



THE HOME ENERGY MODEL: ENERGY PERFORMANCE CERTIFICATES

BPF RESPONSE

PREPARED AND SUBMITTED BY

Rob Wall
Assistant Director
BPF
E: RWalls@bpf.org.uk

March 2026

The Home Energy Model: Energy Performance Certificates

BPF response to the Government consultation on the Home Energy Model (HEM) methodology for assessing existing dwellings and producing new EPC Metrics

BPF

The British Property Federation (BPF) represents the real estate sector – an industry which contributed more than £116bn to the economy in 2020 and supported more than 2.4 million jobs.

We promote the interests of those with a stake in the built environment and represent a broad range of investors, owners, managers and developers of real estate as well as those who support them. Our members include the largest UK residential and commercial landlords and have hundreds of billions of pounds of assets under management, including over 100,000 privately rented homes and hundreds of millions of square feet of commercial real estate space. Their investments help drive economic success, provide essential infrastructure and create great places where people can live, work, and relax.

Introduction

We welcome the opportunity to respond to the DESNZ consultation paper on the operation of new Energy Performance Certificate (EPC) metrics and the development of the Home Energy Model (HEM).

To inform our response, we held a roundtable with BPF members. We also invited feedback from members of our BPF Sustainability Committee and our BPF Residential ESG Working Group.

Executive summary

We have responded to the individual questions in the consultation paper below.

We would also like to make the following points:

- we support improvements to the domestic EPC regime and welcome higher minimum energy efficiency standards for the private rented sector. However, we are concerned about the complexity of some of the proposals. We should aim for as simple an approach as possible, and one where the new EPC metrics and the scoring system is easily understood by investors, landlords, consumers and assessors;

- as set out in our response to the [Reforms to the Energy Performance of Buildings Regime](#), we would like to see a clearer focus in the EPC on energy and emissions;
- we have concerns how the new EPC metrics will work for blocks of flats and apartments, which make up nearly 50% of the private rented sector in England. There must be a very real risk that significant numbers of homes will end up with exemptions under MEES, which is a concern for BPF members. Our members are professional real estate investors and developers and want to meet or exceed minimum standards. This is good for residents but also helps protect the value of the asset. There is a concern that the market might start to discount properties that are – correctly or incorrectly - seen as non-compliant with the new regulations. There must be a compliance route under MEES for these properties. We provide more detail on this below;
- we would like to be involved in discussions on how information will be presented in the new certificates. We touch on some of this in our response but there might be more we can do to make EPCs easier to understand by consumers;
- it would be helpful if Government can signal any future thinking or future intentions around additional EPC reforms or changes as early as possible. This helps the sector plan; and
- we would welcome a meeting with DESNZ to discuss our response directly with officials.

Rob Wall
Assistant Director
BPF

RWall@bpf.org.uk

18 March 2026

RESPONSE TO CONSULTATION QUESTIONS

Proposal for a modular approach to inputting data for existing buildings in HEM (replacement for RdSAP)

Q1. Do you agree with the introduction of a modular approach to data input for existing builds, where assessors can enter complete data where available and rely on defaults for other elements?

We **support** the proposal.

We agree that using complete data where available, as opposed to relying wholly on default data or assumptions, should lead to better assessments and more accurate reports on energy performance.

Our members have shared experiences of buildings receiving incorrect EPC ratings due to assessors using standard default assumptions. The proposal should help reduce the risk of this in future.

Q2. Please share your views on the following potential impacts of a modular approach.

a. Quality of assessments and EPCs:

- **assessment accuracy**
- **trust, usability, or consistency in EPCs**
- **how inputs are communicated to consumers/householders**

b. Impact on assessors workloads, costs, training, and skills.

c. Implementation risks, for example: QA/audit and fraud risk, supply-chain readiness and training needs.

d. Anything else you feel is relevant.

It will be important that assessors fully understand, and are fully trained in, the modular approach.

It will also be important that adopting a modular approach does not add unnecessary delay, bureaucracy, complexity or cost to the assessment process.

There might be value in developing a simple template for assessors/landlords that sets out the information or “inputs” that assessors can use when adopting a module approach. This could also specify the format in which information should be provided. This would speed up the assessment process, promote consistency and ensure that there is a common understanding of the information that can and can not be used in the modular approach.

Q3. Please share your views or provide any evidence on any alternative approaches you think we could consider for assessing existing dwellings.

Q4: If a modular approach is adopted, the term “Reduced data HEM” (RdHEM) may not accurately reflect the model’s structure or purpose. We want to ensure the terminology clearly conveys this flexibility and avoids confusion with previous approaches. A clear, intuitive name will help stakeholders understand the purpose of the methodology and distinguish it from both full HEM and legacy RdSAP. Potential options for the new name are:

- HEM for Existing Dwellings (HEMEX)
- HEM Input Expansion (HEMIE)
- Mixed Data for HEM (MdHEM), or
- Reduced data HEM (RdHEM).

