



**Department for Business, Energy and Industrial Strategy  
consultation**

**Improving the energy performance of privately rented  
homes**

**Submission from CIBSE**

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## THE RESPONDENT

### The Chartered Institution of Building Services Engineers (CIBSE)

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CIBSE has over 20,000 members, with around 75% operating in the UK and many of the remainder in the Gulf, Hong Kong and Australasia. CIBSE is the sixth largest professional engineering Institution, and along with the Institution of Structural Engineers is the largest dedicated to engineering in the built environment.

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## CONSULTATION RESPONSE

### Introduction

***Question 1: We would welcome views on possible impacts of the policy on the size of the PRS sector, the effect this could have on vulnerable households, and suggestions to mitigate this effect where it does occur, including any evidence.***

It is not CIBSE's area of expertise to comment in detail. We are also aware that these changes would add to changes to the tax treatment of PRS in recent years. However, we note that the expected expenditure by landlords relative to average rental incomes would be on average relatively limited, particularly as it could be spread over the period up to 2028:

- The average monthly rent in the UK is £959<sup>1</sup>

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<sup>1</sup> Statista, average rental costs in the UK, March 2019-20 <https://www.statista.com/statistics/752203/average-cost-of-rent-by-region-uk/>

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- i.e. in the £10k cap option: the maximum, capped, expenditure of £10k would represent under 11 months of average gross rental income; the average expenditure of £4,700 would represent under 5 months of average gross rental income
  - i.e. in the £15k cap option: the maximum, capped, expenditure of £15k would represent under 16 months of average gross rental income; the average expenditure of £6,200 would represent under 7 months of average gross rental income.

Similar observations can be made from the MHCLG survey quoted in the consultation, reporting a gross median rental income of £15,000 per year in England.

***Question 2: Do you foresee any impacts for protected groups? Please provide evidence to support your answer.***

No response

***Question 3: We would welcome views on any possible long-term impacts of COVID-19 that could impact on making the required energy efficiency improvements from April 2025 and suggestions to mitigate this effect where it does occur, including any evidence.***

We do not have a detailed response, but make the following observations on links with covid-19:

- Retrofit works are currently considered safe enough and essential enough that they are authorised even under the strictest lockdown restriction rules
- A major impact of COVID-19 will be the need to retain and create new jobs, across the country. Housing retrofit works are acknowledged as one of the most significant opportunities for this; the proposals to improve the private rented sector should therefore be seen as an important part of efforts to stimulate recovery and support retrofit supply chain development.
- Adopting a whole house and holistic approach, as promoted by PAS 2030/5, would ensure that ventilation is considered alongside energy efficiency (see details in question 13); this could help improve resilience against COVID-19 and other viral diseases, as well as improving indoor air quality generally. The SAGE work on ventilation “recommended to identify where there may need to be financial or technical support to enable individuals and organisations to take appropriate actions to improve ventilation and deal with health and comfort related consequences such as providing adequate heating<sup>2</sup>.” The same SAGE paper also notes that “in the longer term consideration of infectious disease transmission needs to be embedded into building ventilation regulations and associated statutory guidance in the same way that energy, comfort and air quality have been incorporated. Building regulations should identify performance standards and enhanced measures taken to ensure that compliance is achieved in use. As Part F: Ventilation is currently under review there is an opportunity to consider this further and immediately as part of the current review process. Further regulation and guidance may be required to ensure that existing buildings can meet necessary standards.” It is important that the development of the PRS improvement strategy takes full account of this,

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<sup>2</sup> Role of Ventilation in Controlling SARS-CoV-2 transmission

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/928720/S0789\\_EMG\\_Role\\_of\\_Ventilation\\_in\\_Controlling\\_SARS-CoV-2\\_Transmission.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/928720/S0789_EMG_Role_of_Ventilation_in_Controlling_SARS-CoV-2_Transmission.pdf)

especially given the evidence that rented accommodation with high occupancy density has seen high levels of transmission of COVID-19. Page 15 of the SAGE paper provides specific references to the evidence for maintaining ventilation standards in reducing disease transmission in general on housing. For a fuller treatment of the influence of ventilation on transmission in domestic settings see the SAGE paper on housing impacts<sup>3</sup>.

