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Cost of living: rental energy ratings

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Please note the contents of this pack and the accompanying data may be subject to change.

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What's the story?

About six out of ten recently inspected rental homes in the UK would fail to meet a proposed new energy efficiency standard, a BBC investigation has found.

Out of 1.9 million inspections of homes over the past five years, over one million fell below the C grade on Energy Performance Certificates (EPCs), graded from A to G.

The government is considering proposals that would require landlords to hold at least a C-rating for all new tenancies from 2025.

EPCs measure efficiency by looking at how well a property is insulated, glazed and heated.

On average, private tenants inspected in the past five years could save a third on their current heating costs if their landlords made all the recommended improvements.

The analysis also found more than a quarter of renters were using portable heaters as a secondary source of warmth in their homes.

However, the research found many landlords would not be able to bring their properties up to a grade C even if they wanted to.

That is because one in twenty inspections in privately rented properties found the home would not be able to reach grade C because of structural limitations.

The proportion of inspections where the property fell below a C-rating has fallen 19 percentage points since 2013-17. However, the Carbon Trust said change was not happening fast enough to hit net-zero carbon emission targets by 2050.

The situation in owner-occupied properties is broadly similar, with the average property grade in England and Wales for existing homes being a D, according to the Office for National Statistics. However, in the government proposals, homeowners would not be required to bring their properties up to a grade C for at least another decade.

Landlords told the BBC there was “a lot of misunderstanding and uncertainty” about what was required of them.

The government said it would respond to its consultation in due course in a way that was “fair and proportionate” to landlords and tenants.

The Shared Data Unit analysed millions of energy performance inspections between 2013 and 2022 in England and Wales.

- Out of 1.9 million lettings given EPC ratings in England and Wales over the last five full years (2018-22), 1.1 million, or 57%, were graded below a C.
- Some 5% of privately rented properties did not have the potential to reach grade 'C', according to assessors.
- A quarter of renters were using portable heaters as a secondary source of warmth in their homes.
- Insulation was the most frequently recommended improvement measure for private rental properties, making up 35% of all recommendations.
- Inspections of rental properties in the last five years found, on average, occupants could save almost a third (32%) on their current heating costs if their landlords made all the recommended improvements.
- London boroughs and coastal areas made up 9 of the top 10 local authorities by proportion of properties that did not have the potential to reach grade C.

Background

In light of the cost of living crisis, we looked at the Energy Performance Certificate (EPC) ratings of properties across the UK over the last decade using five-year rolling averages.

The EPC rating of a building shows how efficient it is at using energy, ranging from A (most efficient) to G (least efficient) and is valid for 10 years. An assessment will look at heating, windows and doors, insulation and other structural factors, estimating how much it will cost to heat and light the property, what its carbon dioxide emissions are likely to be and how to improve the rating. At the moment, all rental properties must be rated E or above in order to have new tenancies under the [Domestic Minimum Energy Efficiency Standard \(MEES\) Regulation](#). However, landlords only need to make improvements up to £3,500 towards this. If they still have not reached Band E, they can apply for an exemption.

The government's long-term plan is to improve the standard of privately rented homes in England and Wales. In 2017, the [Clean Growth Strategy](#) committed the government to upgrading as many private rental homes as possible to EPC Band C by 2030, where practical, cost-effective and affordable.

In Scotland, the current minimum for private rental properties is EPC E. However, the government is working towards introducing regulations that would require all private rented sector properties to reach a minimum standard equivalent to EPC C by 2025 where feasible and cost-effective with a backstop of 2028 for all remaining existing properties. In Northern Ireland, there is currently no minimum standard of EPC for private rental properties.

In September 2020 the UK government proposed a target that all new tenancies in the private rented sector should be in a property with an EPC rating of at least a 'C' by 2025 - [but nothing happened until December 2022](#) when the [Minimum Energy Performance of Buildings \(No.2\) Bill](#) was introduced in Parliament.

This bill also proposed that all domestic properties achieve at least EPC Band C by 2030 where "practical, cost-effective and affordable," with a cost cap of £20,000. However, since the proroguing of Parliament in 2022, the bill will not be taken any further.

In 2020 the government opened a [consultation](#) on proposed EPC regulations for private rental properties. The preferred policy from this consultation was that new tenancies would be EPC Band C from 2025, and all tenancies from 2028, with a cost cap of £10,000. A response to this consultation is expected later this year.

How to use this pack

All of the information contained in this briefing document can be used to build your story - including the interviews on page 14.

