

## EPC B Future Trajectory Implementation

### Chapter 1

#### **1. Should listed buildings and those in conservation areas which are to be rented out be legally required to have an EPC?**

Yes, as you have explained above, if you don't know the starting point you cannot assess what can be done to make an improvement. It is post EPC that decisions are made that might need to take account of the nature of the building. The EPC is just information.

On your other Chapter 1 items, have you considered life cycle costing as recommended in your ESOS regulations?

Your assertion that most energy use in commercial buildings is heating is not our experience. Cooling typically represents a larger share of the energy pie chart. Also, heating is provided by electricity, usually reversible heat pumps (more than in dwellings) making de-carbonising more about the Electricity grid than anything else.

### Chapter 2

#### **2. Do you support the Government's proposal to introduce an EPC C interim milestone in 2027? If so, are there any amendments you would make to the proposals? If you disagree with the proposal, please explain why and what your preferred approach would be. Please provide evidence where you can.**

Yes, the only drawback we can see to this approach is additional compliance/enforcement requirements, but you do explain how this will be streamlined.

#### **3. Do you support the Government's proposal to improve the implementation and enforcement of non-domestic MEES by introducing compliance windows? If so, are there any amendments you would make to the proposals? If not, please outline why, stating what your preferred approach would be. Please provide evidence where you can.**

Yes, as indicated in Q2 response, anything to help with compliance is positive.

The 2 year window with an EPC at the start of it will give the landlord the information and the time to act appropriately.

#### **4. Do you support the introduction of a six-month exemption for shell and core let properties? If so, are there any amendments you would make to the proposals? If you disagree with the proposal, please explain why and what your preferred approach would be. Please provide evidence where you can.**

We do support this proposal, acknowledging that this is a difficult situation and that it may ultimately be a problem at the end of the period anyway. However, a six month extension will solve the problem in many situations.

#### **5. We welcome views on where improvements could support the transition from the current EPC E requirement, to the proposed new implementation and enforcement framework.**

We think that the transition would work in the same way your case studies illustrate the steps from EPC C to EPC B.

## Chapter 3

### **6. Do you agree with the proposals to amend EPC requirements to support non-domestic MEES under the PRS Regulations? If not, please explain why.**

We strongly support the measures proposed and are actively working with MHCLG to help deliver the EPC Action plan.

### **7. Do you support the introduction of a PRS property compliance and exemptions database to support enforcement of the PRS Regulations under the new EPC B framework? If not, please explain why.**

We support the introduction of this database.

### **8. Do you agree with the proposed landlord registration fee for the PRS property compliance and exemptions database? If not, please explain why.**

We agree with the proposed fee.

### **9. Do you agree that £5,000 is a suitable maximum limit to set as the penalty for noncompliance with the new framework requirements? If not, please explain why.**

This is not within our remit to comment

### **10. We welcome views on the clarity of the current PRS Regulations in relation to enforcement of penalties for non-compliance with MEES.**

We support efforts to reduce non-compliance generally, but this specific question is not within our remit to comment. We recognise and support the principle which is consistent with your ESOS Regulations which are clearly understood.

### **11. Should the Government allow local authorities to issue a request to landlords and tenants to inspect properties for compliance under the PRS Regulations? If not, please explain why.**

We broadly support this proposal but note that in the case of a suspected fraudulent EPC, the industry already has an effective complaints procedure as required by their Scheme Operating Requirements. It would be appropriate to use this procedure rather than any powers to inspect in the first instance. If that initial EPC investigation runs into problems it would be useful to have the threat of referring to the local authority if they had inspection powers.

### **12. Do you agree that all exemptions should be reviewed at the start of each compliance window? If not, please explain why.**

We strongly support this proposal, not least because innovative technologies generally get cheaper as uptake increases, and development costs have been recovered. This means that something that supported the exemption in 2026 due to having a 12 year payback may have fallen in cost by 2029 to the point of only having a payback of 4 years. The exemption would then not be justified.

### **13. Do you support the introduction of a standardised calculator to simplify the requirements for the payback test? If not, please explain why.**

We support this proposal for the reasons given in this section of the consultation.

**14. What are your views on whether the three quotes requirement should be kept for certain circumstances, for example where landlords wish to dispute the standardised costs, and how would the requirement work in such circumstances?**

We think that it is sensible to retain this option as it is impossible to anticipate all circumstances, and this avoids the regulations painting someone into a corner unreasonably.

**15. Should the Government seek primary powers to introduce tenant responsibilities duties for MEES compliance under the PRS Regulations for non-domestic properties, and to introduce duties of mutual cooperation for landlord and tenant? If not, please explain why. If so, what do you think these duties should consist of? Please explain your reasons and give examples.**

We think that this is a sensible proposal to reflect the general approach to the letting of commercial premises. The straightforward suggestion is for penalties to be applied proportionally. The detail of the required legislation is going to be complicated to capture the variety of contractual relationships in use. We would defer to your lawyers on that detail.

#### **Chapter 4**

**16. Do you think that smart meters could play a role in supporting landlords to meet Government energy efficiency requirements such as the non-domestic MEES under the PRS Regulations? What are the key benefits/barriers of smart meters playing a role?**

The use of smart meters to get the best tariff as described in your document is arguably a barrier to making energy efficiency improvements. Getting the cheapest tariff does not reduce consumption it just reduces how much you pay for a given consumption. There is an argument that the cheaper energy is, the less motivated people will be to try and save it.

The use of smart metering or more usefully monitoring and targeting with alarms for out-of-range values which would be an add on to having basic smart metering could marginally improve an EPC rating to achieve a required rating, and an EPC assessor would be able to advise a client landlord of this. More generally smart metering supports the objective of achieving a better operational rating.

Broadening operational rating requirements to this sector is also under consultation. That consultation suggests that to ease regulatory burden the operational rating could replace the requirement for an EPC in the MEES regulation. **We strongly recommend that government output starts to talk about 2-part certification. Part 1 EPC and Part 2 DEC. You can then talk about the merits of getting the building right (EPC) and then encouraging good operation of the building (DEC) as a joined up strategy to achieve the carbon reduction targets we are all looking for in the most effective way.**