## Chapter 1

### **Question 4: Do you agree with the government's preferred new target of EER C as a minimum energy performance standard in the PRS?**

No.

We agree with the intent, but cannot agree with this proposal under the current EPC approach, as evidence shows it will not reliably deliver either energy use savings or heat decarbonisation. As energy use is a crucial factor in fuel poverty, we do not think this is either the best strategy to reduce fuel poverty through building improvements:

#### **Impact of the proposals on energy use**

**First, improving EPC (EER) ratings is not strongly associated with reducing energy use** and associated energy costs and carbon emissions. This has been noted by a number of studies, and the SAGE Housing paper referenced above points to the drawbacks with seeking to draw inferences about environmental performance, including energy use, from EPC data. A significant piece of evidence for this is a recent UCL project carried out for BEIS<sup>4</sup>, covering over 400,000 dwellings, which shows the following:

1. there is a **17% reduction in mean gas use from E- to C-rated properties**: this is not negligible, and we acknowledge that for at least some properties these savings are achieved while also improving internal temperatures, delivering comfort and health benefits particularly for households in fuel poverty. **However, the resulting gas consumption level in EPC EER band C falls well short of known best practice retrofit (e.g. Enerphit, Energiesprong). The current proposals would therefore be a huge missed opportunity, since addressing heat is required to meet our net zero carbon commitment and is the main target of housing retrofit and PRS regulations.**
2. there is **no discernible reduction in mean electric use** from E- to C-rated properties
3. overall this means there is **only a 14% reduction in mean total energy use from E to C** (with total energy use approximated as the total of the means in gas and electricity uses).

We could not relate this to the targeted energy use savings, since these are not stated in the consultation. We could not either check this against the impact assessment, since it does not include the relative (%) scale of expected savings in energy use, costs, or carbon; its figures relate to costs

<sup>3</sup> SPI-B/EMG: MHCLG Housing Impacts Paper

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/923605/s0744-4a-mhclg-housing-impacts-summary-paper.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/923605/s0744-4a-mhclg-housing-impacts-summary-paper.pdf)

<sup>4</sup> UCL, Analyses of metered energy use versus Energy Performance Certificates in Greater London contract TBC – TRN no. 1643/10/2018 to the UK Department for Business, Energy and Industrial Strategy, PI Ruyssevelt, P, 2019

and carbon emissions without indicating the associated energy use figures nor the carbon emissions factors or fuel prices which would allow us to derive energy use from carbon or prices figures.

However, the government's objective is by 2030 to halve energy use in new buildings and halve the cost of achieving the same standard in existing buildings, so we assume the targeted energy use savings are much higher than 14%, if not quite 50%. **These objectives in energy use savings to be delivered by PRS regulations should be declared, so they can be checked against actual outcomes, and the regulations revised accordingly, if required.**

### **Impact of the proposals on heat decarbonisation**

Second, **improving EPC (EER) ratings does not guarantee decarbonisation**. Under current gas : electricity cost ratios, and because EER are cost ratings, **a strategy driven by EERs can even go counter to heat decarbonisation**, since it encourages continued gas-fuelled heating options. In the case of rural properties off the gas grid it can favour even higher carbon options, which is particularly problematic as, on an opportunity basis, these off-grid properties could form the first target of the transition away from fossil fuels. We are aware this perverse outcome has been noted as a concern by large rural landlords such as the National Trust, and we very much support their concern.

### **Recommendations**

We strongly urge **a revisit of the approach, as detailed below and in our response to Question 5.**

The best strategy in order to allow progress towards all objectives stated in this consultation, is to reduce energy use. This in turn helps reduce energy costs and fuel poverty, and reduce carbon emissions. Because fabric efficiency is a key part of reducing energy use, it is also likely to improve comfort.

