Minimum Energy Efficiency Standards

Submission to MHCLG

10 September 2025

Summary

The National Housing Federation (NHF) is the voice of England's housing associations, with our members providing homes for around six million people. Housing associations are not-for-profit organisations with a long-term commitment to the communities they operate in and are driven by a social purpose, to deliver good quality homes that people can afford.

Housing associations are working at pace to improve the energy efficiency of their homes, tackle fuel poverty and reduce bills for tenants. Over 72% of housing association homes are already at EPC C, higher than any other tenure in England, with many sitting above EPC C. The number of housing association households in fuel poverty has significantly reduced over the past 10 years, with housing associations having the lowest proportion amongst all rented tenures. However, there remains significant work to do, with 11.6% of housing association households remaining in fuel poverty.

The NHF welcomes the development of a clear regulatory framework that sets out minimum standards for all homes in the social rented sector by 2030. A well-designed Minimum Energy Efficiency Standard (MEES) will ensure residents' homes are energy efficient and provide adequate levels of thermal comfort. Including MEES in the thermal comfort criterion of the Decent Homes Standard (DHS) will ensure that government policy is aligned, and that energy efficiency and thermal comfort are not considered in isolation from each other.

Housing associations have been working for many years towards achieving EPC C by 2030 and have based their financial and asset management plans on this. This important strategic priority for the sector sits alongside ongoing work to improve the quality and safety of existing homes, improve services to residents and build much needed new affordable homes to contribute to the government's target of 1.5m homes and its ambition to deliver the biggest boost to social and affordable housing in a generation.

To help housing associations balance these competing demands on the sector's finite financial capacity, we have been calling on the government to provide certainty over the future of minimum energy efficiency standards. **As such, we welcome the government's publication of this consultation and support the overall aim of bringing homes up to EER C by 2030**, subject to a cost cap of £10,000 per home,

and exemptions designed to cover homes where it is not feasible to reach required energy efficiency standards.

We also support the need to reform the EPC metrics so that they better reflect affordability and decarbonisation outcomes.

However, we do not agree with setting a 2030 MEES target based on unconfirmed new metrics, particularly under the government's preferred option which could represent a significant departure from the approach the sector has been delivering to date and is planning to deliver by 2030.

Doing so risks **much greater uncertainty and potentially much higher costs for housing associations**. It would likely mean that housing associations develop fewer homes as they redirect resources to delivering against the new standard.

To make an informed decision about how MEES should be defined using the new metrics the sector first needs:

- **Certainty and clarity on the new Home Energy Model (HEM)**, and confirmation of what would constitute compliance against the three outlined metrics. While the proxy metrics provide a useful starting point for estimating the cost impact, there is a risk that these understate the true cost of interventions, or that metrics become unworkable for housing associations once the HEM is finalised. **Pushing ahead with the proposed approach introduces considerable uncertainty – the opposite of what the sector needs.**

- **Confidence that the approach is deliverable**. From the information in the consultation documents, it seems likely that the government's preferred option would require more interventions, at higher cost, more quickly than the sector is currently planning for by 2030. If the requirement is that every social home has an air source heat pump or solar panels (using the proxy metrics in the consultation) by 2030 or the end of the transitional periods, this would be a substantial change to the plans of housing associations and would have a significant impact on sector finances and new supply. While housing associations are currently planning to incorporate clean heating and solar as part of their longer-term work towards reaching net zero by 2050, doing so across all homes by 2030 would represent a very significant departure from current plans.

- **Assurance on affordability for residents.** Without broader government action on electricity pricing, a premature shift to clean heat may mean higher electricity bills for tenants, and result in tenants reducing their heating use or pushing others into fuel poverty. It is important that the new metrics are carefully designed and aligned with broader government policy to prioritise affordability for residents.

