

Minimum Energy Efficiency Standards for the Private Rental Sector in Scotland

National Retrofit Hub consultation response

In July 2025, following the release of the [Draft Energy Efficiency \(Domestic Private Rented Property\) \(Scotland\) Regulations consultation](#), the NRH conducted a workshop session with 41 stakeholders from the retrofit industry, more than half of whom were based or worked in Scotland, to gather their thoughts and insights on the consultation questions. This response is based on both their feedback, and our own previous research into the Private Rental Sector (PRS), published in two reports ([Raising Standards in the Private Rental Sector](#) and [Delivering for Tenants](#)) and to be included in an upcoming report, on the wider infrastructure and protections needed alongside MEES, to be published October 2025.

This consultation on MEES in the PRS in Scotland closes on 29th August 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. 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 that the PRS MEES should be EPC HRR band C?

Yes

No

Don't know

MEES in the PRS 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. In the absence of a health-based metric provided on an EPC we support the Heat Retention Rating being used to set this standard. Although we understand that the Scottish Government may not be ready to implement a health-based

metric, we believe that further progress towards their adoption should be pursued.

Our research and engagement identified multiple **potential risks associated with the HRR which must be mitigated:**

- **A HRR set at EPC C may not be high enough standard.** Many homes can achieve the current 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. Within our industry engagement workshop on MEES in the PRS in Scotland participants either felt that the metric level was about right, or not ambitious enough.
- If **fabric condition** is not considered within the HRR methodology, poor performance will not be identified or improved. This is particularly relevant for traditional buildings and where cavity wall insulation has failed. **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 health hazards. **Real-world data**, from measurements such as a calculated-HTC based on smart meter and temperature sensor data could also be used to validate fabric performance. The NRH explore this further in the report [Delivering for Tenants](#).
- Any upgrade to a building's fabric must be considered in the **context of moisture, interstitial condensation, mould risk and ventilation. The HRR must address ventilation directly.** 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. This could be where the HEETSA becomes useful, but if this is not applied in every home then the metric itself will need to be designed to mitigate this risk.
- 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 Scottish Government should consider how landlords can be supported to procure and implement **medium-term retrofit plans**, potentially through the HEETSA system, 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 HRR must**

consider thermal bridges, with clear guidance for assessors on how to identify risk.

The Scottish Government should also consider whether **opportunities to decarbonise heating and hot water are being missed with the proposed standard**. During our industry engagement most participants felt that the HRR was the right metric to prioritise, however many also suggested that the carbon emissions and cost associated with the heating source should also be included in the standard.

Some also raised concerns that **similar regulations had been planned and consulted on before without resulting in action**. Therefore, concrete actions and follow-through are critical to build supply chain and landlord confidence and certainty.

2. Do you agree that only new reformed EPCs should be used as a basis for the proposed MEES?

Yes

No

Don't know

We agree with this proposal in Scotland, which varies from our feedback on England's phased approach to EPCs in MEES. **This is because the Scottish Government have already put into action many of the steps to transition to the new EPC**. During our industry engagement session those working in Scotland preferred this approach, with the majority of feedback indicating agreement or strong agreement that only new EPCs should be used as the basis for MEES. The Government will need to implement the new EPC without delay, to reduce any supply chain or landlord uncertainty in the period before its release.

Running a two-tiered system of compliance for any amount of time would be likely to increase confusion around compliance for local authorities, landlords, agents and tenants. We therefore support the Scottish Government's proposal as it mitigates this confusion.

3. Do you agree that the backstop date for all PRS homes to comply with MEES should be 2033?

Yes

No

Don't know

Higher minimum energy efficiency standards for the private rental sector have been in the pipeline since the 2019 consultation, and landlords have been aware that, at some point, they would be required to upgrade the homes they let. **The retrofit supply chain, those designing, coordinating, installing, producing and overseeing measures, is crucial for the success and delivery of this policy.** 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.

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.

