BBP response to the Government's 'Reforms to the Energy Performance of Buildings regime' consultation

26th February 2025

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Introduction

The Better Buildings Partnership (BBP) is a not-for-profit membership organisation with the aim of improving the sustainability of commercial buildings. Membership of the BBP comprises 54 of the largest commercial property owners in the UK. Our members represent over £315bn of AUM (Assets Under Management), and alongside our sister organisation - the Managing Agents Partnership - manage over 30,000 buildings.

The Better Buildings Partnership (BBP) welcomes the Government's consultation on reforms to the Energy Performance of Buildings (EPB) regime. This consultation presents a vital opportunity to ensure that the EPB framework continues to support the UK's climate commitments, particularly in light of the Government's recently published *Plan for Change*. Policy certainty and alignment between energy efficiency, economic resilience, and the UK's ambition to be a green superpower are essential in maintaining market confidence and driving investment.

The role of Energy Performance Certificates (EPCs) and the associated Minimum Energy Efficiency Standards (MEES) has been pivotal in improving the performance of commercial buildings. Unlike other regulatory interventions, EPCs and MEES have provided a clear, market-wide benchmark for energy efficiency, particularly in the context of existing buildings where alternative regulatory drivers are lacking. Given the transactional nature of commercial property, EPCs serve as a crucial source of information for investors, landlords, and occupiers. While not without limitations, these tools remain fundamental within the current regulatory framework, as highlighted in the BBP's response to the latest MEES consultation.

Evidence demonstrates that the EPC regime and MEES requirements have stimulated investment in existing buildings, ensuring they remain viable and fit for the future. Numerous case studies from BBP members illustrate the tangible impact of EPC-driven energy efficiency improvements, including successful retrofit initiatives that align with sustainability goals and deliver commercial benefits. For example, projects led by Workman, Landsec, and Derwent London showcase how EPC requirements have driven enhancements in energy performance, reduced carbon emissions, and increased asset value.

A strategic, long-term, and consistent approach to policymaking is crucial to reinforcing the effectiveness of EPCs. The EPB regime should not operate in isolation but must integrate with wider policies that drive improvements in energy efficiency. This includes fiscal incentives, sustainability disclosure regulations, the Warm Homes Plan and performance-based assessment frameworks that enhance the reliability and market relevance of EPC ratings.

Detailed responses to the consultation questions are provided below. In summary:

Accuracy, Transparency, and Enforcement – Members expressed concerns about the accuracy and consistency of EPC assessments, citing the need for better assessor training, clearer regulations, and improved data sharing mechanisms. The BBP is undertaking work to develop a guide for commercial property owners and managing agents around the procurement of EPC assessments, due for release in the first half of 2025. The BBP has also undertaken significant work on data sharing, most notably

through the BBP's Green Lease Toolkit which highlights the need for a more robust and transparent system.

Retaining the Carbon Metric While Prioritising Energy Use Intensity – Members support retaining carbon as a metric for non-domestic buildings but emphasise that energy use intensity (EUI) is a more meaningful indicator of actual building performance. As the UK's electricity grid continues to decarbonise, carbon metrics alone become less reflective of operational efficiency. The BBP's *Real Estate Environmental Benchmark* (REEB) dataset, with over a decade of industry data, reinforces the importance of EUI in assessing energy efficiency at both asset and portfolio levels. REEB is regarded as a key industry benchmark and data from the project has contributed to industry research, including the National Buildings Database Project and the development of the UK Net Zero Carbon Buildings Standard.

Addressing the Performance Gap – There remains a well-documented discrepancy between modelled and actual building performance. Members referred to the outstanding 2021 consultation on introducing a performance-based framework for commercial buildings and reiterated the BBP's long-standing advocacy for verified, in-use energy performance disclosure. The integration of EPCs with verified operational data, such as through NABERS UK, could play a transformative role in reducing this gap. Our most recent benchmark report from REEB includes an updated chart showing the lack of correlation between EPC rating and actual energy performance of commercial buildings.

