

Building Systems and Insights Directorate
Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF

26 February 2025

Dear Sir / Madam,

Re: London Property Alliance representation to the Energy Performance of Buildings regime

I am writing on behalf of <u>London Property Alliance</u> (LPA) to provide our response to the proposed reforms to the Energy Performance of Buildings regime published on 4 December 2024.

The LPA brings together the Westminster Property Association (WPA) and the City Property Association (CPA). It is a not-for-profit membership body and advocacy group representing the leading owners, investors, professional advisors and developers of real estate operating in central London, providing a unified voice for the sector. You can view our current membership lists here and here.

If the UK is to meet its 2050 net zero emissions goal our built environment will need to be almost completely decarbonised. The property sector is absolutely committed to achieving this, and recognises the importance of ensuring that our buildings are energy efficient and designed to make the best use of limited resources.

LPA believes that the Energy Performance of Buildings regime should be focused on supporting the built environment's transition to Net Zero. We are therefore supportive in principle of measures to improve the accuracy, applicability and enforcement of Energy Performance Certificates (EPCs), Display Energy Certificates (DECs) and air conditioning inspections.

However, it is important that any reforms to the EPC regime are considered alongside forthcoming changes to the EPC calculation regime that will be implemented as part of the Future Buildings Standard (FBS), together with proposed upgrades to the Minimum Energy Efficiency Standards (MEES) legislation. The combined impact of FBS and MEES, in addition to the reforms proposed in this consultation, has significant potential to confuse and disorient the property industry, with too many changes happening over too short a space of time.

We therefore advise both the Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Energy Security and Net Zero (DESNZ) to set out a comprehensive programme of implementation, established in consultation with industry, that encompasses all forthcoming changes to the Energy Performance of Buildings landscape.

In our Appendix I on page 2, we have provided more detailed responses to the specific questions within the consultation. If it would be helpful to discuss any aspect of this further, please do not hesitate to contact me.

Yours faithfully,

Charles Begley

London Property Alliance - Chief Executive

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APPENDIX 1: Responses to questions within the Reforms to the Energy Performance of Buildings regime consultation

Question 1: To what extent do you agree or disagree that information using an energy cost metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

Disagree.

Non-domestic buildings

Disagree.

It is our view that the inclusion of metrics beyond energy consumption and carbon emissions has the potential to confuse. EPCs should be focused on energy consumption, as this can be compared to readings from an energy meter, and carbon emissions, since this is the sole focus of the national Net Zero objective.

The addition of metrics relating to energy cost, fabric performance, heating system and smart readiness add unnecessary complexity, especially when confusion already exists between domestic EPCs (based on a cost metric) and non-domestic EPCs (based on a carbon metric). In addition, the inability of domestic EPCs to provide accurate predictions of energy costs undermines this metric, although this will hopefully be addressed through the implementation of the new Home Energy Model as part of the FBS.

Question 2: To what extent do you agree or disagree that information derived from a fabric performance metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

Disagree.

Non-domestic buildings

Disagree.

As above, we believe that EPCs should be focused on energy consumption and carbon emissions to avoid unnecessary complexity.

Question 4: To what extent do you agree or disagree that information based on a heating system metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

Disagree.

Non-domestic buildings

Disagree.

Question 5: What are your views on the design principles and the scope for a Heating System metric? Please provide evidence where possible.

As above, we believe that EPCs should be focused on energy consumption and carbon emissions to avoid unnecessary complexity.

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Question 6: To what extent do you agree or disagree that information based on a smart readiness metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

Disagree.

Non-domestic buildings

Disagree.

As above, we believe that EPCs should be focused on energy consumption and carbon emissions to avoid unnecessary complexity.

Question 7: What are your views on the definition, design principles and the scope for a smart readiness metric? Please provide evidence where possible.

As above, we believe that EPCs should be focused on energy consumption and carbon emissions to avoid unnecessary complexity.

Question 8: To what extent do you agree or disagree that information from an energy use metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

Agree.

Non-domestic buildings

Agree.

As above, we believe that EPCs should be focused on energy consumption, as this can be compared to readings from an energy meter, in addition to carbon emissions, since this is the sole focus of the national Net Zero objective.

Question 9: If an energy use metric is to be displayed on Energy Performance Certificates (EPCs), which type of energy use measurement should be used to calculate this metric? Please select one option for each building type.

Domestic buildings

Delivered energy.

Non-domestic buildings

Delivered energy.

Question 10: To what extent do you agree or disagree that information from a carbon based metric should be displayed on EPCs? Please select one option for each building type.

Domestic buildings

Agree.

Non-domestic buildings

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Agree.

As above, we believe that EPCs should be focused on energy consumption, as this can be compared to readings from an energy meter, in addition to carbon emissions, since this is the sole focus of the national Net Zero objective.

