

Improving the energy performance of privately rented homes

Consultation Response

On 7th February 2025 the Department for Energy Security and Net Zero released the 'Improving the energy performance of privately rented homes' consultation. This concerns changes to Minimum Energy Efficiency Standards (MEES) in the residential sector. This consultation follows and builds from the MHCLG and DESNZ 'Reforms to the Energy Performance of Buildings regime' consultation, which focused on Energy Performance Certificate (EPC) reform, and closed on 26th February 2025.

This consultation on MEES in the PRS closes on 2nd May 2025, for further detail on the proposals, and to respond, follow this [link](#).

Below are the responses the National Retrofit Hub will make to the consultation, which are informed by our industry and stakeholder engagement on EPCs, the PRS and MEES. We encourage those within the retrofit industry to respond to the consultation, sharing their own insights, and amplifying the following messages where appropriate.

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?

Yes, however, in our response to the EPC reform consultation the National Retrofit Hub made recommendations on new metrics within EPCs. We raised concerns with the **fabric performance metric, most notably that in the absence of a health metric this must include ventilation**. We also highlighted potential **risks associated with a heating system metric and suggested that a carbon metric would be a better route to incentivise the switch to low carbon heating**, while still enabling innovation.

We understand that the Government is not ready to implement **health and climate resilience metrics**, but progress towards the development and adoption of these metrics should be made, and they then should be utilised as part of MEES.

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 National Retrofit Hub generally advocates for a holistic approach to the upgrade of buildings, where both the building and the needs of the occupant are understood, and used to prioritise the outcomes targeted by a

comprehensive retrofit plan. We prefer to see the buildings fabric and systems considered together, however, in the context of the private rental sector, an approach that prioritises fabric upgrades makes sense. **These regulations must first and foremost, prioritise the safety, thermal comfort, health and wellbeing of tenants, which will also include reducing energy bills.** This will mean that regulation can provide the biggest impact for those that are in fuel poverty, are older, have existing health conditions or might otherwise be at higher risk from poorly performing housing.

We agree with the proposal to set a primary standard against the fabric performance metric, with secondary standards that incentivise decarbonisation and demand flexibility. However,

our research and engagement has identified multiple **potential risks associated with this strategy, which must be mitigated:**

- A fabric performance metric that requires similar improvement measures as meeting a current EPC C is not a high enough standard. Many homes are able to achieve an EPC C without insulation to their walls, and with uncontrolled ventilation. The metric should be set at a level that ensures all fabric is upgraded (where possible from a building physics perspective), adequate ventilation is provided, good airtightness is achieved, and thermal bridges are reduced.

- If **fabric condition** is not considered within the fabric metric methodology, poor performance will not be identified or improved. This is particularly relevant for traditional buildings and where cavity wall insulation has failed. According to British Standard BS 5250:2011 a wet wall can lose 1/3rd more heat than a dry wall.

Requirements for assessors to record and test fabric condition and performance must be included within the methodology for this metric. This will also provide an opportunity to identify hazards under the HHSRS. **Real-world data**, from measurements such as the HTC rating could also be used to validate fabric performance.

- Any upgrade to a building's fabric must be considered in the **context of moisture, interstitial condensation, mould risk and ventilation. The fabric metric must address ventilation directly** – relying on Building Regulations Part F is not sufficient, given the low levels of enforcement for this scale of work. Guidance should be provided, or existing guidance signposted to, to ensure packages of measures are designed to prevent unintended consequences, and deliver good indoor air quality.

- The fabric-first approach could call for measures that cause more disruption to tenants, even requiring them to temporarily relocate, compared with a regulation that prioritised heat decarbonisation. **Guidance and support should be provided to landlords and tenants on how to limit disruption.** The Government should consider how landlords can be supported to procure and implement **medium-term retrofit plans** for their properties, setting out a **pathway towards Net Zero.** This means that some of the most disruptive measures could be phased for breaks between tenancies, when these naturally occur. This would provide an alternative to landlords seeking a 'third party consent' exemption if their tenant does not wish disruptive work to take place during their tenancy.

- Thermal bridges, which can cause damp and mould and increase heat loss, are not considered by current EPC metrics. **The fabric metric must consider thermal bridges**, with clear guidance for assessors on how to identify risk.

