

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

CIEH response to a Department for Energy Security and Net Zero consultation

May 2025

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CIEH is the professional voice for environmental health representing over 7,000 members working in the public, private and non-profit sectors. Building on its rich heritage, CIEH ensures the highest standards of professional competence in its members, in the belief that through environmental health action people's health can be improved.

Environmental health has an important and unique contribution to make to improving public health and reducing health inequalities. CIEH campaigns to ensure that government policy addresses the needs of communities and business in achieving and maintaining improvements to our environment and our health.

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Any enquiries about this response should be directed to:

Mark Hope  
Senior Policy and Public Affairs Executive  
Chartered Institute of Environmental Health  
Email: [m.hope@cieh.org](mailto:m.hope@cieh.org)

## Introduction

*We welcome the proposal to increase the minimum energy efficiency standards required of privately rented homes as a means to reduce fuel poverty and to reduce domestic carbon emissions.*

*We are pleased that our comments in response to the 2020 consultation appear to be reflected in this consultation document.*

## Responses to consultation questions

### Energy Performance Certificate (EPC) metrics

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. We welcome the move away from a cost-based metric for the reasons outlined in the consultation and agree that the emphasis should be on the fabric performance metric. This would have the greatest benefit for the tenant in terms of thermal comfort and fuel costs.*

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?

*We agree that prioritising fabric performance will have the biggest impact on the safety, thermal comfort, health and well-being of the tenant. It will also reduce energy bills.*

*It is important that the new EPC metric must ensure that for EPC Band C insulation is provided to external walls, controlled ventilation is present and thermal bridging is reduced.*

*It should be a requirement for assessors to test and record fabric condition and performance, for example failed cavity wall insulation or rising damp.*

*We agree with the National Retrofit Hub that upgrades must consider interstitial condensation, mould risk and ventilation. There is a need to avoid unintended consequences and to promote good indoor air quality.*

*Although we agree with the fabric first approach, the Government should be mindful of the disruption this might cause to tenants.*

*A target date would need to be set in the future for ensuring that landlords are meeting all three criteria.*

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 would not support alternative approaches as there is a risk landlords will choose cheaper or easier measures rather than those which would most benefit the tenant.*

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.

*No comment*

**Cost cap**

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 believe that a cost cap is necessary and agree with the proposal that it should be increased to £15,000. We also believe it should be linked to inflation.*

*A cost cap is the simplest approach and less open to manipulation than other approaches. However, it does not reflect the size of the property, the ability of the landlord to afford the works or the value of the property. It will be important to support low-income landlords, especially in areas of the country where there are lower property values, and we would like to see a good range of financial incentives and support.*

*We welcomed the zero-rate of VAT on energy saving measures. We think this should be extended beyond March 2027.*

*The other issue with a cap is that some works will be interlinked, and not carrying out all works at the same time may have unintended consequences. This makes a holistic approach difficult but it is hard to see a way around the issue.*

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.

*We think the cap exemption should last for five years. Landlords will have to spend more, but longer periods will mean longer delays in carrying out works. This will mean that tenants might suffer fuel poverty and less thermal comfort for longer.*

### **Implementation timeline**

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?

*Whilst this is an ambitious target, we think that the need to retrofit is urgent, and improvements to MEES have been delayed long enough. We therefore agree with these timescales.*

*We are concerned about the capacity within the sector to carry out inspections and carry out work. The development of this capacity will need to start urgently. It will also be crucial to ensure competency levels in the sector are sufficient to maintain trust in the new regime.*

*There is also an issue about disruption to tenants and the possible need for the property to be vacant for works to be carried out, especially as the change will coincide with the abolition of section 21 evictions (which we welcome). The Government will need to provide guidance for landlords and tenants on this matter.*

*We welcome the proposal to bring HMOs within scope.*

### **The transition from the EPC E standard and existing EPCs**

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. It would be a distraction for landlords to have to carry out works to meet the new EPC rating of E.*

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?