- **Clarity on the national strategic approach to home decarbonisation beyond 2030**. Finally, the development of a target without a clear long-term decarbonisation strategy risks inefficient investment and avoidable disruption for residents. Housing associations have 30-year financial and asset management plans. A 2030 MEES target is only the first step on a longer journey to full decarbonisation, and further investment will be needed to move away from fossil fuel heating and integrate emerging technologies. What is needed is a strategic approach that balances maximising benefits and minimising disruption to residents, alongside incorporating works into broader asset management strategies. Without a long-term strategy, the current proposals risk unnecessary disruption for residents, additional cost, and inappropriate interventions being prioritised to fit within the metrics in the timeframe.

We remain firmly committed to the decarbonisation of the sector's homes alongside improving quality and comfort. As such, we are keen to see the government develop and confirm a version of MEES that aligns with the current trajectory of the social housing sector and fits constructively with the 2030 statutory fuel poverty target.

We believe the following approach would provide certainty and clarity over the short term, while implementing a long-term strategy and regulatory regime that best drives effective interventions:

- **Retain the current EPC target until 2030,** allowing housing associations to continue on their current trajectory of both improving the energy efficiency of homes through a primarily fabric first approach and supporting residents with energy costs. **This could be achieved by extending the proposed EPC validity exemption (currently proposed until 2028) out to 2030**, allowing homes that achieve EER C under current metrics by 2030 to be considered compliant until the expiry of that EPC. This should also retain the proposed £10,000 spend exemption, enabling housing associations to spread the cost of hard to decarbonise homes over an appropriate timeframe. **Confirming this target as quickly as possible will provide the most certainty to the sector and enable housing providers to progress work towards the target alongside maximising their contribution to new supply.**

- **Continue with the planned reform of EPCs, including the HEM** and incorporate these into an updated MEES once finalised. These should be developed in consultation with external stakeholders in the next year, including consideration of affordability and comfort for residents and decarbonisation. Once the HEM and new MEES metrics are finalised, housing associations would be free to comply with either the current EER C metrics or the new version by 2030. This would allow housing associations to progress works against the new HEM metrics earlier than 2030 where appropriate.

- **Finalise and publish these alongside a long-term strategy for decarbonisation of social housing.** This should set out the minimum

standards all homes will have to reach at key points between 2030 and 2050, incorporating these into the DHS as appropriate. It should also align with future funding programmes for social housing decarbonisation.

We believe this approach will:

- Provide continuity, clarity and certainty for social landlords until 2030.
- Enable housing associations to continue to deliver much needed new social and affordable homes.
- Allow time for more detailed work on the HEM and the development of a long-term strategy to support efficient decarbonisation of the sector.

Once published, housing associations will begin to incorporate the updated minimum standards into their plans, meaning significant progress towards these standards can be made by 2030.

Finally, some housing associations will choose to deliver over and above the minimum standard in the meantime, depending on the age and archetype of stock, and their financial capacity to invest.

Consultation Response

Full consultation responses

Question 1. Do you agree that the government's preferred option (option 1- dual metric approach) to set a minimum energy efficiency standard for the SRS is the most suitable option? Please explain your answer

No. While we understand the rationale behind a dual metric approach with fabric prioritisation, we are concerned that achieving this by 2030 would not be financially viable for the sector, even with long-term rent certainty and convergence in place.

Housing associations are making significant progress towards EPC C by 2030 under current metrics, with the majority using a fabric first approach supplemented by additional measures (e.g. efficient boilers, solar, and other heating interventions). This means that current plans:

- Do not consistently include all the works which may be needed to meet a fabric performance measure by 2030. For some homes, doing so would incur significant additional costs, particularly where, for example, external wall insulation is required.
- Do not include installation of either a heat pump or solar panels in the majority of homes, which again would incur considerable additional cost if pursued.

Using the government's impact assessment, we estimate the upper bound cost over 10 years to housing associations of the government's preferred metric is £3.301bn.[1] Our analysis indicates that convergence at £2 per week from 2026-2036 would generate additional rental income of £2.99bn for housing associations, meaning the total cost of the government's preferred option would account for more than the total additional income generated through convergence. Housing associations' financial headroom is currently very tight, limiting the additional amount they can borrow to cover the cost of such substantial new requirements. Additionally, the income from convergence will not be evenly or proportionately distributed amongst housing associations, increasing the potential financial risk associated with MEES for some housing organisations. Taking these points together, we argue the costs of the government's proposed metric cannot be met by housing associations, without significantly limiting their capacity to invest in building new social homes.