Validity Periods and Heritage Buildings – While there was broad support for more frequent EPC validity periods to improve market relevance, members stressed the need for a commercially viable approach. Many advocated for a period of five to seven years to align with lease cycles and refurbishment timelines. Additionally, members highlighted the need for bespoke EPC methodologies for heritage buildings to ensure they remain viable while contributing to net-zero objectives. Please seek previous BBP work undertaken on EPCs and heritage buildings.

Overall, BBP members support aligning the EPC framework with net-zero carbon goals while ensuring that implementation remains practical and proportionate. A cohesive, well-integrated policy approach will be essential in driving meaningful energy efficiency improvements across the commercial real estate sector.

The Consultation Response

The responses to the consultation questions were developed by collating the views of the Better Buildings Partnership (BBP)'s membership. The BBP held a virtual roundtable event on the 6th February 2025 to discuss the Government's consultation on the Energy Performance of Buildings regime with c.20 members in attendance. In the meeting, members discussed various questions from the public consultation and provided comments via a Mural board. There was a general high level of feedback from members from across the areas discussed. The meeting was focussed on those questions and topics highlighted in advance by members as of particular significance, including non-domestic buildings, heritage buildings, validity periods and the enforcement mechanisms.

The responses of BBP and MAP members from this roundtable and discussion have been collated, distributed to members for comment and summarised in this document as a collective BBP response.

Should you require any further information on any aspect of this submission please contact Adam Baranowski, Head of Climate Action & Investment at a.baranowski@betterbuildingspartnership.co.uk.

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Specific consultation questions

Metrics (Q1-11)

It was noted that the consultation indicates that the Government is proposing that the carbon metric is maintained as the primary metric for non-domestic buildings. There is support for this in the interests of short-term consistency. Members provided views on the other metrics included in the consultation for potential future use. Views on the suitability of metrics varied in relation to domestic and non-domestic buildings and highlighted questions in relation to the associated policy aims.

Question 1: To what extent do you agree or disagree that information using an energy cost metric should be displayed on EPCs?

- Several respondents expressed concerns about using energy cost as a metric for EPCs. They noted that outdated and variable data could mislead users, while one highlighted that higher electricity costs might discourage switching to heat pumps, impacting decarbonisation. Additionally, one respondent stressed that the volatility of the energy markets can result in the unpredictability of energy pricing.

- Several respondents questioned the metric's usefulness, arguing that it does not accurately reflect energy performance or offer valuable insights for property owners. While a few residential estate managers saw value for tenant engagement, others felt it was less relevant for non-domestic buildings.

- Respondents also warned of potential conflicts with net zero goals due to unclear boundaries. To address these issues, multiple respondents recommended clearer caveats and regular updates, possibly managed by the government, to ensure accurate and meaningful use of the metric.

Question 2: To what extent do you agree or disagree that information derived from a fabric performance metric should be displayed on EPCs?

- Members recognised fabric performance as important for understanding building capability and its role in net zero carbon goals. Some felt it is currently undervalued in non-domestic EPCs and should have greater emphasis. However, concerns were raised about its practicality as a primary metric due to the difficulty of making physical improvements. While useful, its role must be balanced with the challenges of implementation.

Question 4: To what extent do you agree or disagree that information based on a heating system metric should be displayed on EPCs?

- Members largely supported including heating system information as a metric, emphasising its usefulness for acquisitions, portfolio reviews, and public transparency. Several respondents agreed that this data should remain publicly available, as it is valuable for assessing properties and aligning with net zero carbon definitions and certifications.

- A few respondents suggested retaining more connectivity to heating systems, such as specifying if a building relies entirely on gas heating. Others noted that incorporating Heating Space Demand as an indicator would further support NZC goals. Overall, members saw this metric as beneficial for decision-making and long-term carbon reduction strategies.