- There are **several issues associated with a heating system metric: a barrier could be created to innovation** as new heating system solutions would need to navigate entry into the list, this metric could encourage the cheapest solution to be taken to move up a rating which might not lead to the best tenant outcomes, and the **efficiency of a heating system depends heavily on the system's design and operation.** The same heat pump can work at different efficiencies, depending on the design of pipework, the size of radiators and the building's fabric efficiency. **A carbon metric could overcome this issue, as it has more potential to be linked to real-world data,**

based on the actual operational efficiency of the system, therefore making it more accurate. Regional considerations and communal or district heating should also be considered when targeting heat decarbonisation.

- A smart readiness metric could **digitally exclude** some older and more vulnerable people, and **behaviour change** will be a critical component of ensuring this metric will lead to desired

outcomes. These risks should be mitigated with **engagement, communication and education efforts to ensure consumer preparedness.** Landlords should also be required to provide adapted equipment for those who need it.

- The **time it will take to develop these new metrics, plus the software, systems and training required** should not be underestimated. Work on this, including industry engagement, should be commenced with urgency.

The framing of these metrics should be presented to ensure that **fabric upgrade, decarbonisation and energy flexibility are seen as complimentary.** Targeting fabric upgrades first means that smaller, more efficient heating, hot water and energy management systems will be needed (compare with a systems-first approach). This is beneficial for fuel bills, energy demand, raw material use and embodied carbon. Our report 'Raising Standards in the Private Rental Sector' found that the existing MEES have improved the energy efficiency of privately rented homes but there has not been any significant improvement in environmental performance due to their emphasis on cost reduction. Including secondary metrics should provide a more holistic assessment of building performance and allow government to make progress towards multiple goals.

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.

We would not support this approach, as, in this context, to meet the fuel poverty, health, thermal comfort and safety priorities of this regulation, and to ensure maximum efficiency of heating systems, fabric performance should be prioritised. **Leaving options open to landlords risks measures being selected that meet compliance more quickly, cheaply or easily, but do not deliver the best outcomes for tenants.**

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.

The Government could design an overarching standard that meets the needs of tenants, while decarbonising and reducing grid demand. This standard may rely on **more in-use-performance, real-world data, comprehensive retrofit assessments and medium-term plans.** Inspiration could be taken from the Welsh Housing Quality Standard, which sets minimum performance levels against a timeframe, and also requires housing providers to set out a plan towards net-zero. More flexibility could be given on the determination of packages of measures if landlords appoint experts, retrofit assessors and coordinators, to produce and oversee the delivery of plans which are design to meet tenant needs. However, this more outcomes-focuses approach would have

multiple associated challenges, such as complexity of enforcement. **A more flexible, outcomes-based approach to transition buildings beyond these planned regulations towards best-practice performance and net zero could be developed in the future.**

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.

No further comments.

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.

We support the proposal to raise the cost cap to £15,000, to reflect updated prices, and ensure more homes meet minimum standards. The Government's modelling within the options assessment shows significantly more households lifted out of fuel poverty with a £15,000 cost cap, compared with a £10,000 cap. The relationship between the cost-cap and the measures recommended within an EPC should be closely considered. The NRH's EPC reform consultation response made clear **that improvements to the recommendations within EPCs were needed** to ensure a more holistic and suitable approach is taken to designing retrofit works. **Packages of linked measures** would more effectively prevent unintended consequences, for example, where improvements to ventilation are required alongside airtightness improvements. The government should also consider whether costs caps should be varied depending on the size of a property, as larger houses will likely require higher spending than smaller apartments.

The cost cap should be linked with inflation, this would encourage landlords to act more quickly. A fixed cost cap could incentivise landlords to delay works, as taking action later would cost less in real terms, considering rising prices and rents. Tenants whose landlords delay action should not be penalised by some measures becoming 'exempt' through 'all improvements made' due to a fixed cost cap, with inflation pushing a measure beyond this.

Clarity should be provided on how the cost-cap applies to the hierarchy of metrics proposed, for example: if a landlord had spent £10,000 towards meeting the fabric rating, but the next measure to achieve fabric performance would cost more than £5,000, pushing them into an exemption, but there was a heating or smart measure that would cost £4,000, it may be beneficial for them to be required to make this. However, **a holistic approach should be promoted, so that connected measures are made together.**

Our research with landlords indicates that many view regulations as a ceiling rather than a floor and as such would be seeking to make the minimum investment possible to be compliant with regulations. A cost-cap of £15,000 should help incentivise significant, high quality, retrofit activity rather than a piecemeal approach of individual low-cost measures.