In turn, this means the indicator should not be the current EPC rating, which is cost-based, but one based on energy use. This should be coupled with a heat decarbonisation requirement (whether through PRS regulations or separately) to complete the trajectory towards net zero (i.e. not only reduce emissions, but also move away from fossil fuels). It may also be coupled with an indicator focused on space heating and fabric efficiency, as detailed in our response to Questions 5 and 9.

***Question 5: We would welcome your views on the pros and cons of these alternative metrics, in relation to our overall policy goals around reducing carbon emissions, fuel poverty, and energy bills; please provide evidence with your answer.***

Of the proposed alternative metrics, **our recommendation is for a FER - final energy rating** i.e. total energy demand of the property. The significant benefits of FER are:

- As the consultation states, it is independent of energy prices – but energy costs can be derived from the FER, if useful for the example in the context of fuel poverty action.
- It represents the performance of the building itself, independently from the wider system (e.g. carbon or primary energy content of the grid). Nonetheless, carbon emissions can be calculated from it, allowing tracking of decarbonisation objectives too. A carbon rating could even be derived from the FER and used alongside where needed.
- It is easy for consumers to understand and relate to their energy bills and meter readings

- It is easily verifiable in use, allowing comparisons between policy objectives and what is delivered in practice.

The one important limitation of FER is that it does not guarantee decarbonisation, hence our recommendation to address this through other means e.g. carbon rating indicator alongside; capping the maximum FER rating (e.g. best EPC FER rating would only be available if the property has no fossil fuels); separate requirement in PRS or elsewhere for heat decarbonisation.

We also recognise the benefits of using **Heat Transfer Coefficient** as metric, particularly in the context of existing properties as in the PRS regulations, since heat is the primary target for action. The main benefit of HTC is that it is measurable and directly comparable with intended performance; furthermore, subject to the outcome of the SMETER trials, this verification could be done remotely, at no disruption to occupants, through meter readings. As HTCs are strongly linked to fabric performance, they are also the most closely linked to comfort. The main downsides are:

- HTCs capture whole building fabric performance and (depending on what is included within the HTC definition and measurement) the effect of ventilation, but not other components of energy use, such as heating system efficiency, lighting, hot water, and unregulated energy uses.
- As for FERs, they do not capture heat decarbonisation, which would have to be addressed through other means.

HTCs could be used as indicator alongside the main EPC FER rating, in order to drive fabric improvements – see response to question 9.

We do not recommend using a **Primary Energy Rating**, for the following reasons:

- As stated, PER does not map onto the government's decarbonisation objectives because gas is lower in primary energy content than electricity. There is a serious potential for perverse (and utterly predictable) outcomes counter to the overall policy objectives.
- In addition, and we think this is a very important point, primary energy means little to landlords, consumers and most non-specialists, therefore not helping awareness, engagement and ownership of actual energy use.
- Primary energy relies on conversion factors, which themselves change, making direct comparisons between buildings and year-on-year more difficult and further hindering landlord or consumer understanding.

We would add that a number of metrics are available to track and improve building performance, and that all are important to some extent for at least one of the important policy objectives related to the building stock. Typically, no single metric can achieve all goals, and a combination is needed, as illustrated below. This is why, on balance, we recommend FER, alongside another metric or tool to address heat decarbonisation. Additional metrics can be considered relating specifically to heat and fabric performance (e.g. Heat Transfer Coefficient – see Question 9).