To illustrate this, one housing association estimated that if required to achieve the government's preferred dual metric approach by 2035 (assuming a 2030 compliance date, and the proposed transitional provisions), this housing association estimates an increase in cost equivalent to 19% of their rental income. This option will put significant financial pressure on housing associations, alongside additional requirements related to decency and building safety, and an increasing focus on building new homes.

Additionally, we consider that the consultation documents underestimate the overall cost of the metrics. While the consultation document outlines an expected cost of between £4,500 - £5,300 per home, the recent experiences of housing associations indicate costs may be significantly higher. For fabric alone, one housing association identifies an average approximate £6,000 cost per home based on current metrics, while another identifies average costs of around £15,600 for their poorest performing and hardest to treat homes. Given the progress to date on raising homes to EPC C, it is likely that poor performing and hard to decarbonise properties will make up a significant proportion of the homes needing additional work.

For the other metrics, one housing association (with experience of installing both solar PV and air source heat pumps) estimates the actual cost of these measures to be around £8,000 and £10,000 respectively (excluding the cost of the fabric improvements required). These costings are supported by findings from the Social

[1] Methodology for estimated cost for housing associations:
Total social housing sector cost: total upper bound cost of modelling scenario 1 from Table 25 of government impact assessment, excluding hassle costs to residents.
Housing association cost: as the government's impact assessment does not provide an estimate of the ten-year costs to housing associations, we have assumed this cost would be split by the proportion of social homes owned by housing associations. We have used the figure provided in the government's impact assessment (p36) stating that housing associations own 63% of social homes (excluding low-cost home ownership).

Housing Decarbonisation Fund, which put the average cost to housing associations to install an air source heat pump at £12,200 per install, and solar PV at £7,100 per install through Wave 1.

Finally, any changes to EPC at this stage may have broader financial implications for housing associations. **One key example is the risk that changes to EPC metrics could impact the ability of housing associations to meet EPC targets on sustainability-linked borrowing agreements**, affecting their broader financial capacity for retrofit and housebuilding. In the last two years, there has been a drive for the social housing sector to seek private financing to fund retrofit. This has resulted in many housing associations agreeing to contracts with financial lenders that link retrofit performance with better borrowing rates. Usually, this link takes the form of targets based on energy performance improvements (i.e. number of homes improved from EER D to EER C), usually in the form of both annual and full-term targets. Changing the EPC framework could result in housing associations not being able to meet their agreed targets with lenders, as they prioritise meeting the government's targets as required through regulation.

Question 2. If you do not agree, which, if any of the other metric options outlined would be your preferred approach to set a minimum energy efficiency standard for the SRS? Please explain your answer.

We do not consider any of the options to be achievable for the sector by 2030. All the options presented would require the sector to deliver against metrics that are yet to be finalised. Even if the HEM is finalised by the end of this year, this approach risks much greater uncertainty and higher costs for housing providers, at a time where sector capacity is already stretched.

While Option 2: a fabric performance metric only, by 2030, is most consistent with current business planning across the sector, a significant proportion of housing associations are currently supplementing fabric performance with additional measures (e.g. efficient boilers, solar, and other heating interventions) where properties are not suitable for insulation, or where additional interventions are required to bring properties up to EER C. We are concerned that, for some housing associations, a sole fabric performance metric would require significant additional investment in their homes by 2030 which is not currently within their budgets.

We also have significant concerns about the capacity of the social housing sector to meet potential heating system or smart readiness metrics, particularly by 2030, without facing significant additional costs which could risk limiting housing associations' capacity to invest in building new homes. As outlined in question 1, these metrics would bring a significant cost impact for housing associations, impacting the financial capacity for housing associations to undertake other retrofit and maintenance work as well as build new homes.

