Green Homes Group response to 2025 PRS MEES consultation

In this consultation response the undersigned organisations speak with one voice in response to the government's 2025 consultation on minimum energy efficiency standards in the Private Rented Sector.

The joint response was coordinated by the Green Homes Group and the Renters' Reform Coalition. The Green Homes Group works collectively on homes decarbonisation and fuel poverty alleviation, while the Renters Reform Coalition leads a campaign for better renters' rights.

Advice For Renters	Independent Age
Agility ECO	Joseph Rowntree Foundation
Association of Local Energy Officers	Law Centres Network
(ALEO)	London Renters Union (LRU)
Ashden	Marks Out of Tenancy
Big Issue	The MCS Foundation
Climate Emergency UK	MedAct
Disability Rights UK	Nationwide Foundation
E3G	New Economics Foundation (NEF)
End Fuel Poverty Coalition (EFPC)	Ryecroft Hub
Equality Trust	Safer Renting
Friends of the Earth	Shelter
Fuel Poverty Action	Sustainable Energy Association
Generation Rent	Toynbee Hall
Greater Manchester Tenants Union (GMTU)	WWF UK
Green Alliance	Zacchaeus 2000 Trust (Z2K)
Green Rose CIC	















EQUALITY 🔀 TRUST





Generation Rent



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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, the group agrees with the government's preferred position of using new alternative Energy Performance Certificate metrics as the basis for MEES.

With the introduction of a new framework, it will be crucial that government supports training of officials, increases checks to reduce fraud, and raises awareness about the changes with individuals affected by the changes to the EPC framework, and its implications for the new MEES standards.

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 group agrees with the government's preferred approach to prioritise fabric efficiency recommendations on an EPC certificate, and emphasises the need to decarbonise PRS homes.

Clear rules in the framework should be designed to direct landlords towards adopting options which are best for reducing fuel poverty. Giving private landlord's discretion to select measures is likely to lead to the installation of low cost and low hassle measures which might not have the greatest reduction on tenant energy bills.

Government should **help landlords understand and implement** the recommendations in their EPCs. This should include a national and regional retrofit advice service, with tailored and independent retrofit assessments which helps landlords to understand how to prioritise and implement the recommendations in the EPC.

The group argues electrification and decarbonisation of the PRS will need government to support by making air source heat pumps and solar panels a more attractive upgrade than installing a gas boiler.

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.

The group does not support Alternative 1. The group is concerned this option could enable landlords to implement measures which lead to changes to heating systems without reducing the tenants bills.

The group does not support Alternative 2. The group is concerned that this system could enable landlords to adopt measures which are low cost and have a more limited impact on reducing tenants' bills.

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.

The group supports the government's preferred approach to prioritise the remaining fabric efficiency measures.

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.

The group welcomes the government's decision to increase the cost cap to £15k. To ensure the policy continues to have the intended level of impact on energy efficiency, decarbonisation and fuel poverty alleviation, the cap should increase annually to reflect the impact of economy-wide inflation. All grant funded improvements should not be included in the cap.

The government should increase the cost cap by inflation measured under the Consumer Price Index from the previous financial year. In 2030, according to the Office for Budget Responsibility's inflation forecast (March 2025), £15,000 will be equivalent to around £13,300 in today's prices. This reduction in spending power per property could significantly weaken the policy's impact, removing certain measures from within the policy's scope while disincentivising early action.

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.

The group disagrees with the government's suggestion to extend the exemption period for 10 years. Longer exemption periods limit the government's capacity to tackle fuel poverty and reduce emissions. According to the CCC's 7th carbon budget, half of homes will need to be electrified by 2040 in order to meet net-zero ambitions. Delaying sequential improvements in PRS homes through long exemptions is not aligned with this target.

The group argues only one official exemption, the cost cap, should be in place for PRS MEES. In addition to the cost cap, local council housing professionals can act with discretion based on existing laws and protections, e.g., planning law, and renters' rights.

In 5 years time, the reason for the exemption is likely to have been adjusted, and improvements could be delivered in the property.

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?

The group supports the government's preferred position to require new tenancies to meet the standard after 2028 and all tenancies by 2030. However, the group stresses this timeline must not change, both dates are the latest the new standards should be implemented by.