Feedback on the timeline proposed, during our industry engagement, was mixed. Some were concerned that the **supply chain needs support to scale up both delivery capacity and competence, to deliver good quality work.** Others felt that tenants had already been left in fuel poverty too long, and that timelines should be sped up. The **consensus was that the Scottish Government should provide certainty and confidence**, with one respondent going so far as to say, "It's probably going to be cancelled and there will be another consultation." There is significant work to do to build trust that proposed policy will be implemented.

4. Do you agree that the MEES should apply to properties being let to new tenants from 2028?

Yes

No

Don't know

We agree that this ambitious timeline is needed to protect tenants from further fuel poverty. However, given the proposal to only use new EPCs for compliance, EPC reform and MEES policy will need to be passed through law and implemented at pace. The Home Energy Model timeline will also impact whether this timeframe is achievable. **The process of implementing new metrics will be potentially complex and time-consuming.** It will involve not

only the creation of advanced software and system frameworks but also comprehensive training programs for all stakeholders involved. Therefore, we must not underestimate the time and resources required to successfully implement these changes.

To facilitate this transition effectively, we urge that work begins as soon as possible. This **should include proactive engagement** with industry experts and stakeholders to gather insights. This should be developed alongside a program reaching out to landlords and tenants.

The policy should be supported **by a robust public awareness campaign** to ensure that potential tenants are fully informed about the newly established regulations.

5. Do you agree that, regardless of changes to the repairing standard, crofters, small landholders, and agricultural holdings should be excluded from PRS MEES?

Yes

No

Don't know

No further comment.

6. Do you agree that the regulations should exclude short-term holiday lets from the PRS MEES?

Yes

No

Don't know

Short term holiday lets should be included within the standard. Excluding these types of homes will miss an opportunity to reduce energy demand and facilitate the upgrade of homes for low-carbon heat.

Leaving short-term lets out of the 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 have other negative impacts on local communities and economies.

7. Do you agree with the proposed exemptions covering consent, the fabric requirements of the home and temporary exemptions?

Yes

No

Don't know

Exemptions to minimum standards by design will limit the impact of MEES regulations. During our stakeholder workshops participants raised concerns that **exemptions could entrench inequality and bake-in fuel poverty, particularly for older and more vulnerable groups**, who might be less likely to be able to accommodate works, and those living in older homes, where some measures or materials may be less suitable. The Scottish Government should therefore seek to reduce the need for exemptions as far as possible. For the 'consent' and 'negative impacts on fabric or structure of property' exemptions **we recommend resolving the blockers in the system rather than writing them into regulation** by:

- Ensuring EPC reform results in an improvement to the recommendations given in an EPC, so that they are accurate, tailored to the home, and aligned with whole-building retrofit principles
- Ensuring analysis and modelling, potentially through existing standards such as PAS 2035 or the HEETSA methodology, are used to design robust solutions, with clear emphasis on the benefits of using materials appropriate to the specific building
- Introducing clear processes for the upgrade of tenements and other buildings with shared responsibilities, particularly when agreement must be sought from other owners
- Reform to the planning system to allow for home upgrades as well as clear guidance on retrofit in conservation areas
- Producing guidance on tenant engagement, promoting the benefits of retrofit and planning projects to meet the needs of tenants
- Consider how whole house retrofit planning can be used to effectively phase work and minimise disruption to tenants where required

A key risk is that **tenants living in exempt homes will continue paying market rates for homes that are less energy efficient**, which may lead to higher costs and lower comfort levels. Additionally, this situation can negatively impact those who are unable to move, forcing them to remain in poorly performing homes.

This concern should be considered in light of the upcoming Awaab's Law. Although this law will not currently apply to the PRS in Scotland, it is likely that tenants will become more aware of these issues and will start requesting

repairs under the Repairing Standard. This standard stipulates that properties must be substantially free from rising or penetrating damp. Landlords should be encouraged to consider how work to remediate damp and mould issues can be conducted alongside MEES upgrades, to minimise disruption to tenants.

8. Do you agree that HEETSA should be available as an option to evidence potential negative impacts on the fabric of a property and to support an exemption?