To get the data for your area - head to the spreadsheet [here](#).

Once you have opened the spreadsheet in Google Sheets, we recommend using the Ctrl-F function to 'find' your local authority. The spreadsheet is broken down by district authority level.

There are two tabs for England and Wales and two tabs for Scotland.

The first tab, private rental by LA 2018-22, shows the proportion of inspections in your area between 2018 and 2022 that were rated below a C. It also shows those that were rated above a C, the proportion using heaters as a second source of heat and a breakdown of the recommendations given by inspectors.

	A	B	C	D	E	F	G	H
1	Local authority	Inspections rating properties below C in 2018-2022	Inspections 2018-22 where property could not achieve a "potential" C rating	Proportion using portable heaters as secondary heating	% of recommendations related to improving electricity	% of recommendations related to improving heating and water	% of recommendations related to improving insulation	% of recommendations related to improving lighting
35	Vale of White Horse	58%	4%	43%	19%	32%	34%	8%
36	Vale of Glamorgan	60%	4%	26%	17%	32%	39%	9%
37	Uttlesford	68%	6%	42%	20%	32%	31%	8%
38	Tunbridge Wells	66%	8%	36%	14%	28%	38%	9%
39	Trafford	56%	7%	28%	15%	30%	40%	12%
40	Tower Hamlets	26%	4%	13%	4%	34%	31%	21%
41	Torridge	70%	6%	46%	19%	31%	34%	8%
42	Torfaen	61%	2%	32%	18%	30%	37%	10%
43	Torbay	68%	8%	32%	9%	28%	46%	9%
44	Tonbridge and Malling	57%	5%	30%	19%	30%	37%	9%

So, looking at Tower Hamlets above we could say: *In Tower Hamlets, 26% of private rental inspections between 2018 and 2022 rated the property below a C, while 4% of properties did not have the potential to reach a grade C. A total of 13% of inspections found a portable heater was used as a secondary heating method and the most common recommendation was for wall insulation.*

The second tab (% DtoG 2013-22) shows the improvement in the proportion of properties rated D-G compared to the previous five-year rolling averages.

B152 | 42%

tower hamlets 1 of 1

	A	B	C	D	E	F	G			
1		Inspection s rating properties D-G in 2013-2017	Inspection s rating properties D-G in 2014-2018	Inspection s rating properties D-G in 2015-2019	Inspection s rating properties D-G in 2016-2020	Inspection s rating properties D-G in 2017-2021	Inspection s rating properties D-G in 2018-2022	Tenure	POINTS change between 2013-17 and 2018-22	Percentage change between 2013-17 and 2018-22
	Local authority									
148	Basildon	65%	63%	57%	57%	53%	48%	rental (private)	-17	-26%
149	Reigate and Banstead	64%	60%	52%	50%	49%	47%	rental (private)	-17	-27%
150	Greenwich	64%	63%	58%	54%	51%	47%	rental (private)	-17	-27%
151	Basingstoke and Deane	62%	61%	55%	51%	48%	45%	rental (private)	-17	-27%
152	Tower Hamlets	42%	42%	34%	30%	28%	26%	rental (private)	-17	-39%
153	Allerdale	91%	89%	88%	84%	81%	75%	rental (private)	-16	-17%
154	Hyndburn	89%	87%	84%	79%	75%	73%	rental (private)	-16	-18%
155	Worthing	82%	80%	74%	71%	68%	66%	rental (private)	-16	-19%
156	Wolverhampton	83%	81%	77%	74%	70%	67%	rental (private)	-16	-19%

+ | Private rental by LA 2018-22 | % DtoG 2012-22 | Scot private rental 2018-22 | Scot % DtoG 2012-22 | < > | Explore

So in the case of Tower Hamlets here we could say: *Energy efficiency ratings have improved compared to the previous five-year period. Between 2018 and 2022, 26% of inspections were below a C, which marks a 17 percentage point improvement on the previous five-year period (2013-17).*