Metric ↓	Would the metric incentivise...				
	reduction of carbon emissions?	reduction of energy use?	low-carbon heat?	demand reduction / management ?	engagement with consumers?
<b>Carbon</b> [kgCO <sub>2</sub> /m <sup>2</sup> /yr]	✓	~	✓	X	~
<b>Energy use (at the meter)</b> [kWh/m <sup>2</sup> /yr]	~	✓	X	~	✓
<b>Primary energy use</b> [kWh <sub>prim</sub> /m <sup>2</sup> /yr]	X	~	X	~	X
<b>Peak demand</b> [kW/m <sup>2</sup> ]	X	~	X	✓	~

**Question 6: Do you agree with the government’s preferred policy scenario of requiring ‘new tenancies’ to reach EER C from 1 April 2025 and ‘all tenancies’ to reach EER C by 1 April 2028? If not, do you have alternative suggestions; please provide evidence with your answer.**

We agree with the principle of a phased approach and with the timescales, and reply here on this point – but we disagree with the EER C objective, as detailed in questions 4 and 5.

The proposed phased approach and timescale seem reasonable. The government’s own data states that the average tenancy in the UK in the private rented sector is 3.9 years and many are for much shorter initial terms<sup>5</sup>. The intended timetable, with PRS regulations laid in 2021, will therefore on average leave almost 2 cycles for even existing tenancies to be brought to compliance, which seems very reasonable.

Another important issue is that of supply chains and skills to meet demand; again, the timescale and phased implementation seem appropriate. Implementation of the PRS requirements would be in line with the “building output” phase 2 of the CLC’s draft National Retrofit Strategy<sup>6</sup>, contributing to scaling up and building supply chains, another benefit of PRS.

<sup>5</sup> MHCLG consultation, Overcoming the Barriers to Longer Tenancies in the Private Rented Sector, July 2018. Page 8 states: “The average length of residence in the private rented sector is 3.9 years”; “81% of tenancies granted are for an initial fixed term of 6 or 12 months”.

<sup>6</sup> Construction Leadership Council, National Retrofit Strategy – Consultative Document, 16 December 2020  
<https://www.constructionleadershipcouncil.co.uk/news/national-retrofit-strategy-consultative-document/>

We agree with the consultation's statement that introducing interim steps is not recommended; this would be disruptive and could increase overall costs of compliance. It is more effective to set the overall goal, with sufficient time and certainty for landlords to implement as and when is most suitable to them.

**Question 7: Do you agree with increasing the cost cap to £10,000 inclusive of VAT as our preferred policy proposal? If not, please explain why not and provide evidence with your answer.**

Probably not. It seems reasonable in relation to rental incomes, particularly as landlords would have a number of years to prepare (see Question 1); however, while it would capture a majority (70%) of properties, it would still leave almost one third of properties NOT meeting the target – this is not ambitious enough and more attention needs to be given to those properties: e.g. do they tend to be larger, which would indicate higher values and/or rental income, and therefore capacity for a higher cap? What proportion will be too costly for landlords to address and in need of support mechanisms? Clearly more work is needed in order not to leave aside one third of properties.

We would also make the following recommendations, in relation to the inclusion of VAT in this cap:

- VAT-registered businesses could be expected to be able to afford more
- The approach to VAT on retrofit works should be revised in order to be more consistent with that adopted for new build, particularly in light of opportunities arising from leaving the EU.

**Question 8: Should the £10,000 cost cap be adjusted for inflation?**

Probably – costs such as materials will increase in line with inflation, so the cost cap also should.

**Question 9: Should a requirement for landlords to install fabric insulation measures first be introduced? If yes, when, and how should such a requirement be implemented? If no, what are the alternative installation methods that maximise energy efficiency outcomes? Please provide evidence to support your answer.**

CIBSE very much support demand reduction and energy efficiency first, which means encouraging a fabric first approach wherever that is realistic and appropriate. However, in some cases non-fabric measures may be more appropriate to carry out first e.g. changing the heating system in case of a breakdown; e.g. installing roof insulation and PVs while roof repairs are carried out, but not other fabric works which may at the time be too disruptive or expensive and could be implemented later. On balance, we think that fabric improvements could be supported in PRS regulations by:

