



Reforms to the Energy Performance of Buildings regime

Consultation response

26 February 2025

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About The Tourism Alliance

The Tourism Alliance is the umbrella trade association for the tourism industry. Our 75+ members are trade associations and member associations representing parts of the diverse and disparate tourism eco-system along with and destination management organisations across England.

Consultation question responses

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

We agree that displaying energy cost metrics on EPCs is sensible.

Though we believe cost-based assessments provide a fair calculation method, we are concerned about the volatility of energy prices. Any actual costs shown on an EPC would quickly become outdated, potentially misleading property owners and occupants about actual running costs.

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

We strongly disagree with including fabric performance metrics on EPCs.

Such metrics unfairly disadvantage older buildings with solid walls or single glazing. The wide tourism ecosystem relies on a variety of holiday accommodation types, many of which is housed in older, character

properties. PASC research indicates that 72% of self-catering accommodation is over 50 years old and 59% is over 100 years old.

Tourism business across our diverse sector depend on visitors who stay in these holiday lets. These guests support shops, pubs, restaurants, and attractions in destinations across the UK. Many of these holiday properties already struggle with poor insulation due to their construction. Requiring them to reach EPC C would render many financially unviable, causing widespread closures, significantly impacting on local visitor economies.

Question 3. When evaluating the fabric performance of buildings, which methodology do you think should inform the basis of calculating a fabric metric?

Other

We believe fabric metrics should not be used at all in EPC assessments. Any inclusion would disproportionately harm the self-catering accommodation sector where the majority of properties are period buildings with inherent fabric limitations that cannot be easily or affordably remedied without compromising their character.

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

We strongly disagree with displaying heating system metrics on EPCs.

The proposed metric appears designed to favour government-preferred heat pumps over traditional heating systems like oil and gas, regardless of cost implications. This approach does not account for the practical realities of property heating, especially in rural areas and in certain types of properties.

The older buildings that dominate the holiday let sector are frequently unsuitable for heat pump installation due to their construction and the prohibitive costs involved in making them compatible.

Question 5. What are your views on the design principles and the scope for a Heating System metric?

We are concerned that the proposed heating system metric prioritises heat pumps even when these would significantly increase costs compared to existing heating solutions. This approach fails to recognise the practical and financial limitations facing property owners and operators.

For holiday let properties, which are predominantly older buildings in rural or coastal locations, this metric would create an unrealistic expectation for heating system upgrades that are neither practical nor financially viable for many small business owners.

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

We do not have strong views regarding smart readiness metrics as there's insufficient detail provided about what this would entail in practice.

Question 7. What are your views on the definition, design principles and the scope for a smart readiness metric?

We believe considerably more research and consultation is needed before proceeding with any smart readiness metric.

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

While we support the assessment of predicted energy needs for essential functions (heating, hot water, lighting), we are concerned about the consultation's description of "delivered energy" being much broader. This could include amenities that holiday properties offer to attract guests outside of peak seasons.

Many holiday properties provide facilities like hot tubs, swimming pools, and EV charging to extend their season, remain viable businesses, and serve the broader local visitor economy. Direct measurement of delivered energy would unfairly penalise these properties despite these amenities providing crucial economic benefits to rural communities by attracting visitors year-round.

We need clear assurance that any measurements would remain predictive rather than based on actual usage, which fluctuates dramatically with occupancy.

Question 9. *If an energy use metric is to be displayed on Energy Performance Certificates (EPCs), which type of energy use measurement should be used to calculate this metric?*

If an energy use metric must be included, we believe delivered energy specifically related to heating demand would be the most understandable measure. However, the consultation's current definition of "energy delivered to the building to meet its energy demand" is concerningly broad.

We're worried this could capture energy used for non-standard amenities that are vital to holiday businesses. Any energy use metric must be carefully defined to avoid disadvantaging properties that offer additional facilities to attract guests throughout the year.

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

We disagree with including carbon-based metrics on EPCs.

Carbon metrics would add another layer of complexity without providing clear benefits to property owners or guests in the holiday let sector.