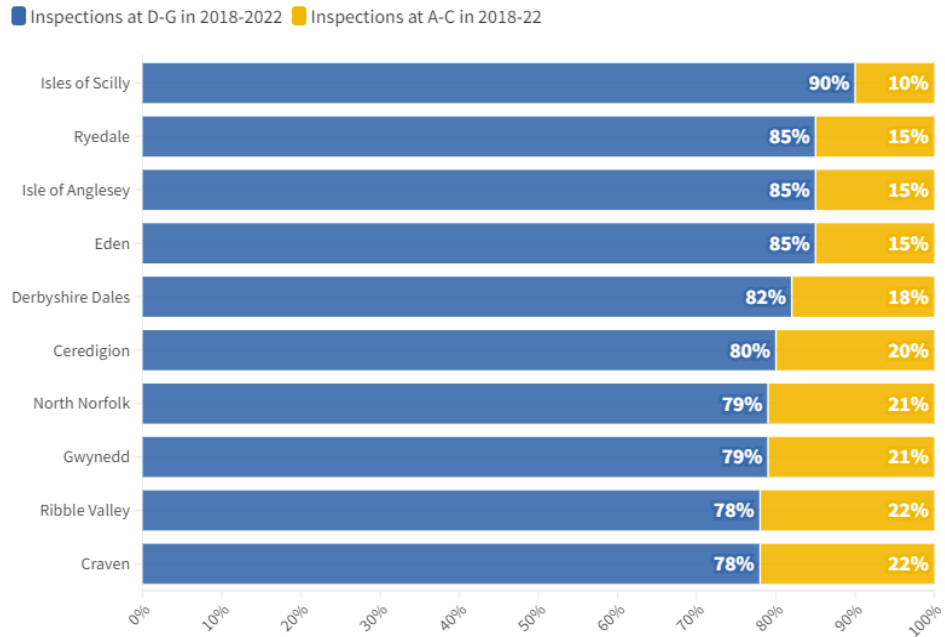
What we found

England and Wales

The Shared Data Unit analysed all the EPC ratings given to rental properties inspected in England and Wales over the past five full years of data.

Over that time there were 1.9 million inspections. Of these, **1.1 million** received a rating below C. However the quality of energy efficiency across England and Wales differed greatly. The ten local authority areas with the highest proportion of inspections rated below C between 2018 and 2022 can be seen in the table below.

Local authorities with the highest proportion of properties given an EPC rating D-G over the last five full years of data

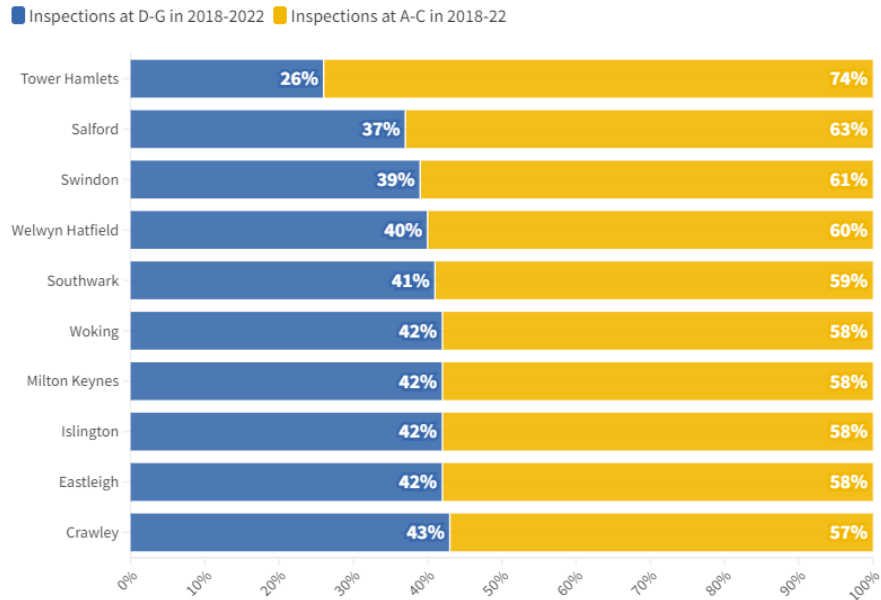


Source: The Energy Performance of Buildings Register, Department for Levelling Up, Housing & Communities

The Isles of Scilly had the greatest proportion of inspections below a C standard, but this was from a small sample over the five years.

At the other end of the scale, Tower Hamlets in London had the smallest proportion of inspections rated below C over the past five years.