There are broader considerations that also impact on this assessment. A premature shift to clean heat may result in tenants paying more for their heating. Members have

raised concerns that while electric heating remains more expensive than gas, and in the absence of wider government work to reduce the price disparity, it is likely that low-income households would face increases to energy bills if moved to clean heating sources. It is also unclear how the heating metric will work for heat networks, especially in relation to upcoming regulatory changes in this area.

We are also concerned that there is not the capacity in the supply chain and workforce to meet the demand for heat pumps by 2030, alongside the demand in the private rental sector. The Climate Change Committee has already identified that "the market for low-carbon heating – and its supporting supply chains – needs to scale up to deliver all new and replacement heating installations" by 2035 and that "these issues need to be addressed urgently in the government's forthcoming Warm Homes Plan and Industrial Strategy." As such, we are concerned that a 2030 deadline for this metric does not allow sufficient time for the market for heat pumps to grow to the scale needed to meet this metric. This concern has been raised by multiple housing associations, including those who are currently scaling up their clean heating provision.

The smart readiness metric is also unlikely to be achievable by 2030 within planned budgets, and without limiting housing associations' ability to invest in new homes. Solar installations are most commonly planned for after 2030 and align with broader programmes of roof remediation and replacement. Introducing requirements to implement solar by 2030 risks an unnecessary doubling-up of cost, avoidable disruption to residents and additional pressure on supply chains and workforces.

Housing associations are also concerned about the potential inclusion of smart meters in a MEES metric. Energy suppliers are responsible for installing smart meters with the consent of the resident, and as such landlords have limited control over the pace of smart meter rollout. Social landlords do not often have a role in the deployment or a resident's management of 'smart appliances' or flexible energy tariffs. For a variety of reasons, many residents will not wish to or be able to take up the wider range of smart technologies discussed in the consultation. These include concerns about potential cost, distrust of technologies, and limited ability to utilise load-shifting appliances because of broader household inflexibility – all of which housing associations have limited influence over. All this must be considered when designing any regulatory standards on social landlords linked to this new smart metric.

Question 3. Are there any other approaches to setting MEES that should be considered (such as an energy cost-based approach)? If yes, please explain your answer.

We recommend that the government retain the current approach of EER C under current metrics by 2030 as the basis for MEES. This would allow housing associations to continue on their trajectory of both improving the energy efficiency of homes through a primarily fabric first approach (with room for other interventions

where insulation is not appropriate) and supporting residents with energy costs. This could be achieved by extending the proposed EPC validity exemption (currently proposed till 2028) out until 2030, allowing homes that achieve EER C under current metrics by 2030 to be considered compliant until the expiry of that EPC. This exemption should remain regardless of the finalisation of the metrics and long-term plan, to give certainty for housing associations in the medium term. This should also retain the proposed £10,000 spend exemption, enabling housing associations to spread the cost of hard to decarbonise homes over an appropriate timeframe.

In the meantime, we recommend that the government continue with the planned reform of EPCs, including the HEM. The details of this should form the basis of an updated MEES, working through the details of how this could impact resident affordability and comfort, and decarbonisation. These should be developed in consultation with external stakeholders in the next year, including housing association representatives, and broader sector stakeholders including those with detailed knowledge about PAS, energy modelling and metric relevant specialists (i.e. heat pump and solar experts). This should be published alongside a long-term strategy for decarbonisation of social housing, which should set out the minimum standards all homes will have to reach at key points between 2030 and 2050, incorporating these into the DHS as appropriate.

Once the HEM and MEES metrics are finalised, housing associations could be given the choice to comply with either the current EER C metrics or an updated HEM by 2030. This would allow housing associations to progress works against the new HEM metrics earlier than 2030 where appropriate.

Question 5. Do you agree with the proposal for social homes to comply with MEES by 1 April 2030?

Yes – but only per our recommended approach set out in response to question 3.

Question 6: If you have answered no to Question 5, do you have a view on alternative options for setting the compliance date, for example either earlier or later than 2030?

As outlined in previous questions, we have significant concerns about the capacity of the social housing sector to meet any of the proposed metrics by 2030 within planned budgets, and without impacting on the delivery of new homes.