- using total energy use as basis of EPC ratings – as detailed in questions 4 and 5
- Reviewing the potential to use a fabric-only measure such as HTC alongside (but not instead of) the main EPC (**FER**) metric
- Improving the SAP methodology so that fabric measures are better accounted for and rewarded. As part of a team, CIBSE have been working for BEIS on the SAP11 scoping project, and we would be very happy to discuss this in detail with the team in charge of this consultation. Examples of fabric improvements which are not currently well addressed in SAP include:



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- airtightness: this is not accounted for in RdSAP, the most common method to produce EPCs
  - thermal bridging: default values can be used and are not penalising enough, which removes an incentive to reduce thermal bridging
  - approximate window areas (as proportions of floor area) can be entered in RdSAP, rather than the actual ones; all of them are attributed a single set of performance characteristics, not allowing a mix of performance values (pre- and post- retrofit works), as is in practice the case in many existing homes.
  - Default U-values have to be used in RdSAP, while in practice many homes, especially of traditional construction, have building elements of varying properties; measured U-values and/or a wider range of default values should be allowed, to make sure that potential energy savings are better represented.
- Linking PRS to PAS 2030/5, which promotes a whole house approach and attention to fabric improvements, and whose competent professionals will be able to determine the most suitable approach on a case-by-case basis, sometimes step by step – as detailed in question 13. This will also ensure that considerations related to traditional and/or protected buildings are incorporated in all recommendations, including those relating to fabric improvements measures are proposed where they are not detrimental.
  - Avoiding carbon lock-ins, including regulatory requirements such that, when a fabric element is improved, it is done “once and for all” to the best possible “net zero compliant” standard. This should include Building Regulations minimum requirements, at least for the large proportion of PRS improvement works which will be subject to Building Regulations.

## Chapter 2

***Question 10: We would welcome views on the alternative of a dual metric target to reach both EER Band C cost metric and also EIR Band C carbon metric, with an increased cost cap of £15,000 inclusive of VAT.s***

We welcome this alternative being proposed, since it acknowledges serious inherent problems with the current EPC approach. As detailed in our response to Questions 4 and 5, our recommendation is for EPC ratings to be based on total energy use (FER), coupled with measures to ensure heat decarbonisation. However, should this not be adopted, then the proposed dual metric approach is the next best option – it is more appropriate than the current EPC cost-based metric alone, it will help heat decarbonisation and, through combining energy costs and carbon criteria, is probably overall more of an incentive to reduce energy use: to achieve both reductions in energy costs and carbon emissions, homes will probably find it most effective to tackle demand reduction first.

This alternative approach has significant benefits compared to the main option: 70% more carbon reductions, and more than tripling the number of low-carbon heating installations. It is achieved at only an approximate 30% increase in average cost per property. This resulting average cost, of £6,200, still seems in our view reasonable in proportion to rental incomes, particularly as it could be spread over several years to 2028 (as detailed in our response to Question 1).

However, as explained in our response to Question 7, while this cap would capture a majority (74%) of properties, it would still leave a quarter of properties NOT meeting the target – this is not ambitious

enough and more attention needs to be given to those properties: e.g. do they tend to be larger, which would indicate higher values and/or rental income, and therefore capacity for a higher cap?

**Question 11: Should government introduce an affordability exemption? If so, we would welcome views on how such an exemption should be designed and evidenced, and any potential impacts on the PRS market.**

Exemptions seem reasonable in light of the government statistics on a small proportion of landlords who have small profits and/or turnovers. This minority of cases should not drive regulations for the whole PRS stock, and we agree that options should be reviewed such as exemptions, a longer timescale, or additional support mechanisms to landlords. Linking these to profits or turnover seems reasonable but could carry loopholes (e.g. incentive to under-declare profits and be paid cash-in-hand); other options should be reviewed, such as links to property value - these vary, but an average could be taken, for example over the past few years. The aim must be that the exemptions should represent a minority, so that the large majority of properties (well over 90%) would get improved to the targeted level. To act as a real disincentive to under-declare earnings or profits an explicit commitment that all claims for exemptions would be checked with HMRC prior to being granted would be helpful.