Question 6: To what extent do you agree or disagree that information based on a smart readiness metric should be displayed on EPCs?

- Members expressed uncertainty about the concept of smart readiness as a metric. Several respondents noted that the definition of "readiness" is unclear and needs further clarification, particularly in relation to load sharing and demand-side response. Some questioned its practical application.

- A few respondents felt that smart readiness is less relevant, especially given the age of most building stock, while others wanted more clarity on what the metric aims to achieve and whether it links to the Data Bill. Overall, members acknowledged the government's intent but emphasized the need for clearer definitions and a stronger rationale before it becomes a meaningful measure.

Question 8: To what extent do you agree or disagree that information from an energy use metric should be displayed on EPCs?

- Members shared varied perspectives on using energy use as a metric for EPCs. Several respondents felt that Energy Use Intensity (EUI) should be the main indicator, as it offers meaningful insights and supports benchmarking. One respondent suggested that EUIs would provide a better understanding of building performance compared to carbon metrics, as they reflect actual energy use rather than grid performance. Respondents emphasised the role of occupiers in driving energy use, noting that variations in occupancy patterns and operational intensity can significantly impact EUI values.

- Some respondents noted that for EUIs to be useful, careful consideration is needed regarding delineation—specifically, whether to measure whole-building energy use or demised spaces and which systems or end uses to include. A few highlighted the importance of showing actual (not modelled) energy use, as this would provide a more accurate reflection of building performance. One member noted that including future Home Energy Model outputs within EPCs, where these exist, would be a particularly helpful step forward.

- One respondent suggested linking EPCs with DECs to enhance relevance, particularly for non-domestic buildings. However, there were concerns that without clear explanations about unregulated loads and other variables, the metric could still be misleading. Overall, there was support for EUI as a more meaningful and accurate measure of building performance, but respondents emphasized the need for clear definitions and guidance.

Question 10: To what extent do you agree or disagree that information from a carbon-based metric should be displayed on EPCs?

- Respondents felt that carbon should remain a metric for EPCs but not as the primary headline measure. They suggest it should be used alongside energy use intensity to provide a more comprehensive operational understanding, especially in the context of net zero ambitions.

- There is also recognition that while carbon becomes less relevant as the grid decarbonises, it remains important to encourage a shift away from gas usage.

Question 12: Do you have any views on key transition issues?

- Respondents highlighted key concerns about transition issues, particularly the differences between Domestic and Non-Domestic responses due to the proposed methodology for Domestic EPCs. Some noted that EPC software models and assessors should be considered, as different software packages can produce varying results, raising questions about licensing and standardisation.

- Several respondents emphasised the importance of understanding how these changes align with MEES regulations and the potential revival of performance-based ratings. Overall, members stressed the need for clarity on how these transitions will be managed and their broader implications for compliance and consistency.

Questions 13/14: What should be the validity period for Energy Performance Certificate (EPC) ratings? To what extent do you agree or disagree with the approach for any changes to validity periods to only apply to new EPCs?

- Members had mixed views on EPC validity periods. There was support for reducing the validity period, with a mix of responses suggesting 7 or 5 years, arguing that this would better align with lease lengths and building refurbishment cycles. They felt this would provide more accurate reflections of energy performance. A majority of respondents felt the period should not be less than 5 years due to potential increased cost and administrative burdens, especially given the current shortage of assessors.

- A few respondents suggested a two-year validity for DECs if the scope is widened, while others argued that 10 years remains appropriate for capturing major refurbishments. Several agreed that any changes should apply only to new EPCs to minimise disruption. There were also calls for EPCs to be valid throughout tenancies, not just at the point of marketing, to provide up-to-date information for landlords and tenants. Overall, members balanced the need for accurate energy performance data with concerns about costs, administrative complexity, and market readiness.

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?