To incentivise improvements are made before 2028, the government should announce a stepped reduction in the support made available through the government grant support made available under the government schemes; Warm Homes: Local Delivery, and the Energy Company Obligation. The support should be made less generous in two steps from 2028 and 2030. The stepped reduction should be publicised widely and in advance of the deadlines to apply for support.

The government should ensure supply chains and the EPC framework are ready before the start of 2027. The timeline will require the government to have fully implemented the new EPC framework before the end of 2026. Government should deliver an advice service for all homeowners, including landlords, before 2027. Finally, financial support for landlords in the form of a green loan should also be tested and made available before 2027.

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?

The group argues the government should require landlords to move to the new EPC framework as quickly as possible. Therefore, as a transition measure, all new tenancies, regardless of their EPC level after 2026 should be required to commission an EPC under the new framework. After 2030, all tenancies should be required to update their EPC according to the new framework.

While the group does not know how many homes' old EPC certificates will be devalued under the new framework, it stresses that previous investment should be considered when applying the regulation. Therefore, the group encourages the government to work with housing providers who have in good faith upgraded homes according to the old EPC framework. For example, investment in previous works could be factored into future requirements.

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?

Refer to Question 8. As a transition measure, all new tenancies (regardless of their EPC level) after 2026 should be required to commission an EPC under the new framework.

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

The group agrees with the government's proposal to require landlords to commission a new EPC before taking action to comply with higher MEES standards. This is because, if our proposals to improve the reliability and skills of assessors are adopted, the recommendations provided through EPC reform should deliver higher quality advice and works that will more effectively address fuel poverty. This is especially important in the PRS as rented homes are the oldest of all tenures with 31% or 1.5 million homes constructed before 1919 (2024 English Housing Survey). Older buildings present complex challenges that require expert advice and assessment to deliver high quality retrofit works.

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

This group disagrees that the cost of any EPCs procured by landlords should be included in the cost cap. EPCs are already an established cost of business for landlords and the purpose of the cost cap is, in the consultation's own words, "to invest in the energy performance of these properties". As such, it should reflect the costs of actual improvements to the property, not any and all associated expenses.

If EPC certificates are included in the cost cap, there should be a limit to what is claimed and the average cost of these should be regulated and determined by the government to avoid unscrupulous behaviour.

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?

The group believes that post-improvement EPCs are crucial and must be required. Without post improvement EPCs, the status of energy efficiency in the home will not be clear to consumers, enforcement bodies, and policy-makers alike. As above, the cost of these EPCs should not be included in the cost cap. Government should require assessors to discount the cost of the post-improvement EPC.

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.

The group does not support any of the proposed affordability exemptions and believes the best approach for reducing fuel poverty, providing a clear regulatory framework for landlord businesses, and reducing regional inequality is to have no affordability exemptions.

The government's recent survey of landlords suggests most landlords can afford the costs of these upgrades. In principle, home upgrades that range from small maintenance works to larger renovations should be considered a basic cost of operating a landlord business. All well-run businesses will anticipate these expenses when managing their finances.

None of the affordability exemption proposals put forward by the consultation meanstest landlord businesses. Furthermore, exemptions which are based on rental costs or regional markets will negatively impact renters living in fuel poverty.

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

The group believes short-term lets should be included in PRS MEES regulations for two key reasons:

- It is important that efforts to decarbonise our housing stock don't neglect the substantial proportion of holiday lets. According to the 2021/22 English Housing Survey there are approximately 500,000 second homes in the UK. A proportion of these homes are let out as short term lets.
- In recent years, the number of homes rented out on a short term basis has increased dramatically. Allowing short-term lets to be exempt from regulations creates a more favourable regulatory environment compared to the PRS and will incentivise more landlords to leave the sector.

Further, the short-term lets sector has ample void periods providing landlords with plenty of opportunities to make upgrades.

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. The installation of smart meters should be strongly encouraged by the Government. However, as smart meters require behavioural changes to reduce energy usage and costs, a greater investment in awareness raising is needed to communicate their use and benefit to all consumers.

To increase the number of smart meters installed in the rented homes the Government should:

- provide clearer guidance on who is responsible for their installation;
- deliver a consumer awareness and digital literacy campaign; and
- ensure all displays are accessible for older renters and renters with disabilities.