Question 11. *To what extent do you agree or disagree with incorporating smart metering technologies, like SMETERS, into the energy performance assessment framework for buildings?*

We strongly disagree with incorporating smart metering technologies into EPC assessments for holiday accommodation.

Standard metering technology designed for regular domestic properties simply is not appropriate for measuring the unique energy usage patterns of holiday lets. These properties experience dramatic fluctuations in energy use—from minimal consumption between bookings to intensive use during guest stays.

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

We have significant concerns about the transition arrangements for holiday lets.

Currently, long-term rental properties must meet EPC E standards, with proposals to increase this to EPC C by 2028, with transitional arrangements allowing EPC E between legislation passage (2026) and implementation (2028).

Holiday lets, however, currently require no EPC at all. We are deeply concerned about how properties will be treated between 2026-2028 if these changes are implemented. Our firm position is that any property not currently requiring an EPC should continue without this requirement until 2028 at the earliest.

Any change to the EPC requirements rule must include adequate transitional arrangements that allow businesses to continue operating while they assess their options.

Question 13. What should be the validity period for Energy Performance Certificate (EPC) ratings?

10 years

We believe the current 10-year validity period should be maintained. Unless a building undergoes significant structural changes or the assessment methodology changes substantially, there is little value in more frequent reassessments, which would only add unnecessary costs to small business owners.

Question 14. To what extent do you agree or disagree with the approach for any changes to validity periods to only apply to new EPCs?

We agree that any changes to validity periods should only apply to new EPCs.

Existing certificates should remain valid for their original duration. This provides certainty for property owners who have already invested in obtaining an EPC. However, we would strongly prefer the validity period to remain at 10 years for all certificates.

Question 15. To what extent do you agree or disagree that a new EPC should be required when an existing one expires for private rented buildings?

We disagree with requiring new EPCs when existing ones expire.

If a building has not changed structurally and the assessment methodology remains the same, there's little benefit in conducting a fresh assessment. This would simply add costs for property owners without providing meaningful new information.

Question 16. To what extent do you agree or disagree that the regulations should be amended so that a property must have a valid EPC before it is marketed for sale or rent?

We strongly disagree with requiring properties to have valid EPCs before marketing.

This proposal would have profound implications for our sector. Every letting agency, online platform, and booking intermediary would need to create and maintain complex systems to verify EPCs for all properties and prevent advertising for those without valid certificates.

Implementing such requirements would impose enormous costs across the entire holiday let ecosystem, ultimately harming small businesses and the wider tourism economy. Moreover, holiday guests typically book short breaks (averaging less than four days) and make decisions based on location, amenities, and photographs—not energy performance data.

Question 17. To what extent do you agree or disagree that houses in multiple occupation (HMOs) which don't already fall under the (Minimum Energy Efficiency Standards) MEES should do so when a room is rented out?

N/A

Question 18. To what extent do you agree or disagree that there should be a transitional period of 24 months to allow HMO landlords to obtain a valid EPC and comply with MEES regulations?

In general we agree with providing transitional periods for compliance.

Question 19. To what extent do you agree or disagree with requiring short-term rental properties to have a valid EPC at the point of being let?

We disagree with requiring EPCs for short-term rental properties.

The £15,000 spending cap proposed for improvements represents an enormous financial burden for small businesses already operating on thin margins and with huge economic, financial and taxation headwinds. For older or historic properties, this expenditure often will not achieve the required EPC C rating, making it a poor investment with little return.

PASC research indicates that 22% of the entire holiday let market would never be able to reach EPC C standards and would be forced to cease trading. This would devastate tourism businesses, which depend on holiday visitors. Most holiday let owners are micro-businesses, and spending £15,000 per property would exceed many operators' profits over three years.

Question 20. To what extent do you agree or disagree with requiring short-term rental properties to have a valid EPC irrespective of who is responsible for meeting the energy costs?

We strongly disagree with requiring EPCs for short-term rentals regardless of who pays energy costs.

Beyond the reasons outlined in our response to Question 19, there is a fundamental mismatch in the purpose of EPCs for holiday accommodation. Short-term guests do not pay separate energy bills—these costs are incorporated into the rental price. Therefore, the primary purpose of EPCs (informing occupants about likely energy costs) is irrelevant in this context. This is an extremely important point that underscores why holiday lets have been and should be treated differently from other types of properties.