We do, however, understand the importance of the government aligning MEES constructively with the 2030 statutory fuel poverty target. We therefore recommend that MEES is based on the current EER C, under current metrics, by 2030. This would allow housing associations to continue with their current planned programme of work, as well as giving time to plan a longer-term path to decarbonisation for the sector. This could be achieved by extending the current EPC validity exemption (currently proposed for properties that reach EPC C by 2028) out to 2030, allowing

properties that meet EER C under the current criteria by 2030 to be considered exempt until their EPC expires.

We believe any smart readiness or heating system metrics will only be achievable for the sector if implemented after 2030. This would better allow housing associations to incorporate the agreed metrics and measures into their longer-term financial and asset management plans, and more time for interventions to align with planned replacement dates. We understand that where housing associations are planning to invest in clean heat at scale, this is currently planned for after 2030. For example, one housing association has shared that they are planning on replacing gas heating with clean heating systems from 2035, following previous government guidance on replacing gas systems. Given the potential cost, planning, and disruption associated with the heating system and smart readiness metrics, it would be difficult for housing associations to speed up this work within a short timeframe. Additionally, this would allow time for supply chains to scale up, as the current market and skills availability is insufficient to enable these interventions to be implemented across both the social and private rental sector by 2030.

As such, we recommend that the implementation of metrics over and above the current EER C target are delayed until after 2030, reducing the impact on other planned maintenance, compliance with other regulatory requirements, and potential impact on new build developments. This would allow housing associations to balance completing required retrofit with continuing investment in new homes.

Question 7: Do you agree with the government proposal to set a time-limited spend exemption? Please explain your answer.

We support the proposal of some form of time-limited spend exemption. While the majority of housing associations are on track to meet EER C by 2030, there remain a significant number of hard to decarbonise homes. For these homes, the interventions required to meet EER C can be extremely costly. Without a cost cap in place housing associations would be faced with the difficult decision of selling those homes as retaining them would reduce the financial capacity available to spend on bringing other homes up to compliance, making other improvements to existing homes, and building new homes.

Even if the proposal to extend the 2028 exemption to 2030 is progressed, the £10,000 time limited spend exemption should be retained. This should remain in place regardless of the form of the metrics post 2030.

Question 8: Government has considered three options for setting maximum required investment under a spend exemption. Comparing these options, which do you think is most appropriate for the SRS? Please explain your answer

We support the spend exemption being set at £10,000 before 2030 and consider that any level over and above this cap would be unaffordable for some housing

associations (and may risk disadvantaging specifically smaller associations, those with more complex archetypes across their portfolio, and those in rural areas).

The design of the cap will also be important to support deliverability of large-scale energy efficiency improvements. Grant funding should be included as part of the funding cap (i.e. the £10,000 exemption should be inclusive of grant funding received, rather than additional to), as this will best support affordability and deliverability of MEES across the sector as a whole.

The cost cap should take planned or assessed spend into consideration, particularly for homes where measures such as external wall insulation would be the most effective route to upgrade a property and could cost considerably more than £10,000. This mechanism would allow landlords to apply for an exemption if the cost of the next proposed upgrade would breach the £10k cap, without having to substitute for less effective but cheaper interventions to spend up to the cap. Without any such mechanism, this requirement could drive landlords to install multiple less meaningful interventions with limited overall impact on the energy efficiency of the home. In such cases it would be better in the long run to allow the landlord to delay works until the full cost of the most meaningful intervention could be undertaken.

Additionally, we recommend that the funding cap be backdated to 2021, when the Sustainable Warmth strategy on fuel poverty was announced. In some properties, landlords may have already significantly invested in energy efficiency measures without yet having reached EER C, especially where substantive investment has already occurred on hard to decarbonise homes. Not backdating risks penalising landlords who have taken good faith efforts to improve the energy efficiency of their most difficult to decarbonise homes.