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

The group argues only one official exemption, the cost cap, should be in place. In addition, in exceptional circumstances, local housing professionals can issue case-by-case exemptions based on existing laws and protections. All landlords should also be required to pay a fee to lodge an exemption request to fund enforcement and disincentive unscrupulous behaviour.

The risk of landlords using exemptions to evade their responsibilities is high. Evidence indicates the existing enforcement register is misused and or misunderstood by landlords. Furthermore, the more complex the exemptions scheme is, the more challenging the regulations are to enforce.

Therefore, the group only supports one formal exemption, which is the cost cap (all reasonable improvements made).

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?

The group disagrees with the government's position and believes there should be a requirement on letting agents and online portals to display EPCs. This information is crucial to inform tenant decision making and will be particularly important in the interim period before the launch of the new landlord database as EPCs are reformed. When implemented, the landlord database must be complete with EPC information and must be mandatory.

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.

Energy efficiency in the PRS

- <u>Turning the Dial</u> Independent Age 2025
- Room for Improvement Citizens Advice 2024
- <u>A Warmer, Fairer Private Rented Sector</u> E3G 2024
- Energy Efficiency in the Private Rented Sector Generation Rent (2023)
- Damp, cold and full of mould Citizens Advice 2023

Enforcement

- Local enforcement E3G (2025)
- Local authority enforcement in the PRS UK gov 2022
- Compliance and enforcement in the PRS Centre for Sustainable Energy 2022

Regulation in the PRS and housing policy

- Bringing private homes into social ownership- Joseph Rowntree Foundation 2024
- Regulation of the PRS in England using lessons from Ireland Joseph Rowntree Foundation 2017
- <u>Through the Roof</u> Resolution Foundation 2024

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?

The successful delivery of MEES upgrades to millions of privately rented homes relies on a number of other policy measures that have not been covered by this consultation.

Enforcement

Regulation must be enforced. This is so that justice is delivered in situations of misconduct and because it acts as a deterrent for potential misdemeanour.

We strongly recommend the government:

• Provide local authorities with the long-term, ring-fenced funding they need to enforce the new standards.

- Introduce a clear statutory duty and training on how to enforce MEES for local authority enforcement teams.
- Encourage proactive enforcement to reduce the issue of landlord intimidation of tenants when issues have been reported, and to circumvent the threat of retaliation that prevents renters from reporting issues in the first place.
- Make the proposed Landlord Database mandatory, for it to include EPC data, and it must be fully accessible for councils to use for enforcement.
- Allow local authorities to be able to access public data to inform their enforcement efforts.
- Expand the current rights for tenants to receive a Rent Repayment Order for other non-compliance issues to MEES regulations.
- Ensure letting agents are highly regulated as they are likely to manage a substantial proportion of works on behalf of their landlord clients.

Protections for renters

Renters, particularly those living in fuel poverty, are at the heart of this cause. This group is concerned that this consultation, existing legislation, and the new rights proposed by the Renters' Rights Bill do not provide sufficient protection for renters. This includes renters who are currently experiencing retrofit upgrades and those who will be affected by forthcoming mandates. Added protections are critical to ensure climate justice is delivered for the poorest renters and precious public funding (delivered through grant programmes and subsidies) is used ethically.

We strongly recommend the government:

- Protect renters from eviction and rent increases after works are complete.
- Provide clear guidance on the rights and expectations of tenants and landlords during the renovation process to ensure clear communication and fair outcomes.

Greater awareness and advice for tenants and landlords

In order for the government to successfully lift millions of renters out of fuel poverty, a greater public awareness campaign is needed to raise the importance of these works and the benefits they will bring to renters and to reduce global warming our planet.

We strongly recommend the government:

• Deliver a national advice and information campaign. This should include rightsawareness webpages tailored for renters specifically as landlord focused pages currently exist.

- Ensure that all tenants receive a government information booklet or equivalent at the start of their tenancy, as well as tenants that will be affected by these regulations but have existing tenancies.
- Improve regional advice centres to help households of all tenures with locally informed social, technical, and financial information needed to undertake retrofit works.