*Yes. This will encourage landlords to take early action, which is to be welcomed.*

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

*It is important for landlords to carry out the correct works to meet the new standards. Therefore, we agree that they should have an EPC under the new regime. We agree with the National Retrofit Hub that it will be important to ensure the new EPCs are accurate in terms of the works required. Competency of assessors and co-ordinators will be crucial.*

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

*Whilst it is likely the new EPCs will be more expensive, we do not agree that the new EPC should be included in the cost cap. The cost cap must be targeted at measures to improve energy efficiency.*

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?

*Yes, this is necessary to demonstrate compliance.*

*One way to make this less onerous (and costly) might be for the landlord to submit proof of works to the original surveyor, who could then amend the original unsatisfactory EPC.*

*We agree that an EPC should be in place at all times when a property is let (rather than only when a property is bought, sold or marketed for let).*

### **Affordability exemption**

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.

*We are not in favour of affordability exemptions as this would mean some of the worst housing will remain difficult and expensive to heat. We believe there will be a strong correlation between low-income landlords, the worst housing and tenant vulnerability.*

*It would be better for the Government to look at a range of support and financial incentives for both landlords and tenants.*

*It will also be important to ensure the costs of the work are not passed on to the tenants through increased rents. The restrictions on rent increases which form part of the Renters' Rights Bill might assist here. It will therefore be important to consider the timing of the legislation.*

## Short-term lets

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

*Yes. Local authorities are already very aware of a shift by landlords towards short term lets to avoid current (and future) regulatory burdens. There is a risk that a higher MEES will exacerbate this switch, decreasing housing supply and impacting on local communities.*

## Smart Meters

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.

*If a tenant wants a smart meter, then there should be no unreasonable refusal by the landlord. It will be important to consider the timing to ensure tenants will be protected from retaliatory eviction by the Renters' Rights Act.*

## Exemptions from meeting the standard

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

*We agree with the 'all relevant improvements made' and 'high cost' exemptions.*

*We believe the 'wall insulation' exemption will only be applicable in a very small number of cases, and there is a possibility of this exemption being misused. There are a wide variety of insulation materials available to suit most circumstances. Clear criteria will be needed as to when this exemption is applicable. Again, the competency of the expert making the case will be crucial.*

*With regard to the 'third party consent' exemption, we would ask that the Government looks at some of the common issues where this might be required to ensure these problems are minimised.*

- Leasehold properties form a significant proportion of the private rented sector. With regard to freehold consent, an obligation should be placed on freeholders to carry out their own EPC on the building and to carry out works on the building fabric. Mechanisms for resident engagement and consent and for protections relating to high upfront costs to leaseholders would need to be in place. This could be part of the forthcoming Leasehold and Commonhold Reform Bill.*
- There is a risk that rent to rent landlords could distance themselves from the property by becoming a superior landlord and then refuse consent.*

- *There is a need to clarify and promote permitted development rights, where required, to allow for external fabric changes, low-carbon heating and renewable energy. There is also a need to give clear planning guidance to local authorities to enable works.*
- *The Government will need to work with UK Finance and mortgage providers in order to ensure they do not put up barriers to works.*
- *Disruption to tenants and the possibility they might not consent needs further consideration.*

*We are not in favour of an exemption for 'property devaluation' as this would trump the need of the tenant for thermal comfort and efficient heating. Perhaps the exemption for 'wall insulation' mentioned above could be combined with 'material damage to the property' with the same strict requirements for proof.*

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

*No.*

### **Letting agents and online property platforms**

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?

*No. We believe that it would be hugely beneficial for letting agents (including online platforms) to market properties only if they comply with the PRS regulations. Letting agents hold the keys to a better managed private rented sector, and this would ease the burden on local authority enforcement officers by encouraging compliance. Letting agents can already simply and quickly identify the status of relevant properties and there is no need to wait for the PRS database.*

### **Government Response to 2020 Consultation**

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.

*No comment*

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?

*No comment*