Local authorities with the lowest proportion of properties given an EPC rating D-G over the last five full years of data



Source: The Energy Performance of Buildings Register, Department for Levelling Up, Housing & Communities

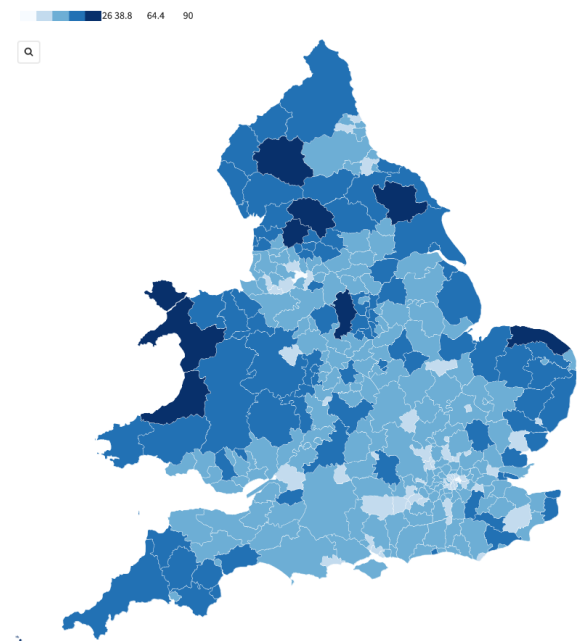
All but one of the 332 authorities in our data showed an improvement in the proportion of properties rated between D and G when compared to the last five full years of data (between 2013 and 2017). Only Eden in Cumbria had not improved. Between 2013 and 2017, 85% of properties were rated D-G in Eden and that remained the case between 2018 and 2022.

On the other hand, Salford showed the greatest improvement. Between 2013 and 2017, 70% of rental properties were rated between D and G. Between 2018 and 2022 only 37% were.

To see how your local authority improved over rolling five-year periods heading back to 2013, you can view this [interactive chart](#).

[The map](#) to the right shows the percentage of private rental property inspections falling below the C EPC grade in each local authority between 2018 and 2022. The map is graded from light to dark blue, **with darker blue areas having a higher proportion of inspections graded below C.**

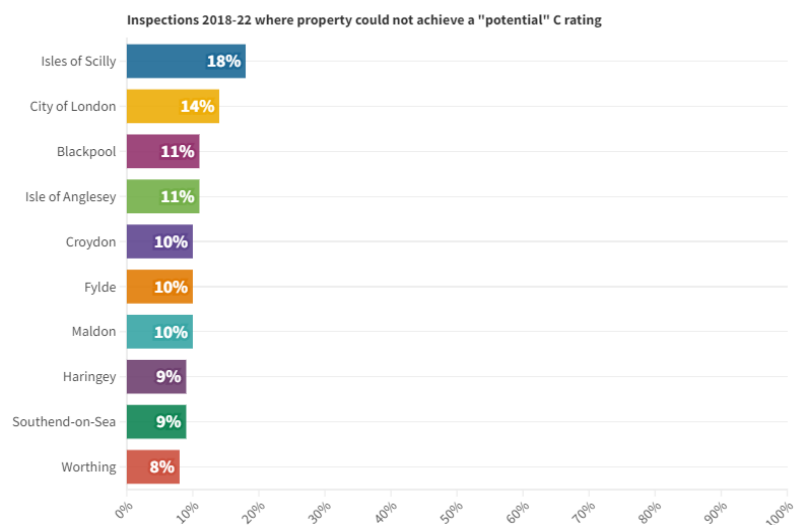
Private rental: this is where the highest proportion of inspections failed to achieve an A-C grade
A higher proportion of certificates in Wales, Lancashire, and the Peak and Lake Districts are graded D-G.



Source: The Energy Performance of Buildings Register, Department for Levelling Up, Housing & Communities, Simple maps (Points)

In each authority, there are properties that do not have the potential to reach EPC band C, even when all possible improvements are made. The table below shows the ten local authorities with the highest proportion of inspections of private rental homes from 2018-22 that found the property could not reach EPC band C.

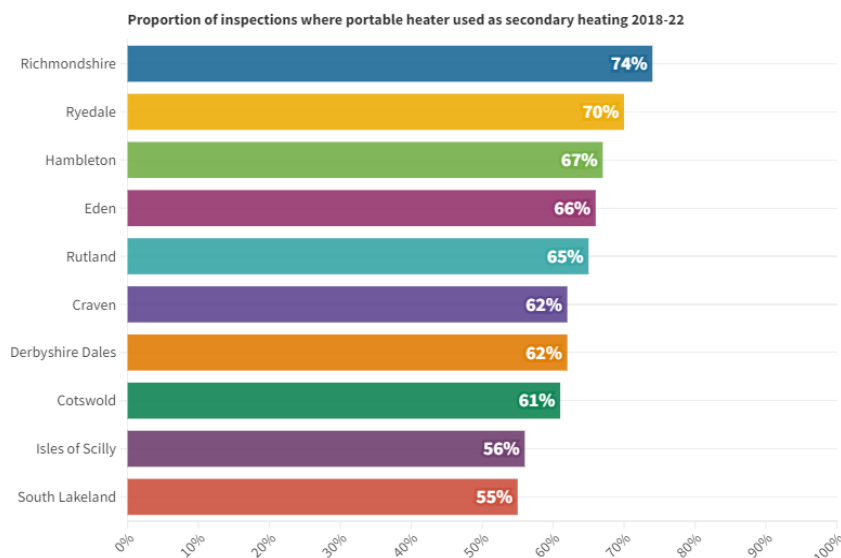
Local authorities with the highest proportion of inspections which cannot reach EPC C over the last five full years of data