£15,000 is significantly higher than the current cost cap of £3,500. It will therefore be important to **ensure adequate levels of financial support for landlords** especially those with low property values or who have high LTVs. A significant proportion of landlords have buy-to-let mortgages or are retired meaning they may find it difficult to secure standard loans or mortgage extensions. It's vital that there is adequate support for these groups and that financial products are designed with the financial realities of landlords in mind.

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.

Keeping the existing 5-year exemption would mean that a landlord may be required to spend up to £15,000 every 5 years, until their property meets minimum standards. Although this could place a high burden on some landlords, extending the cost cap to 10 years will place a large delay on the upgrade of some homes. This would mean that homes which require more than £15,000 to meet standards may not be fully upgraded or decarbonised until 2040, homes which require more than a £30,000 spent would not meet the proposed standards until 2050. **This proposal would keep tenants in fuel poverty for longer and limit the Government's ability to meet Net Zero targets. We would propose instead, keeping the 5-year exemption, and working with finance providers to design solutions to fund the works required for harder-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?

Higher minimum energy efficiency standard for the private rental sector have been in the pipeline since the 2020 consultation, and landlords have been aware that, at some point, they would be required to upgrade the homes they let. The lack of clarity, and delay to the implementation of previously proposed timelines (2025 for new tenancies and 2028 for existing tenancies) is regrettable. The Government is right to say that these timelines are no longer achievable.

The retrofit supply chain, those designing, coordinating, installing, producing and overseeing measures, is crucial for the success and delivery of both this policy and the wider Warm Homes Plan. A strong, confident, competent and growing supply chain is needed. This requires policy stability and certainty, and support for SMEs to engage with retrofit projects. **What the retrofit sector needs most urgently is clarity and confidence in concrete timeframes.** This clarity will help stimulate supply chain and business growth, as pipelines of work become more visible. **2028 for existing tenancies is an ambitious timeline, but it is crucial for the implementation date to be within this parliament to ensure the sector receives confidence that it will not be withdrawn or revised.**

Many tenants have been left in poorly performing homes for too long and urgently need the upgrades that will be mandated by this reform.

The NRH's research, published with our report 'Raising Standards in the Private Rental Sector' found that the sector is regulation driven. Landlord interviews we conducted indicated that landlords are unlikely to make improvements to the performance and quality of rental homes unless they are mandated to do so by regulation.

Therefore, minimum standards urgently need to be raised to protect tenants from high bills and unhealthy, uncomfortable homes.

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?

We agree with this proposal. Requiring, in period between new EPCs being released and the implementation of higher MEES, landlords to make additional, likely incremental, improvements to their homes to move from a previous EER of E to a new EER of E may be counter intuitive. This would also adversely impact landlords whose EPC happens to expire within this period and could lead to a surge in landlords procuring EPCs based on the existing framework, during 2025 and the start of 2026, which would not bring any benefit to tenants. Landlords time, resource and finance would be better spent planning towards upgrade to the new standard.

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?

There are risks and benefits associated with both options. EPC C is a less robust standard than the requirements proposed by this reform and will lead to some homes having a lower performance for longer. However, **this proposal could incentivise landlords to get started on upgrades now**, rather than waiting until 2028/2030, which would benefit tenants in the short term, and also help build the retrofit supply chain more sustainably. One potential risk is that **the current EER does not incentivise the switch to low-carbon heat**. Homes that have a current EPC of C would therefore be decarbonised later than the standard allows, impacting Net Zero targets. One solution to overcome this would be to **allow the current EPC of B to act as a temporary proxy for compliance with the Fabric Rating, but still require landlords to meet a secondary metric on heat decarbonisation or smart readiness**.

Running a two-tiered system of compliance for any amount of time is likely to increase confusion around compliance for local authorities, landlords, agents and tenants. If this is the case government will also need to consider a **programme of information to clearly communicate to tenants why EPCs for some dwellings are different and what the timescales are for bringing all dwellings under the same system**.

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

If the landlord intends to apply for a cost-cap based exemption a pre-improvement EPC would be required, to show they have taken the correct measures recommended by the EPC before reaching the cost-cap. However, members of the retrofit industry are clear that the **recommendations presented within EPCs are non-comprehensive and can miss, or include inappropriate, measures**. The recommendations within EPCs must be improved so that landlords can be enabled to take the right action. The NRH gave a more detailed response on this topic within the EPC reform consultation.