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?

We strongly disagree with removing exemptions for protected buildings.

A substantial proportion (43%) of holiday let properties are listed or have historic significance. Removing this exemption would have widespread consequences across the sector.

For many historic properties, the £15,000 improvement spending cap would achieve minimal energy efficiency gains. The technologies typically recommended—such as heat pumps, solar panels, or wind turbines—are often impractical or prohibited in listed buildings. These properties require special exemptions to avoid owners facing unachievable compliance requirements.

Question 22. How useful do you find Display Energy Certificates (DECs) for understanding and improving a building's energy performance?

N/A for our sector

Question 23. Are there any limitations or challenges with the current DEC approach that reduce its effectiveness?

N/A

Question 24. What alternative approaches, if any, could drive energy performance improvements more effectively than DECs for public sector buildings?

N/A

Question 25. To what extent do you agree or disagree with the proposed changes to the validity periods for DECs and DEC recommendation reports?

N/A

Question 26. What would be an appropriate validity period in years for these DEC and DEC recommendation reports? Please select a validity period for each option.

N/A

Question 27. There is a proposal to provide an exception in the regulations for certificates that have been marked as cancelled or not for issue to be removed from the Energy Performance of Buildings (EPB) Register after 2 years. To what extent do you agree or disagree with the proposal?

We agree with removing cancelled certificates from the register after two years.

There is no benefit to maintaining obsolete records and removing them would help keep the register current and relevant.

Question 28. To what extent do you agree or disagree with the approach to remove the option to opt-out EPCs from the EPB Register public address search?

We disagree with removing the opt-out option for public address searches.

If EPCs become mandatory for short-term rentals, their status would constitute commercially sensitive information. Property owners should retain the right to restrict public searches for such information to protect their business interests.

Question 29. To what extent do you agree or disagree with retaining the option to opt-out EPC address level content from the Open Data?

We disagree with the current proposal regarding Open Data opt-outs.

The consultation implies that address-level information would remain accessible through Open Data even with opt-outs. Since this information could be commercially sensitive for holiday let operators, there should be stronger protections to restrict access to this data.

Question 30. There is a proposal to remove the general prohibition on sharing data gathered under the EPB Regulations and replace it with a Secretary of State discretion about when, how and with whom to share the data. To what extent do you agree or disagree with the proposal?

Neither agree nor disagree.

We cannot form a definitive view as the consultation does not clearly explain the extent to which individually identifiable information might be shared under such an arrangement. We would need more details to properly assess the potential impact on the sector.

Question 31. To what extent do you agree or disagree that data gathered in previous EPC assessments should be available for use in future EPC calculations for a dwelling?

We agree with using previously gathered data in future assessments.

This approach seems sensible as it would reduce duplication of effort and potentially lower costs for property owners needing updated certificates.

Question 32. What are your views on the approach to using existing data, while balancing accuracy and practicality?

We support the pragmatic use of existing data where appropriate.

Reusing reliable data from previous assessments should help streamline the process while maintaining accuracy. This balanced approach would benefit property owners by potentially reducing assessment costs.

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

We agree with giving Accreditation Schemes more responsibility for assessor training.

This seems a sensible approach that could help ensure consistent standards and improve the quality of assessments.

Question 34. 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?

N/A

Question 35. To what extent do you agree or disagree with these proposals to improve compliance?

We strongly disagree with the compliance proposals.

If short-term letting becomes subject to EPC requirements, the proposals would place significant additional burdens on letting agents and platforms. Regulation 7(3) would require agents to ensure EPCs have been commissioned for all properties they market.

The administrative changes needed to implement, maintain, and enforce this would be extremely costly and complex. Unlike long-term tenancies, holiday let guests do not pay separate energy bills, making the fundamental purpose of EPCs less relevant to this sector.

Question 36. To what extent do you agree or disagree that penalties should be increased?

We disagree with increasing penalties.

There is no evidence that current penalty levels are a significant factor in non-compliance. Any increase would simply add greater financial risk to small businesses already facing substantial costs to comply with new regulations.