**Question 12: What should the eligibility criteria be for an affordability exemption if it is introduced, and how can the criteria accommodate fluctuations in a landlord's finances and/or in the value of a property? Please provide evidence to support your answer.**

See response to question 11.

**Question 13: Should we incorporate TrustMark into energy performance improvement works? If not, please explain why not and provide evidence with your answer.**

Yes. This will help deliver expected energy and carbon savings, and protect residents and landlords from poor quality works.

We would add that it should not only be the installers that follow PAS 2030 and 2035. At least for the properties that are of traditional construction and/or protected, the whole approach should follow PAS 2035: not only the installation of measures, but the assessment of options, drawing of a retrofit plan, and evaluation of works post completion.

Our recommendation would be for this to be a requirement in legislation, as this would have a number of advantages including:

- Protecting consumers in a market where they are notoriously exposed. As often, there is otherwise a risk that properties whose landlords do not follow best practice end up rented by the most vulnerable households.
- Creating a strong signal to industry to invest in skills and competence, which would then benefit the rest of the housing market.

The Building Regulations Advisory Committee should be consulted on ways to maximise compliance and quality outcomes.

**Question 14: What role can the private rented sector play in supporting the rollout of smart meters and what are the barriers and possible solutions to achieving this?**

There could be several ways to address this through the private sector, including:

- Adding it to MEES requirements within the PRS regulations i.e. “EPC rating of x and smart meter”
- Creating a separate legislative requirement so that landlords could not refuse a reasonable request by tenants to have a smart meter
- Modifying SAP (and therefore EPC ratings) to better take account of smart meters (and demand management measures more generally); CIBSE and the SAP11 scoping study team have explored options and we would be happy to discuss this with BEIS

However, and notwithstanding the benefits to landlords and tenants, we note that a key benefit of smart meters is to support demand management by DNOs and energy suppliers. We would therefore strongly recommend that the installation of smart meters should not be part of the cap (£10k or otherwise), and encourage reviewing options for the roll-out to be supported by DNOs and energy suppliers, given the requirements already proposed to be placed on landlords. A side benefit of having their installation led by DNOs or suppliers would be that it could be done on an area basis e.g. when an energy company is present in a neighbourhood, rather than individually in each property as and when landlords carry out the works.

**Question 15: We would welcome views on whether the PRS Regulations may need to be tightened further for the 2030s? Please provide evidence with your answer.**

Yes, at the very least to capture the properties which have not yet had to comply. The extent and nature of the required tightening will depend which option is retained:

As detailed in our response to Question 4, the current proposal will not set properties on the right track to heat decarbonisation AND based on evidence from EPCs and actual in-use energy data, we do not expect it to deliver the required energy use reductions. In that case, a significant change would be required in the 2030s, which would add costs to landlords and disruptions to tenants.

If on the other hand, an approach coupling energy use reduction (e.g. FER) and heat decarbonisation was adopted in this first phase, coupled with regulations outside PRS to phase out fossil fuel heating in existing properties, this may already deliver significant progress, with further tightening more limited and targeted.

In any case, we recommend the following:

- Clearly stating now the desired end goal: net zero carbon i.e. low-energy use and no fossil fuel heating. Forward-looking landlords and supply chains will prepare and adopt this early, helping the rest of the market later on and saving more carbon earlier.
- Monitoring the outcomes from this phase of PRS regulations, to inform whether and where tightening is required. This should include monitoring of compliance levels, costs of implementation, and energy and carbon outcomes against expectations. This should lead to reviewing whether changes to the criteria, exemptions, and support mechanisms are required.