The Energy Performance of Buildings Register, Department for Levelling Up, Housing & Communities

The EPC inspections also recorded primary and secondary heat sources in properties. The most common secondary heat sources was portable heaters. The table below shows the ten local authorities with the highest percentage of inspections where portable heaters were a secondary source of heat.

Local authorities with the highest percentage of inspections finding portable heater as secondary heating over last five full years of data



Source: The Energy Performance of Buildings Register, Department for Levelling Up, Housing & Communities

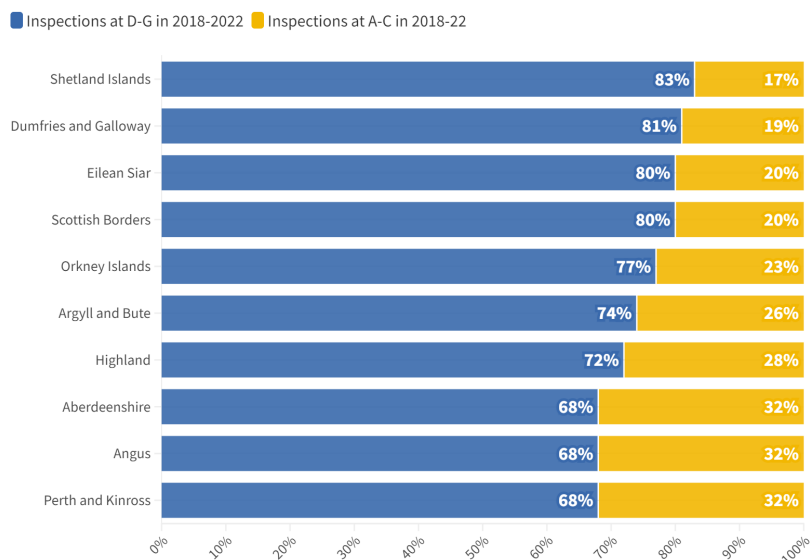
Scotland

- Out of 89,000 private lettings given EPC ratings in Scotland over the last five full years (2018-22), 45,000, or 51%, were graded below a C.
- Some 6% of inspections found that privately rented properties did not have the potential to reach grade 'C', according to assessors.
- 30% of renters were using portable heaters as a secondary source of warmth in their homes.

Although more than half of the inspections in Scotland over the latest five full years gave the property an EPC rating below C, the quality of energy efficiency ratings differed across the country.

The table below shows the ten local authority areas with the largest proportion of properties rated between D and G.

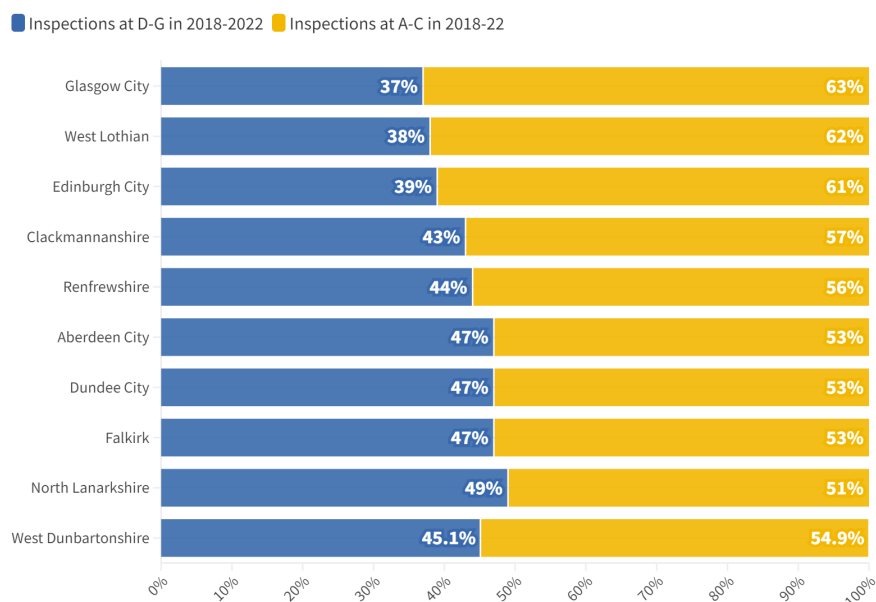
Scottish local authorities with the highest proportion of properties given an EPC rating D-G over the last five full years of data