Do you have any views on the proposed alternative name(s) that would better capture the intent and flexibility of a modular version of HEM? Do you have any other suggested options that are not listed above?

No comment.

Proposals for EPC metrics and band boundaries

Fabric Performance Metric

Q5. Do you agree with the proposal to evaluate fabric performance using FEE?

We **support** the proposal to evaluate fabric performance using the Fabric Energy Efficiency (FEE) methodology. This will provide some consistency in approach as we move from the existing EPC to the new EPC.

Q6. Do you agree with the approach to maintain close equivalence between the C/D boundary in the current EER rating and the C/D boundary in the Fabric Performance Metric?

We **support** the proposal to maintain close equivalence between the C/D boundaries in the current EER rating and the new Fabric Performance Metric. This will help ease the transition from the existing EPC regime to the new regime and ensure that fabric improvements already made to homes continued to be recognised under the new metric.

Q7. Do you agree with the Government’s proposal to introduce an option for recording Heat Transfer Coefficients based on SMETER measurements in the EPC system, as supplementary information about fabric performance?

Q8. Do you have any views on how the provision of additional information, such as that derived from SMETERs, should be enabled within the energy assessment process in practice? Please provide any evidence to support your answer.

We **do not support** the proposal to introduce an option to voluntarily record Smart Meter Enabled Thermal Efficiency Ratings (SMETER) Heat Transfer Coefficient (HTC) estimates as part of the EPC assessment process, alongside an HTC calculated by the Home Energy Model (HEM).

We agree there can be a performance gap between modelled energy or fabric performance and “real world” operational performance and are open to working with Government to find solutions that can help to close this gap. However, we do not believe the proposal as set out in the consultation is the right approach.

Assessors will require access to energy consumption data to generate the SMETER HTC estimate. This is personal data. Most landlords will not have access to this data and residents can be reluctant to share the data. The BPF has previously published research on this: <https://bpf.org.uk/our-work/energy-data-buildings-and-net-zero-closing-the-data-deficit/>

We understand that the process for generating a SMETER HTC estimate can involve a degree of disruption and takes place over a couple of weeks. This will prove unpopular with residents. It is also not clear whether EPC assessors will calculate the SMETER HTC estimate or whether separate assessors will be required. We note that the consultation paper states that the accuracy of different SMETER technologies can vary and that there will be a need for robust validation and quality assurance processes. This suggests that the SMETER HTC assessment process will be separate to the “standard” EPC assessment process, adding cost, complexity and delay to the whole process. If not, will EPC assessors have the necessary skills and experience?

We note the proposal would be voluntary, and we would not want to discourage landlords from collecting more accurate data on the performance of their buildings. However, this should be detached from the EPC assessment process.

If the Government does take this proposal forward, we would want to be involved in discussions on if/how the SMETER HTC estimate is recorded on the EPC itself and/or on the EPC register. It will be important that any inclusion of a SMETER HTC estimate on the EPC or EPC register does not create confusion or in any way undermine the validity of the EPC rating.

Heating System Metric

Q9. Do you agree with our proposal on the design and methodology for the Heating System Metric?

We understand the intention behind the proposal but, at this stage, we **do not support** the proposed design and methodology for the Heating System Metric.

We agree that the Heating System Metric should not incentivise fossil fuel heating systems and understand that policymakers want to drive the adoption of heat pumps over direct electric systems. However, a methodology that includes both efficiency and emissions feels overly complex and direct electric can be a good low carbon alternative where heat pumps are not viable. We would favour a simpler approach, one focused on emissions.

Q10. Do you agree with the proposal to set the C/D boundary such that direct electric will always score a D or below, and that storage-based technologies would score above or below the C/D boundary based on their emissions relative to direct electric?

We **do not support** this proposal.

As stated above, we would prefer a simpler Heating System Metric, with a much clearer and simpler delineation between a C and D rating based on emissions. For example, calculating the score of storage-based technologies based on their emissions relative to direct electric feels overly complex. Electric heating systems should typically score a C or above, with heat pumps scoring more highly than direct electric.

We note that the consultation paper states that “systems with high efficiency and low carbon emissions, such as... low-carbon heat networks, would always score a C and above”. **We would argue that all homes linked to a heat network should score at least a C rating on the Heating System Metric.** We have members who have been required to connect to heat networks as a condition of planning. They are tied into long-term contracts and have no ability to force the decarbonisation of networks, where these are not already low carbon. It would be wholly unfair to penalise landlords for decisions and systems that are totally outside their control.

