a central source of regulatory guidance (such as for MEES and EPC improvements), provide tenants with access to key information and clear routes for reporting any issues, and support local authorities with identification of poor-quality and/or non-compliant properties. The database must be accurate and reliable (unlike the existing EPC register) to be effective. Landlord registries are currently functioning in Scotland, Wales and Northern Ireland, and will be essential in driving up standards in the private rented sector.

Finally, we support the recommendations set out in the National Retrofit Hub's report latest report on [Raising Standards in the Private Rental Sector](#).⁹

⁸ [Department for Business, Energy and Industrial Strategy \(2021\): In-use thermal performance metrics workshop: executive summary](#)

⁹ [National Retrofit Hub \(2024\): Raising standards in the private rental sector report](#)