Source: Scottish EPC Register

At the other end of the scale, the table below shows the top ten local authorities with the smallest proportion of inspections returning a rating below C. Glasgow City had the best overall energy efficiency ratings of rental properties in Scotland.

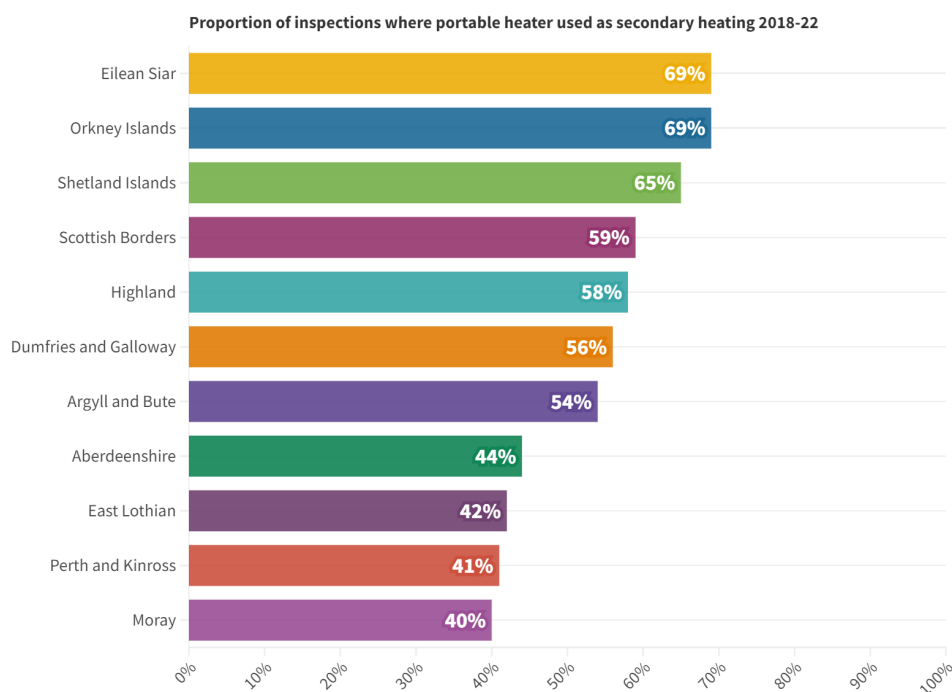
Scottish local authorities with the highest proportion of properties given an EPC rating D-G over the last five full years of data



Source: Scottish EPC Register

Across Scotland, more than a quarter of the inspections found the home was using a portable heater as a second form of heating. However, at some local authorities this was the case in about two thirds of inspections.

Local authorities with the highest percentage of inspections finding portable heater as secondary heating over last five full years of data



Source: Scottish EPC Register

Northern Ireland

At the time of publishing this story pack, we were still waiting for the Northern Ireland Department of Finance to respond to our request for a property-by-property breakdown of EPC ratings across the country.

However, we were provided with national data from a previous [Freedom of Information request](#), showing the outcomes of all EPC inspections dating back to 2008. Whereas the England, Scotland and Wales data we have analysed above relates to rental properties, this request details the outcomes of all inspections including owner-occupier homes and social lets.

The last five full years of data were available between 2017 and 2021.

It shows that, out of 44,382 inspections between 2017 and 2021, a total of 22,910 (52%) inspections rated the property below a C.

That is an 11 percentage point improvement on the previous five years of data. Between 2012 and 2016, 63% of ratings were below a C.

You can view the Northern Ireland data in spreadsheet format [here](#).

Methodology

- [Crib sheet analysis datasets](#)

We collected [Energy Performance Certificates \(EPC\) data](#) covering over 94 million recommendations from 24 million inspections up to the end of 2022. The data was combined, cleaned, and filtered to the last decade. Properties are classified in three main categories: social rental; private rental; and owner-occupied.