Question 37. If penalties were to increase, how much should current penalties increase by?

We oppose any increase in penalties for the reasons outlined in our response to Question 36.

Question 38. When should penalties be imposed for non-compliance with Energy Performance of Buildings Regulations (EPBR) requirements?

Following more than 18 months

If penalties must be imposed, the longest possible grace period should be provided. This would give businesses adequate time to understand new requirements and make necessary arrangements for compliance.

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

We prefer maintaining the current enforcement system through Local Weights and Measures Authorities (LWMAs).

While the consultation suggests local authorities could take on this role, we are concerned this might create perverse incentives for them to view enforcement as a revenue stream from the holiday letting sector. The current LWMA arrangement provides more appropriate oversight.

Question 40. *There is a proposal for a new penalty charge fine amount of £800 for non-compliance with the requirement to have an ACIR for systems with an effective rated output over 12kW.*

We disagree with introducing an £800 penalty charge for ACIR non-compliance.

Though we do not have specific data on how many holiday properties have air conditioning systems over 12kW, introducing new penalties would add another financial risk for property owners without clear justification.

Question 41. *To what extent do you agree or disagree with the proposal to redesign the structure of ACIRs?*

We disagree with redesigning the structure of ACIRs.

While our experience with air-conditioning inspection reports is limited, we are concerned this proposal aims to identify expensive elements in existing systems to encourage replacement. Similar to the EPC situation, such changes could eventually become mandatory, leading to significant costs for property owners.

Question 42. *What should be included in a redesigned report?*

N/A

Question 43. *To what extent do you agree or disagree with the proposal to add a cost metric in the assessment methodology for ACIRs?*

We disagree with adding cost metrics to ACIRs.

Any cost metric would rely on current utility pricing, which fluctuates significantly. Such calculations would quickly become outdated and potentially misleading, offering little practical value to property owners.

Question 44. *If you agree to including a cost metric, what would be the most suitable data on air conditioning system output to use in the calculation and how could it be obtained? Please comment both on data quality, suitability and likely availability.*

We disagree with including cost metrics in ACIRs for the reasons outlined in our response to Question 43.

Question 45. *If you agree to including a cost metric, what would be the most suitable data on electricity prices to use in the calculation? Please comment both on data quality, suitability and likely availability.*

We disagree with including cost metrics in ACIRs for the reasons outlined in our response to Question 43.

Question 46. *Please let us know if you have any evidence on the rate of voluntary implementation of recommendations made in EPCs.*

N/A

Question 47. *Please let us know if you have any comments on the regulatory or equalities impact assessments presented alongside this consultation, in particular, are there any impacts on groups with protected characteristics that we have not identified in the equalities impact assessment?*

We believe the equalities impact assessment has overlooked several important groups who would be negatively affected if EPC C requirements are applied to holiday lets:

- Children and families would lose access to affordable domestic holidays if the holiday let sector contracts significantly. Many families rely on self-catering accommodation for affordable UK holidays.
- Lower-income households who cannot afford overseas travel depend on domestic holiday accommodation. Reducing availability would disproportionately impact these groups' ability to take holidays.
- Rural and coastal communities where holiday lets provide crucial income streams would face economic hardship if properties close. These areas often have limited alternative employment opportunities, making them particularly vulnerable to tourism downturns.
- The broader local visitor economies will suffer from an increase in cost and a reduction in supply of holiday accommodation as a result of these proposed changes.

Question 48. Please let us know if you have any comments on the impact assessment in general, including any evidence you have on the impact of these proposed reforms.

We believe the impact assessment fails to recognise the potentially devastating effect these proposals could have on rural and coastal tourism economies.

Without specific exemptions for listed buildings, historic properties, buildings over a certain age (perhaps 100 years), diversified farm accommodation, and glamping units, and without a significantly longer transition period beyond 2028, these reforms will cause widespread business closures in the holiday let sector.

The knock-on effects for local economies that depend on visitor spending would be severe and long-lasting. These changes would particularly harm rural areas where tourism is often the primary economic driver and alternative employment opportunities are limited.