Question 11: To what extent do you agree or disagree with incorporating smart metering technologies, like SMETERS, into the energy performance assessment framework for buildings? Please select one option for each building type.

Domestic buildings

Disagree.

Non-domestic buildings

Disagree.

As above, we believe that EPCs should be focused on energy consumption and carbon emissions to avoid unnecessary complexity.

Question 13: What should be the validity period for Energy Performance Certificate (EPC) ratings?

10 years.

Question 14: To what extent do you agree or disagree with the approach for any changes to validity periods to only apply to new EPCs?

Whilst we are supportive of the principles behind the proposed measures to capture changes to building energy performance as part of the EPC regime, such as those implemented during tenant fit outs, greater consideration needs to be given to the additional administrative burden and associated costs before changing validity periods. This is because the proposed changes could be onerous for property owners in both the domestic and non-domestic sectors, in particular property owners and landlords with large estates and portfolios.

Question 15: To what extent do you agree or disagree that a new EPC should be required when an existing one expires for private rented buildings?

As above, whilst we are supportive of the principles behind the proposed measures to capture changes to building energy performance as part of the EPC regime, greater consideration needs to be given to the additional administrative burden and associated costs.

Question 16: To what extent do you agree or disagree that the regulations should be amended so that a property must have a valid EPC before it is marketed for sale or rent?

Disagree. Whilst we are supportive of principles behind the proposed measures to capture changes to building energy performance as part of the EPC regime, greater consideration needs to be given to the additional administrative burden and associated costs.



Question 21: To what extent do you agree or disagree that we should remove the exemption for landlords from obtaining an EPC for buildings officially protected as part of a designated environment or because of their architectural or historical merit?

We strongly agree with this proposal, as landlords should be able to understand the carbon impact of their buildings, regardless of their heritage status.

Question 22: How useful do you find Display Energy Certificates (DECs) for understanding and improving a building's energy performance?

We are supportive of the use of DECs as a means of understanding a building's energy performance, based on actual in-use energy data, as opposed to predictions generated using the EPC methodology. We support more widespread use of DECs as a means of publicly displaying energy performance statistics. The methodology used to calculate DECs should align with that in use for the NABERS assessment scheme and the UK Net Zero Carbon Building standard for ease of interpretation and use across the non-domestic sector.

Question 27: There is a proposal to provide an exception in the regulations for certificates that have been marked as cancelled or not for issue to be removed from the Energy Performance of Buildings (EPB) Register after 2 years. To what extent do you agree or disagree with the proposal?

We are supportive of the proposals to improve the public accessibility of EPC data. Our experience is that public access to this data has improved the understanding of the national position, and how other buildings in the locality/sector are performing.

Question 28: To what extent do you agree or disagree with the approach to remove the option to opt-out EPCs from the EPB Register public address search?

As above, we are supportive of the proposals to improve the public accessibility of EPC data.

Question 29: To what extent do you agree or disagree with retaining the option to opt-out EPC address level content from the Open Data?

As above, we are supportive of the proposals to improve the public accessibility of EPC data.

Question 30: There is a proposal to remove the general prohibition on sharing data gathered under the EPB Regulations and replace it with a Secretary of State discretion about when, how and with whom to share the data. To what extent do you agree or disagree with the proposal?

As above, we are supportive of the proposals to improve the public accessibility of EPC data.

Question 31: To what extent do you agree or disagree that data gathered in previous EPC assessments should be available for use in future EPC calculations for a dwelling?

As above, we are supportive of the proposals to improve the public accessibility of EPC data.

Question 32: What are your views on the approach to using existing data, while balancing accuracy and practicality?



As above, we are supportive of the proposals to improve the public accessibility of EPC data.

Question 33: To what extent do you agree or disagree that Accreditation Schemes should be given more responsibility for overseeing the training of energy assessors?

We strongly support of moves to improve the quality of EPCs and prevent rogue operators from exploiting the regime.

Question 34: Do you have suggestions for other actions which could be taken to improve the accuracy and quality of energy assessments, or to help identify fraud in EPC assessments?

We strongly support moves to improve the quality of EPCs and prevent rogue operators from exploiting the regime. However, we echo British Property Federation's (BPF) concerns over the quality of EPC assessments and a lack of consistency, with different assessors providing 'widely ranging assessments'. Clearer guidelines for EPC assessments and more consistent training of EPC assessors would aid this.

Question 40: There is a proposal for a new penalty charge fine amount of £800 for non-compliance with the requirement to have an ACIR for systems with an effective rated output over 12kW.To what extent do you agree or disagree with the proposal?

We are supportive of measures to enforce the appropriate inspection of air conditioning systems in principle, but the underlying legislation should ensure that the regulatory impacts on landlords and property owners is not unduly onerous, with unbalanced penalties for non-compliance should air conditioning system maintenance fall outside of standardised maintenance regimes.