Our analysis followed the Office for National Statistics practice of looking at five year rolling totals in order to get a more accurate picture of long term trends in the housing market based on larger samples, rather than focusing on individual years. Unlike the ONS, however, we did not combine EPC data with Valuation Office Agency (VOA) data, as journalists are not given access to this.

[According to the ONS](#) the EPC data covers over 60% of all properties, with some property types better represented than others:

- For flats/maisonettes the figure is over 80% - detached properties are the least likely (57%) followed by semi-detached (58%), and then terraced (64%).
- For property built since 2012 it's over 90%.
- Pre-1929 property is 55%
- Owner-occupied property is 50% represented
- Private rental is 62%, social rental a little higher (64%)

Python, R and command line were all used to compile, analyse and present the data, as well as the 'big data' tool Google BigQuery (at one point the data totalled over 9 billion data points).

Interviews

Jonathan Winston, occupier support manager at the Carbon Trust:

Q. What is your general opinion on EPC as a mechanism for measuring energy efficiency?

A. "As a measure of energy efficiency, EPC is the tool that we have, but it's by no means a particularly perfect one. It's a very simplified process of looking at buildings and energy efficiency."

Q: So what elements might a better measurement use?

A. "A better measurement would look more specifically at the reality of energy use in the building, so what we're actually using, and being able to use that as a benchmark."

Q. Why is it important that we have efficient housing and buildings?

A. "14% of UK emissions arise from residences, homes. That means the reductions that need to be made there are very significant in order for the UK to meet its legally binding net zero target by 2050. The emissions are quite difficult to tackle, particularly around heating. There's a major need to decarbonize our heating sources."

Q. Do you think we're making the move to Net Zero fast enough?

"With buildings, because they're such long-standing assets it has been traditionally a much slower process in both progress for new buildings, but also in the existing buildings that we have."

"The statistic is that 80% of the buildings that will be standing in 2050 are the ones we currently have."

"It's increasingly the situation that we're running out of time."

Q. Obviously, for a lot of people the main concern is going to be cost, especially at the moment. Is there any chance that the cost of the improvements that need to be made to make houses more efficient will be reflected in a reduction in people's energy bills?

A. "It's important to really understand that with these building energy efficiency improvements that there will be improvements in energy bills cost reduction overall. But it might be lower than people expect."

"One of the things to consider is that it depends where your building is starting from. So, if you have a very poor performing building it is relatively costly, but it's easy to make the

improvements, and make them in a substantial way. So you will see more return on that money that you put into improving the building.

“Whereas, if you have a building not doing too badly in terms of energy efficiency, making those improvements won't actually necessarily save you that much money. There's a sliding scale of how these measures can pay back.”

Q. So over the next, say 5 to 10 years, what improvements would you like to see across the housing sector?

A. “Across the housing sector, I would like to see more support for people to be able to undertake energy efficiency measures and a real drive towards reducing energy demand, particularly through the improvement of insulation.”

Chris Norris, director of policy at the National Residential Landlords Association:

Q. What do you think of the current state of energy efficiency regulations for landlords?

A. “I think there's an awful lot of misunderstanding and uncertainty about what landlords need to do in terms of energy efficiency.

“But the future proposals are to get to a C or above, because the Government have got this Net Zero target for 2050. The problem is, they consulted on those new rules about three years ago, they closed that consultation two years ago in January 2021, and they've never actually confirmed what new rules will be.

“You've got lots of landlords that are actually quite open to making changes to their properties, or making decisions at least about what they need to do, but they really don't know what path to take and they can't commit to those spending decisions until we find out exactly what the Government wants to do.”

Q. In terms of that financial impact - as you said, it is going to be quite costly for a lot of landlords. Is that likely to be passed on to their tenants? Or is it going to see some landlords forced out of the market? What impact do you think that will have?

A. “Landlords are running businesses, so every cost they have has to be met in some way. That means that a particular property might not be viable anymore - they might have to sell that property because they just can't do the work and still let it at a rate that people can afford to live in.

“In other cases, landlords are going to have to look at how much they can afford to let the property for and it probably will mean that some rents on some properties are going to increase over time.

“Hopefully, we can avoid some of that by making the retrofit more tax efficient and getting a long enough lead time that landlords haven't got to do it all at once.”

Q. Net Zero targets are by 2050, and at least for new tenancies it's likely that the deadline's going to be quite soon. How likely do you think it is that we're going to actually be able to achieve Net Zero by 2050 in the housing market?