We also recommend that administrative and ancillary costs such as EPC renewals and PAS costs are included in the cost exemption calculation. While more clarity on the formal requirements for compliance (e.g. the necessity of a valid EPC) are necessary as part of the HEM, these will constitute a significant cost for housing associations and be part of compliance, and as such should be included in the cost cap. Finally, it may be necessary for the cap to include some allowance for where spend is planned but unable to be completed by 2030 (for example, if solar installations were planned in 2032, the property could be considered compliant with MEES until this point). This will allow work to be planned in a way that reduces workforce and supply chain pressures and aligns with existing asset management planning.

Question 9: Do you agree with government's proposal for any time limited spend exemption to be valid for 10 years from 1 April 2030? Please explain your answer

Yes.

It may also be necessary to consider a longer term or permanent exemption in specific, limited cases. Some homes will require significant financial investment to comply with MEES, which will be unaffordable even when spread until 2040, presenting a risk that they may need to be sold in order to ensure compliance. This longer-term detail should form part of a broader decarbonisation strategy alongside the updated HEM and MEES, setting out the minimum standards all homes will have to reach at key points between 2030 and 2050, incorporating these into the DHS as appropriate.

This dilemma exists at a broader scale - there is a trade-off between choosing to retain some social homes that are not MEES compliant in order to keep them for social housing and achieving full compliance which would likely necessitate selling at least some social homes. Putting in place a limited and well-defined permanent exemption would ensure that the cost of improving the energy efficiency of the hardest to treat homes does not make achieving a MEES more broadly throughout the sector unachievable and will enable housing associations to continue to prioritise other areas of investment, such as supply of new homes, alongside MEES.

Housing associations recognise that consideration needs to be given to the residents living in the exempt properties in these circumstances. While temporary and permanent exemptions to the standard would be welcome, these need to be accompanied by a long-term plan for these properties to ensure that all social housing residents are able to live in warm homes that are affordable to heat.

Question 12: Are you aware of any other circumstances where individual dwellings could not meet the standard, but which are not covered by either applying the DHS exemptions to MEES or the time limited spend exemptions Please explain your answer

Yes.

As discussed in response to question 9, we suggest there is a need for a permanent exemption for a limited proportion of homes in the social housing sector where the cost of energy efficiency works, even if spread out over multiple years, would mean it is not financially viable for the home to be kept as social housing.

We agree that the proposed exemptions to the broader DHS on tenant refusal of access, physical or planning factors preventing compliance and where there are plans to sell, demolish or regenerate homes will also be important for MEES.

We believe there are additional circumstances where it may not be possible to bring individual homes up to MEES by a 2030 deadline, particularly if metrics on smart readiness or heating systems are factored in. Some of these align with the proposed exemptions to the DHS but we would like to see explicit reference in the DHS and accompanying guidance. These include:

- **Conservation areas:** we welcome the proposed exemption where planning issues prevent certain work being completed on individual properties. This is likely to be a particular issue for installing insulation or double glazing in heritage homes, conservation areas, listed buildings and estates of architectural interest. We would like the exemption on planning to explicitly set this out.
- **Grid capacity constraints:** the local electricity network in some areas currently does not have capacity to support the installation of low carbon heating technologies. Addressing capacity issues requires external infrastructure upgrades which are not within the control of landlords. Any heating system metric must be accompanied by exemptions for areas where the capacity of the grid remains a concern.
- **Non-traditional construction**: post-war non-traditional buildings (e.g. concrete panel or steel-frame homes) can be particularly challenging to retrofit. In some cases, structural constraints mean standard insulation or heating measures cannot be installed.
- **Leasehold properties**: where housing associations own the leasehold but not the freehold of a property and lease restrictions prevent them from completing energy efficiency works, or the freeholder refuses permission, properties should be exempt.

Question 13: Do you agree that properties that meet an EPC (EER) rating of C prior to the introduction of new EPCs should be recognised as compliant with the future standard until their current EPC expires or is replaced? Please explain your answer.

Yes.

