

Alternative proposal for the improvement of energy efficiency in privately rented homes

We welcome Government taking action to improve energy efficiency in privately rented homes and fully support the need to improve our carbon footprint. However we would like to communicate the issues we foresee with the proposal set out in the consultation and offer our thoughts on an alternative solution.

Issues

- The timeframe proposed in respect of implementing a minimum C rating is far too soon. *Landlords need time to recover from the financial hardship caused by Covid-19, relating to both personal and rental circumstances before being asked to invest further into the potentially significant refurbishment of their rental properties. In addition to many landlords dealing with rental arrears or rent reductions this year, they have already lost their tax breaks due to S24 of the Finance Act, electrical regulations have incurred more expense and they have higher fees to pay since the implementation of the Tenant Fees Act.*
- Stock levels outside of London are already low in the Private Rented Sector and we run the risk of more landlords exiting the market as further legislative pressures are added. *The SDLT benefit introduced this year has already resulted in landlords deciding to sell their properties. With no information on how or when owner occupiers will need to comply with these energy efficiency requirements, more landlords may decide to sell to avoid the pressure of having to spend additional money on their properties. This could lead to a rise in homelessness if tenants are not able to purchase a property themselves, for example we have seen a significant increase in tenants in recent years, and particularly in 2020, signing up to receive Universal Credit.*
- If the maximum investment cap for energy efficiency works is increased to £10,000 this, along with additional competition due to less stock, will inevitably lead to rent increases which will impact mostly those on low income and typically the more vulnerable groups of tenants.

Alternative proposal

- **By April 2026:** all new and renewed tenancies to have a minimum of D rating which is the average rating for all homes.
- **By April 2028:** all existing tenancies to have a minimum of D rating and all new and renewed tenancies to have a minimum of C rating
- **By 01 January 2030:** all existing tenancies to have a minimum of C rating.

We believe this will reduce the pressure on stock available in the PRS market whilst still achieving the overarching goal of all properties in the PRS (unless exempt) achieving a C rating by 2030.

Organisation name: _____

Type of organisation (Company / representative body): _____

Your name: _____ Signature: _____

Your position: _____ Date: _____

Your work email address: _____

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