A. “I think realistically, if we are still aiming at an EPC C, we probably need a leading time of at least five years to try and make sure that we're getting all of the properties through.

“The alternative is you either have lots of properties leave the market, and that isn't helpful when you've got high demand, or you have to have a system that exempts properties because landlords haven't been able to carry out the work, and that's not really achieving the objective.”

Q. Do you feel that the Government is doing enough to support landlords who do want to be making these changes, but aren't sure how at the moment?

A. “At the moment the Government is doing very little to support landlords to make these changes. They've not even given us the target or the deadline for what we've got to do.”

Q. Say the majority of private rentals do reach band C in 5 to 6 years, what's the impact likely to be for tenants in terms of finances?

A. “Properties that are more efficient should, in theory at least, be cheaper to heat, and that is really the goal at the end of this, to make sure that we put less energy in, and therefore tenants and households have to pay less for that.”

Rachelle Earwaker, senior economist at the Joseph Rowntree Foundation, said:

What is it like to live in a home that has a poor EPC rating?

“Living in a home with a poor EPC rating has a range of impacts on the tenants.

“Homes are colder, often damper. They are much more expensive to heat. At the moment in the energy crisis, that has had a massive impact.

“What our research has shown is that 35% of low income private renters across the UK said they couldn't afford to keep their homes warm even before the recent winter that we've just had, and we know that a quarter were in arrears with the energy bills in October and November, again before the winter.”

What are some of the health consequences?

"I think what we've seen at the moment is particularly for families with children, or those with disabled family members or the elderly, there are really big implications of going cold and not being able to heat your home. Some of them may not be immediately obvious, in terms of breathing in cold air all the time, but that builds up and puts a massive impact on your health.

"So I think we've seen a range of different organisations saying that they're expecting, or they've already seen upticks in the number of people sort of reporting to hospital for respiratory issues, and so on. Also, if you are unable to heat your home adequately it can be a real breeding ground for damp and mould as well."

The proposed changes are that the minimum standards at the moment is an E and that will be raised to a C. What sort of impact is that likely to have in terms of savings on energy bills?

"On average, across the private rented sector, for properties that are currently below the C level that can make it into that C bracket, the government estimated savings of around £270 a year for private renters.

"But also it has a really great impact on your health as well, and knowing that you don't need to turn the heating on in order to stay warm and having that reassurance that your home is not harming you as well as is really important."

How much control do renters have over the efficiency of their properties?

"Private rental properties have the lowest level of energy efficiency across 10 years. And yet the tenants have the least amount of say or ability to make changes to the property that are actually going to make an impact there.

"It's very worrying in terms of the power imbalance, because at the moment in the UK you can be evicted with a Section 21 notice at any time and lose your home.

"With a Section 21 notice a landlord can provide that notice to a tenant asking you to leave the property with less than 2 months notice. You don't have to give a reason for that, and quite frequently we know that that happens because a tenant might be causing a bit more fuss than it's worth for a landlord.

"So if you're making complaints about the condition of your property there is a risk that your landlord could evict you, and particularly for lower income households where you are already struggling with your energy bills, or you are really facing risk of eviction, you're not going to want to bring up those issues."

Do you think the government is doing enough to support tenants and landlords about making these efficiency changes?

“We would hope that if you are a private landlord you have got scope in your budget to be making some of these changes.

“You should be in the business of providing housing as a service where your tenants can live in a very safe and healthy environment, and can thrive there rather than constantly being worried about the quality of your housing and the health impacts that that will have.

“So if landlords are leaving, because they don't want to be in the business of providing that sort of housing, then I say that could actually be a really good thing for the quality of homes that are provided across the private rented sector.

“But for the private rented sector where tenants have no ability to make those changes themselves, because they're basically not allowed to or not able to. It is really on the private landlord themselves to be making those changes, and we hope that landlords do have that ambition to make sure that their tenants are living in safe and healthy homes.”

Government response

Department for Business, Energy and Industrial Strategy:

A government spokeswoman said: “The Government is improving energy efficiency, including across the private rented sector. Just this month we announced the allocation of £1.8 billion worth of support to make homes more energy efficient and the number of homes in England with an energy efficiency rating of C or above has gone from 16% in 2011 to 47% in 2022.

“All privately rented homes in England and Wales are required to meet a minimum standard of energy performance before they can be let.

“We have consulted on this matter and will respond in due course, after careful consideration of ways to make sure improvements are fair and proportionate to both landlords and tenants.”