Yes

No

Don't know

We agree that there should be a standard in place to ensure that, where an exemption based on 'Negative impacts on fabric or structure of property' is being claimed the **right expert advice and modelling has been conducted, and different insulation materials and methods have been considered.**

This could be based on a HEETSA, or aligned with a Retrofit Assessment and Medium-Term Improvement Plan in line with PAS 2035.

These assessments must consider the potential health impacts on those living in the property. Lodging an exemption could mean that tenants may struggle to heat their homes efficiently, which might lead to traditional buildings becoming un-rentable or falling into disrepair. Bath and West Community Energy found, in the LEAD program, that many historic homeowners who were unable to upgrade their homes were only heating one room, which caused damage through damp and condensation in other areas.

If used, the HEETSA should **include an assessment of how the tenant uses the property, alongside the condition of the building fabric and heating system.** This would ensure reports cater to the needs of the occupants. Based on findings from the LEAD project in England, where comprehensive home assessments were initially used, it was noted that these assessments were often too extensive and difficult for homeowners or tenants to understand. Consequently, these assessments were refined to produce a condition report (including maintenance) and a separate report based on specific requests. This change reduced both the cost and accessibility of the assessments from £1,000 per home to £200 per home. **Therefore, the need for a full and comprehensive HEETSA should be assessed depending on the circumstances of its use, and the target audience. The NRH supports the idea of a retrofit plan for every home being produced, however, there**

may already be existing established frameworks (such as those outlined in PAS 2035) that can be used.

9. Do you agree that the cost cap level should be £10,000?

Yes

No

Don't know

14% of homes in the **Scottish rental market (PRS) currently fall within the lower Energy Performance Certificate (EPC) categories, E, F and G.** Our industry engagement revealed a risk that homeowners living in traditional and rural homes might be dis-benefitted by the costs cap, as costs for these homes are likely to be higher. The Scottish Government's further modelling should consider these homes and introduce appropriate financial support so that these can be upgraded to meet standards.

If a cost cap is implemented, we propose that it should be linked to inflation. This would encourage landlords to take action more promptly, as a fixed cost cap might incentivize them to delay necessary improvements. If they wait, the costs might appear lower in real terms due to rising prices and rents. Additionally, tenants should not be penalized if their landlords postpone improvements, and then reach the cost cap quicker if inflation pushes costs beyond this limit.

Our research shows that many landlords view regulations as a ceiling rather than a baseline. Consequently, they tend to make the minimum investment necessary to comply with regulations. Setting a cost cap higher, or removing the cost cap and providing appropriate levels of finance should help motivate significant, high-quality retrofitting instead of encouraging a piecemeal approach with individual low-cost measures.

10. Do you agree with the proposed 12-month lead-in time period for works to contribute to the total cost cap?

Yes

No

Don't know

The lead-in time proposed would be beneficial to the retrofit supply chain, and help to build demand more smoothly. During our industry engagement

most participants either agreed or strongly agreed with the implementation of the lead in time as suggested.

11. Do you agree that all actual costs, and the cost of an EPC should count towards the cost cap?

Yes

No

Don't know

We agree that incorporating the cost of the new EPC is a reasonable step given the recent updates to the standard. However, we recommend that this be closely monitored, to mitigate the risk of spiralling EPC costs. Including costs for retrofit assessments, linked to the ability to accessing funding, would allow landlords to obtain financial support while also having access to high quality expert advice – improving the quality of upgrade works. As mentioned earlier, we believe the cost cap should be linked to inflation so that actual expenses can adjust over time.

12. Do you agree that landlords should receive Scottish Government support to make the required changes?

Yes

No

Don't know

Support provided for the Scottish Government should both include access to finance and access to advice and guidance. There should be a transparent and effective line of communication established by the Scottish Government outlining the specific requirements and expectations for the sector. This should convey an unambiguous message to all stakeholders in the industry.