An option should be provided for a landlord to seek expert advice, from a retrofit coordinator, designer, surveyor or architect to plan works on their rental property, in order to meet new standards. In this

circumstance a pre-improvement EPC would not be required, so long as standards are fully met post-improvements. The advice from one of these specialists would be more accurate and valuable than the recommendations presented in an EPC. This would be a particularly beneficial route for traditional and historic buildings, where expert advice, calculations and modelling are often needed to ensure measures selected are suitable. **The cost of the expert advice could be included within the cost cap, to incentivise landlords to take the most quality-assured route and minimise risk.** In this circumstance it is unlikely a pre-improvement EPC could be enforceable, as landlords regularly conduct works to their properties, and this could be planned as part of general maintenance and improvements.

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

Current EPCs are low-cost, and should be paid for by landlords, excluded from the cost-cap. Within our response to the EPC reform consultation the National Retrofit Hub proposed the option to introduce different 'levels' of EPCs. A higher-level EPC would be based on more validated and real-world data, and provide access to financial incentives and/or products. An **'advanced' or higher 'level' EPC would be higher cost, and could therefore be included in the cost-cap,** encouraging landlords to gather and make available more accurate information on their properties. Likewise, **the cost of expert advice, modelling and a retrofit plan could be included within the cost cap.**

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 always be required, 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. The NRH provided suggestions within the EPC reform consultation on the benefits of introducing dynamic EPCs, that can be more easily and incrementally updated with changes made. **Dynamic input to EPCs would 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.** The cost of an EPC is relatively low, and could be considered a reasonable cost of being a landlord, so we do not think it is required to be included within the cost cap.

Our research with landlords found that most agreed there should be some mechanism for proving compliance which should also be available to tenants. Landlords were also generally supportive of the idea of reducing EPC validity periods to ensure an accurate assessment of the current condition of the property.

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.

An affordability exemption should not be introduced. This would disbenefit some of the most in need of housing upgrade. We would encourage the government to promote existing grant schemes, as landlords with lower rental incomes may have tenants who qualify for ECO or equivalent schemes. 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.**

A potential risk of increasing minimum energy efficiency standards in the private rental sector is that landlords will pass costs directly to tenants, by increasing rents. Our engagement and interviews with landlords, conducted as part of our 'Raising Standards in the Private Rental Sector' study found that this was a strategy that many landlords indicate they would take. It is **critical that the government mitigates this risk, and protects tenants, 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, MEES regulations should be applied to short-term lets. Demand of affordable housing in the private rental sector outstrips supply, and **leaving short term lets out of MEES regulation may incentivise some PRS landlords to switch their homes to short term lets, to avoid improvement works.** This would reduce the supply of private rental homes, and has other negative impacts on local communities and economies. This change would not apply to temporary structures or other forms of holiday let that are not covered by building regulations, eg: caravans, shepherds huts, as these types of structure do not require an EPC.

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.

Regulation that requires real-world data to show compliance would not only encourage smart-meter uptake but have the much larger benefit of ensuring that improvements made deliver the outcomes tenants need. If the fabric metric is selected, then in-use performance data, from smart meters and other basic monitoring could be used to support compliance. A HTC (heat transfer coefficient) measurement would show how a building's fabric performs. This would mitigate the risk that fabric of poor condition (such as failed cavity wall insulation) is not missed and left without remediation. DESNZ funded research into Smart Meter Enabled Thermal Efficiency Ratings should be used as the basis for this requirement.

We support the Government's ambition to increase the uptake of Smart Meters in the PRS, as these are a crucial tool to enable residents to access smart tariffs, often with cheaper running costs. However, the government must work to **build consumer confidence and trust in smart meters, in particular making clear who has access to the data from a smart meter.** This may include dispelling any myths that landlords may be able to access the smart meter data of their tenants.

Our research with landlords suggests very minimal interactions between landlords and tenants. To ensure that landlord permissions aren't a blocker to smart meter adoption we propose **tenants are empowered to contact energy suppliers directly to get a smart meter installed** without landlord permission.

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

We agree with proposals for the 'all relevant improvements made' and 'high cost' exemptions, subject to our comments made in questions 5 and 6.