- Members were broadly supportive of assessing energy efficiency in heritage buildings but raised concerns about how this aligns with MEES regulations and exemptions. Many agreed that EPCs should be required for heritage properties to provide baseline data and identify improvement opportunities, while also ensuring exemptions allow for the retention of historic character.

- Several respondents highlighted the challenges of balancing heritage protection with environmental improvements, particularly as certain upgrades, such as fabric improvements, are often restricted. Some noted that the process of securing exemptions is overly complex and should be streamlined. Others emphasised the need for bespoke EPC methodologies to account for the unique challenges heritage buildings face.

- Education at the local level, particularly for conservation officers, was also seen as important, as decision-making on heritage improvements can be subjective. There was also a concern about heritage buildings becoming "stranded assets" if they fail to meet future energy efficiency standards. Overall, members called for a balanced approach that ensures heritage buildings contribute to net-zero goals without being unfairly disadvantaged.

EPC and DEC Data Sharing (Q30-32)

- Members raised concerns about limitations in data sharing, particularly with the government's EPC API. One respondent highlighted frustration over the API's exclusion of certificate numbers, making it difficult to accurately retrieve data by address and preventing direct linking to certificates. They questioned the justification of data privacy concerns and stressed that including certificate numbers would be highly beneficial.

- Another point raised was the value of accessing previous EPC data. Members noted that past records could help identify changes to a property that may not be visible to a current assessor, ensuring a more accurate assessment. Overall, respondents emphasised the need for better data accessibility and continuity to improve the reliability and usability of EPC information.

Questions 33/34: To what extent do you agree or disagree that Accreditation Schemes should be given more responsibility for overseeing the training of energy assessors? 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?

- Respondents highlighted concerns about the quality of EPC assessors, with many calling for improved skills and training to enhance accuracy. Several noted that current schemes often feel like a "tick box exercise," leading to poor-quality outputs. To address this, respondents suggested stricter training requirements and spot checks on EPCs and training organisations.

- Concerns were also raised about the accreditation system. Some felt that one body's significant market share limits competition, while others pointed to conflicts of interest, suggesting accreditation bodies may avoid enforcing standards.

- Several respondents advocated for greater regulation and transparency, including quality indicators on certificates to improve accountability. There was also support for better quality EPCs to reduce the need for frequent validity checks, although some cautioned that shortening validity periods could strain contractor availability. Overall, members called for stronger training, regulation, and transparency to improve EPC assessment quality.

Improved EPC compliance and Enforcement (Q35-38)

- Members raised several concerns about EPC compliance and enforcement. Many questioned whether local authorities have the necessary resources and expertise to enforce EPC requirements effectively. Some suggested that enforcement would be more efficient if handled by those already enforcing MEES regulations.

- Several respondents pointed out challenges in enforcement due to unclear regulations and complex lease agreements, which can make it difficult to determine who is responsible for compliance. There were also significant concerns about the EPC register, which is not only unclear but also difficult to navigate. This issue is compounded by the fact that a single asset can have multiple addresses and postcodes, making it challenging to track and verify compliance accurately.

- Another key challenge is that anyone—including occupiers—can register an EPC, but liability under MEES still rests with the landlord. This can lead to compliance issues if landlords are

unaware of registrations linked to their buildings.

- A few respondents suggested increasing penalties to make non-compliance more punitive, but others noted that fines alone may not be effective without better support systems and clearer guidance. Overall, members called for clearer regulations, better guidance, and improved resource allocation to enhance EPC compliance and enforcement.

Question 39: What are your views on changing the current allocation of responsibilities for enforcing Energy Performance of Buildings Regulations (EPBR)?

- One respondent noted that enforcement should be carried out by the same body for both MEES and EPCs to prevent non-compliance due to lack of cooperation and understanding between these regulations.

Air Conditioning Inspection Reports (Q40-45)

- Several members responded that they find inspections useful but often that they are often repetitive and costly. Simplifying reports and providing summary information on equipment replacement and estimated costs would improve usability.