13. Do you agree that this should be in the form of a loan?

Yes

No

Don't know

A loan may be one effective financial mechanism to support landlords to make upgrades, without passing excessive costs to tenants. **Tenants living in**

fuel poverty, and on lower incomes, should also be supported by grants, so that the landlord does not, and cannot, pass the cost of retrofit works onto tenants. If tenant's rents increase by more than the amount that their energy bills reduce by, the fuel poverty objectives of the policy will not be met. Our workshop participants raised concerns that both: tenants could be left in fuel poverty without grants, but that grants should also not be used to increase the wealth of landlords. **There needs to be a strong link between accessing grants and an inability to raise rents.**

The NRH's report '[Raising Standards in the PRS](#)' explores other financial solutions, such as on-bills-schemes, which may be useful to finance MEES.

Our industry engagement revealed mixed support for the existing loan scheme, with anecdotal evidence suggesting uptake has been low. Participants also fed-back that loans should be tied to a recognised advice stream to support high-quality works being undertaken and to offer support for the landlord and tenant. Some participants also mentioned that loans could be staggered based on property conditions and locations.

14. Do you agree that Local Authorities should be responsible for monitoring and compliance with these regulations?

Yes

No

Don't know

If no, please provide details of an alternative with your reason(s) as to how this would support the delivery of these regulations.

We agree that **Local Authorities should hold the primary responsibility for enforcing MEES, however, other organisations, such as lettings agents, should also hold responsibilities**, such as not advertising non-compliant homes, without a relevant exemption, for let.

Aligning enforcement proposals with England and Wales will also be beneficial, and Local Authorities should be enabled to share insights on how to resource and manage enforcement responsibilities. Almost all our workshop participants did not think that Local Authorities had enough internal resource to manage enforcement, so **additional regulation and duties needs to go alongside increased internal resource.**

Through research in England, we have found that LA enforcement of the Housing Health and Safety Rating System (HHSRS) in the PRS is low, with local authorities responding to just 1 in 3 housing complaints. It is reasonable

to suggest this would also be the same for Scottish authorities. The likelihood of Scottish authorities having the capacity to implement extensive enforcement is low, and they should be supported build capacity, perhaps by leveraging financial penalties, utilising selective licensing, and/or by working with third parties.

15. Do you agree with the proposed level of financial penalties to support compliance with the regulations?

Yes

No

Don't know

If no, please provide details on suggested amendments that should be made, outlining how the changes would increase the impact of penalties to achieve compliance with the Regulations.

Considering the support proposed for landlords to meet the standard, and the negative outcomes for tenants living in non-compliant homes, the penalties could be higher. Penalties should also be sized to help enable Local Authority enforcement.

16. Do you agree that the Scottish Government should seek to amend the Energy Act 2011 to increase in maximum financial penalties that could be imposed up to £30,000 in future, should this be deemed necessary?

Yes

No

Don't know

17. In what way could these regulations have a specific or different impact, positive or negative, on a particular group of people? This could be based on protected characteristics, such as age or disability, or geography, such as island communities.

During our engagement, four key groups were identified by the sector. The first group includes **tenants living in pre-1919 buildings** or those with

traditional features. These properties often have lower EPC ratings and may qualify for exemptions. Consequently, tenants may find themselves living in deteriorating homes while continuing to pay the same rent.

The second group consists of **individuals in rural or island areas**, who may face challenges such as a lack of materials or specialists needed for necessary work. In these locations costs may also be higher, and the current proposed cost cap could mean that these homes are not upgraded to the minimum standards. Feedback indicates that this group has been under-represented in previous schemes.

The third group consists of **older, vulnerable tenants and/or those living with existing health conditions**. These individuals may be less able to accept disruptive works according to the landlord's timeline and require support to access upgrades in a way that works for them. This may include phasing works based on a retrofit plan and requiring a landlord to give multiple options for the types and timings of work.

The fourth group consists of **PRS tenants generally**. While we support the introduction of Minimum Energy Efficiency Standards in Scotland, we believe there is insufficient protection for tenants from disruption, rent increases, evictions and poor-quality work. One risk is that this will create a system where many will be pushed further away from home ownership due to ever increasing costs. Therefore, it is crucial to implement protections for all tenants. The NRH is currently writing a report, based on in-depth industry and stakeholder engagement, on these additional protections needed, which will be published in October 2025.