Wall insulation exemption: There may be a very **limited number of cases** where this exemption is applicable. However, in most cases there will be a suitable wall insulation solution. The 'written expert advice' should be required to consider **bio-based, hygroscopic and/or breathable insulation solutions, and full dynamic condensation risk analysis should be provided** to demonstrate why these are not suitable. The Government should provide clear, technical guidance on both the submission requirements, and the qualification requirements of the expert, for this exemption.

Third Party Consent: This exemption is generally due to the **barriers to upgrading leasehold homes, conservation areas and where there are additional planning requirements**. Leasehold properties, for example, make up 10% of the PRS. The Government should target the removal of this exemption, by taking the following action:

- **Setting a clear, legal process for the upgrade of leasehold homes**, including mechanisms for collective improvements. This should include guidance on resident engagement, co-design of upgrade proposals and costs allocations, with protections against high upfront costs for leasehold owners.
- **Potentially applying MEES to freehold landlords**, where works to the building fabric owned and controlled by the freeholder impacts the energy performance of individual leasehold apartments. This could build on the MHCLG Leasehold Reform team's work.
- **Extending permitted development rights**, where required, to allow for external fabric changes, low-carbon heat and renewable energy.
- **Clear guidance on how relevant measures can be taken within conversation areas**.

Property Devaluation: **This exemption should be removed**. It is open to abuse and fraud, as a property is only worth what someone is prepared to pay for it, with surveyors' valuations being just an estimate of this. Raising standards in the PRS is designed to protect tenants from fuel poverty, and **the nature of this exemption prioritises landlord wealth over tenant comfort**. If there are homes where recommended measures within the EPC would cause material damage to the property, these should be addressed through an exemption similar to the 'wall insulation' exemption, with expert advice and calculations provided by an independent building physicist.

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

No

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?

MEES enforcement will place a significant burden on Local Authorities, many of whom are already under resourced. Therefore, increasing the number of roles responsible for ensuring these regulations are met would be a positive step. **Lettings agents already have all the information they need to ensure properties they market for rent are compliant with the regulations**. Lettings agents are already required to ensure that an EPC has been

commissioned, and the EPC reform consultation included a proposal for all properties to have an EPC in place at the time of marketing. The MEES exemption register also already exists. Property-specific data will be available to agents, and therefore **requirements on letting agents should be put in place now.**

In order to make this change impactful there will need to be oversight of the letting agent's work, the PRS Database, when introduced, could be designed to facilitate an additional layer of checks here.

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.

Future tightening of regulations in 2030s: Regulations must be designed now to meet the fuel poverty, health and comfort needs of tenants, as best possible given current systems and tools. This means ensuring real-world performance is achieved, with both fabric condition being properly considered, and performance monitoring used to support compliance.

The Government should also allow space for improvements as they become available. The NRH's response to the EPC reform consultation called for the **development of a 'Health Metric' and 'Climate Resilience Metric'**, both of which would drive more positive outcomes for tenants. **The NRH supports a shift towards outcomes-based, evidence-informed, regulation, and is keen to work with the government to understand what is needed to make this a possibility.**

Increasing Awareness of PRS regulations: Our consultation with Local Authorities raised a **potential risk associated with raising standards in the PRS.** In recent years there has been a growing **public 'back-lash' against Net Zero strategies**, particularly led by those in the media who benefit from the status-quo. The Government must work to **deliver careful, positive messaging around these regulations, and make clear the benefits they will bring to landlords, tenants and wider society.** Clear protections on excessive rent increases must be provided for tenants, so as not to reinforce any negative consequences, or messaging, around Net Zero plans. If Net Zero is linked with higher rents and more evictions no one benefits.

PRS MEES Compliance and Enforcement Database: Local authority capacity to enforce the existing MEES is low. **While we welcome the inclusion of a private rented sector database as part of the Renters' Rights Bill we recommend that the scope and ambition of this be expanded to become a registration and licensing database that can then be used by local authorities as a compliance and enforcement tool.** In our research most landlords reacted positively to the idea of registration and local authorities mentioned that the income from licensing schemes can serve as an enabler of enforcement activity, allowing them to take a more proactive approach.

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?

Our report on the Private Rental Sector – [Raising Standards in the Private Rental Sector: A pathway to equitable and effective retrofit](#)

Our report on EPC Reform - [The Future of Energy Performance Certificates: A roadmap for change](#)