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As 25-30% of properties are currently NOT expected to meet the targeted performance requirements, options should be reviewed to bring these properties to performance levels too. We stress that monitoring of energy outcomes is crucial, since evidence from in-use energy data shows that EPC ratings are NOT strongly associated with reductions in actual energy use. We have detailed our recommendations to address this elsewhere in our response, but **whichever method is selected must be accompanied by monitoring of outcomes and regular reviews to improve policy effectiveness and inform future tightenings.**

## Chapter 3

### Compliance

**Question 16: What are the other steps government could take to increase awareness and understanding of the PRS Regulations?**

Additional options include:

- using property agents, letting sites etc to help disseminate information on PRS regulations, both to landlords and tenants.
- Modifying the current visual output of EPCs to show the level required by 2030; this would raise awareness among landlords and tenants, and could help drive demand by tenants.
- Through the use of PAS 2030/5, encouraging the production of longer-term retrofit plans to net zero carbon, so landlords and tenants have visibility on steps beyond PRS requirements.
- Review previous research work such as the EPSRC funded Loughborough University led “CALBRE” project<sup>7</sup> which looked in particular at the consumer engagement aspects of retrofit work.

**Question 17: Is the introduction of a PRS property compliance and exemptions database necessary to help local authorities to proactively enforce minimum energy efficiency standards? If yes, should we include the per-property registration fee within the cost cap? If not, what alternatives to a PRS property compliance and exemption database would you suggest?**

Yes, but there should be a much wider review of the collection and management of data on the housing stock, ideally across the UK but at least for England, to enable the collection and management of data about our homes. There are a range of statutory requirements for residential landlords and there ought to be a single co-ordinated approach to collecting data on compliance. This should also be co-ordinated with local authority HMO licensing and housing responsibilities.

**Question 18: Do you agree that government should set a maximum total registration fee for landlords with a very large portfolio? If yes, how many properties should qualify as a “very**

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<sup>7</sup> Consumer Appealing Low Energy technologies for Building Retrofitting: A summary of the project and its findings <https://www.lboro.ac.uk/microsites/enterprise/calebre/project-calebre-summary.pdf>

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*large” portfolio? What should the maximum fee be? If you do not agree to a maximum total registration fee proposal, do you have alternative suggestions?*

No response

***Question 19: Should government seek primary powers to place a requirement on letting agents and online property platforms to only advertise and let properties compliant with the PRS Regulations? If not, please explain why not and provide evidence with your answer.***

Yes.

CIBSE supports this approach, as it will penalise non-compliance and give market advantage to the law abiding landlord community at no additional cost to them. Whilst doing this, government should also seek primary powers to make it an offence for either a landlord or an agent to advertise for rental any property without a current gas safety certificate or certificate covering the electrical installations in the premises.

***Question 20: Should government remove the seven to twenty-one day exemption period on landlords making all reasonable efforts to provide a valid EPC prior to a property being marketed or let? If not, please explain why not and provide evidence with your answer.***

Yes, for the same reasons as Q19.

***Question 21: Should government increase the level of the fixed civil penalty fine for offences under the EPB Regulations (currently set at £200)? If yes, how high should the fine be?***

Yes.

We cannot comment on a specific amount, but clearly £200 is much too low to act as incentive for compliance. Given the monthly rental figures outlined earlier, the sum of £200 is laughable. The penalty needs to act as a serious deterrent to non-compliance, on top of the bar to advertising and letting that Q19 proposes. It is only when the cost of non-compliance begins to equate to the costs of compliance that the penalties are likely to be meaningful. Given the answer to Q1 on average rental incomes, it would seem more appropriate to set the fixed penalty on a sliding scale with a maximum of one year's rental. Or, potentially and subject to discussions with housing lawyers, where a property is non-compliant, to extend the regime for tenants to seek repayment of the rent they have paid, which along with a more robust penalty regime would begin to send a much clearer message about the seriousness of the PRS regulations.

### **Enforcement**

***Question 22: Should government enable LAs to inspect properties for PRS compliance? If not, please explain why not and provide evidence with your answer.***

The proposed approach is fine for the initial approach. However, where the landlord does not respond within 28 days to the initial notice then the LA needs full powers of entry up their sleeve. There is a minority of landlords who will only comply with this if they see no realistic alternative and they will require vigorous enforcement powers.