Additionally, we consider that properties that meet an EER rating of C by 2030 should be recognised as compliant until the expiry of this EPC. This will better enable housing associations to continue on their current trajectory of both improving the energy efficiency of homes through a primarily fabric first approach (with room for other interventions where insulation is not appropriate) and supporting residents with energy costs. This exemption should remain regardless of the finalisation of the metrics and long-term plan, to give certainty for housing associations in the medium term.

If MEES is introduced using new EPC metrics, this transitional provision would be vitally important to reducing the financial impact of compliance on housing associations. However, this would not fully mitigate the impact on housing associations or significantly improve the feasibility of implementation of new metrics by 2030.

Additionally, consideration should be given to how EPCs could be generated as part of this process. Many social housing providers are able to generate a form of EPC themselves using their own energy performance and asset management data – often with more accurate results than a Domestic Energy Assessor would produce for a

formal EPC. However, they are unable to 'lodge' them as formal EPCs. This will be the case for a significant number of homes currently at EER C. If lodged EPCs are required, this will place significant pressure on the associated workforce. We propose the government considers permitting self-generated EPCs from social landlords to enable a lower-cost, more-accurate and 'live and digital' updating in the social housing sector – which would be beneficial to all interested parties.

Question 14: Do you agree with government's proposal that, as an EPC reform transition measure, properties that have achieved EER C from the introduction of new EPCs until 1 April 2028 should be considered compliant until the property's EPC expires, after which they would need to comply with MEES? Please explain your answer.

Yes – however we propose that the 2028 date is extended to 2030 (see answer to question 13).

Additionally, we consider that properties that meet an EER rating of C by 2030 should be recognised as compliant until the expiry of this EPC. This will better enable housing associations to continue on their current trajectory of both improving the energy efficiency of homes through a primarily fabric first approach (with room for other interventions where insulation is not appropriate) and supporting residents with energy costs. This exemption should remain regardless of the finalisation of the metrics and long-term plan, to give certainty for housing associations in the medium term.

Question 15: If government's proposed approach is implemented, which of the following courses of action do you think registered providers of social housing would take where homes currently meet EER C? (Subject to the new EPC system being introduced in 2026).

The government's proposed approach would have a significant impact on homes currently at EPC C. The approach will likely differ significantly by individual housing association, influenced by current asset management planning, percentage of stock already at EER C, and the availability of funding to renew EPCs prior to 2028. It is likely that there will be some push to renew EPCs before 2028, but it is difficult to estimate what proportion of housing associations would take each approach.

Question 16: If the government's proposed approach is implemented, which of the following courses of action do you think registered providers of social housing would take for homes that do not currently meet EER C?

If the government's proposed approach is implemented, we do not consider that all housing associations homes not currently at EER C will be able to be made compliant without significant financial impact on housing associations, as well as impacting their ability to build new homes. Instead, we recommend the transitional provision is extended to 2030, allowing housing associations to continue to work to their current goal of EPC C by 2030.

Question 17: If you are a registered provider of social housing or industry body, do you foresee issues arising from installing energy efficiency measures in properties where the leasehold is owned by the registered provider but not the freehold?

We expect there may be occasions where it could be challenging for housing associations to gain prompt approval from the freeholder for installing energy efficiency measures.

Consent from freeholders may be required for any works which affect the structure, external fabric or communal areas, and on occasions freeholders may refuse permission for works necessary to install energy efficiency measures. In some cases, lease restrictions can prevent lease-holding housing associations from installing certain measures, including external wall insulation, solar PV or low-carbon heating systems. We would like to see the government confirm an exemption in such cases.

Question 18: If you are a registered provider of social housing or industry body, do you foresee issues arising from installing energy efficiency measures in properties where the registered provider holds the freehold but there are also leaseholders in the building (for example, through right to buy)?

Yes. We expect this will be in line with general challenges housing associations may face in managing mixed tenure blocks and leaseholders, including gaining approval from leaseholders for major works.

There is a risk that leaseholders would face significant additional service charges, given the cost of some types of energy efficiency works. Leaseholders may therefore have significant concerns about proposed energy efficiency installations, particularly if they may not see an immediate or substantial reduction in their energy bills. This can therefore cause delays or barriers in gaining approval for energy efficiency works.