**Question 23: Should government permit local authorities to use EPC Open Data for some phases of PRS enforcement? Please provide evidence with your answer.**

Yes, and see also answer to Q17 on housing data.

**Question 24: Should there be a requirement for post-improvement EPCs (and for the cost to be included within the cost cap)?**

Yes. The cost should be minimal, as most of the inputs will already exist for the pre-work EPCs and, provided government tie quality requirements into the PRS regulations, information on changes to these inputs will be readily available.

Needless to say, these should all be available digitally, to be readily used in the future.

See also response to Q17.

**Question 25: Should a valid EPC be in place at all times while a property is let?**

Yes. In addition to new lets, it should be required at lease renewal and extension with the same tenant. This will help tenants make fair market comparisons. In addition, as the consultation states: “As a valid EPC is a legal requirement to bring PRS properties into scope of the PRS Regulations, these types of properties (where the EPC expired and the tenancy is renewed or a tenant is in situ throughout) are not covered by the PRS Regulations”. This is clearly a major loophole which must be addressed to address all PRS properties of poor performance, not just those with a valid EPC. CIBSE is pleased to see this loophole finally being addressed many years after we first raised it.

**Question 26: How can the most consistent set of recommendations in the EPC be assured? Does using only the most recent SAP methodology allow this?**

This is another reason why it is important to require valid EPCs are in place not only on new leases, but at renewals and extensions: the new EPCs will use the latest methodology, which benefits from improvements over the years and from the latest technologies, carbon factors etc.

**Question 27: Should listed buildings and those in a conservation area be legally required to have an EPC?**

Yes. While there will be some constraints to listed buildings and (to a lesser extent) those in a conservation area, requiring an EPC would be very useful as:

- It will allow comparisons with the whole housing stock; Grade II listed buildings and conservation areas represent a significant proportion of the stock
- There is growing evidence from bodies such as Historic Environment Scotland, Historic England and the National Trust on options to improve the energy performance of these properties, so they should not be altogether exempt from PRS.

We stress **this must come alongside the following:**

- **Requiring the use of the PAS 2030/5 framework on buildings of traditional construction (whether protected or not),** as per our response to Question 9
- **Improving the SAP methodology to be more applicable to buildings of traditional construction, and particularly the treatment of moisture movement and permeability properties.** We recommend approaching bodies such as Historic England, Historic Environment Scotland, the National Trust and the STBA on this issue. We would also be very happy to discuss our recommendations on this matter which have been developed as part of the previously mentioned SAP 11 scoping study for BEIS.

*Question 28: Should government seek primary powers to increase the maximum fine level to £30,000 per property for each breach of the PRS Regulations? If yes, should it be adjusted for inflation? If not, what would be an alternative, appropriate maximum fine level? Please provide evidence with your answer.*

Yes, and see also response to Q21.

**Question 29: Should government introduce powers for tenants to request that energy performance improvements are carried out where a property is in breach? If yes, how could a redress mechanism be devised?**

Yes

On redress mechanisms, see the suggestion in our response to Q21 to give the tenants a right to get their rental back, subject to legal advice.

**Question 30: Should government introduce some form of local authority disclosure or benchmarking where a property is in breach of PRS Regulations?**

Probably, alongside the wider work MHCLG are doing on resident's rights of access to knowledge about their buildings under the building safety regime. This should be discussed with MHCLG to seek an approach that is consistent with the wider policy in this area. It should also be noted that the ability of local authorities to deal with PRS breaches will depend on them being suitably resourced.

### **Exemptions**

**Question 31: Do you agree that the updated exemption regime should come into force on 1 April 2025? If yes, do you agree that the property compliance and exemptions database should be opened six months prior to commencement of exemptions? If not, please explain why.**

Yes

**Question 32: Should the 'new landlord' temporary exemption be simplified so that it applies to any person who has become a landlord within the last six months? Please provide evidence with your answer.**

No response

**END**

Please do not hesitate to contact us for more information on this response.