We also note that the consultation paper states that landlords will not be compelled to replace fossil fuel heating systems because, under the proposed new minimum energy efficiency standards, there will be a choice of secondary metric. Landlords will be able to choose to meet the smart readiness standard instead of replacing their fossil fuel heating system. However, as we explain below, for most flats – which according to the [ONS](#) make up 44% of the private rented sector in England – it is not possible to install solar PV. This suggests that there will be significant numbers of homes that are either non-compliant or will need exemptions. This is a real concern to BPF members.

Q11. What is your view on the option of reserving the highest scores of A/B for electric cooking appliances?

We **do not support** the inclusion of electric cooking systems within EPC ratings.

As the consultation paper notes, the contribution of cooking to a heating system metric would be very small, and the proposal to reserve the highest scores of A/B for homes with electric cooking systems seems arbitrary. We should make the new EPC as simple as possible and focus on heating and hot water. A/B scores should be reserved for the most efficient/lowest emission heating and hot water systems.

We would also question how likely it is that homeowners/landlords keep a gas cooking system when they replace their gas boiler with a heat pump. We think this would be the exception.

We are also concerned that this starts to blur the lines between regulated and unregulated energy. We recognise that unregulated energy use can contribute to emissions and to the overall operational performance of a property, but this needs to be part of a wider discussion. We do want to see a clear alignment between EPCs and MEES and Building Regulations.

Smart Readiness Metric

Q12. Do you have any views on the proposed list of technologies that would be recognised under the Smart Readiness Metric and their relative scoring? Please provide any evidence to support your answer.

Members have shared some challenges in installing and using solar PV, electric batteries and EV charge points due to the perceived fire risk and difficulties in securing insurance. Not all homes or buildings will be suitable for such technologies or will require work to, for example, demonstrate that roofs are non-combustible.

There can also be practical, legal and technical challenges in deploying smart technology in certain buildings. The orientation of a roof may make it unsuitable for solar PV. There can be complex leasing challenges to overcome when seeking to install solar PV. Grid constraints can act as a barrier to installing EV charge points. It seems wrong to “score” a property on the use of certain technologies when those technologies either can not be used or are dependent on the permission or actions of others.

We would also like to see a clear definition of a “smart” heating system. There can be a lot of different components to “smart” heating.

Q13. Do you have views on the options we have set out for how to achieve a C on the Smart Readiness Metric?

Our key concern about the proposals is that, under both options, micro-generation (essentially solar PV) will need to be installed to achieve at least a C score on the smart readiness metric. However, as the consultation paper recognises, there will be buildings – including many flats – where installing solar PV or other microgeneration

is not possible. This could be a significant number of homes, given that close to half of the private rented sector in England is flats or apartments.

We note that, where a property can not achieve a smart readiness C rating then relevant exemptions will apply for the purposes of MEES. However, it feels a poorly designed policy that excludes so many homes from being able to achieve at least a C rating on this metric. This, combined with the fact that the vast majority of rented homes are heated by gas boilers and that it will take time to transition to heat pumps, means that many properties, including many flats, will not be able to meet a minimum standard under MEES as currently proposed.

We would like to see an alternative approach for flats, whereby some of the other technologies - such as the smart meter and smart heating controls and maybe others – could be combined to allow for these types of homes to still achieve a C rating.

Q14. Do you have any evidence to provide on what an appropriately sized solar array should be to reach a C?

Q15. Do you have any evidence to provide on what an appropriately sized electric battery should be to reach a C?

Q16. Do you agree that a bidirectional EV charge point should be recognised as an alternative to other forms of energy storage, such as batteries, in order to achieve a C on the Smart Readiness Metric?

No comment.

Q17. Do you have any other comments regarding the design and methodology for the Smart Readiness metric?

We would just restate the concerns above, The Smart Readiness Metric does not recognise or take account of the diversity of the private rented sector and does not work for blocks of flats or apartments. There needs to be a compliance route under MEES for these types of properties.

Energy Cost Metric

Q18. Do you agree with our proposed approach to the design and methodology for the Energy Cost metric?

As we noted in our response to the original consultation on [Reforms to the Energy Performance of Buildings Regime](#) we **do not support** a headline Energy Cost Metric on the new EPC. There are a range of challenges in calculating and presenting energy costs in a way that is accurate or meaningful to consumers. As a result, the predicted energy cost rarely matches the real energy cost. In fact, the volatility of the

energy market means that external factors have a greater impact on energy bills than the performance of the building.

Q19. Do you agree that the cost metric should be presented in £, rather than bands?

We **do not agree** that the cost metric should be presented in pounds and pence.

As stated above, and as recognised in the consultation paper, the predicted energy cost rarely matches the real cost and is quickly out of date. As such, the value of this approach is not clear. We agree that presenting the cost metric as an actual cost would be valuable to consumers but only if it is accurate.

The experience of our members, under the current EPC regime, is that including energy costs in the EPC is confusing to residents. We hear regular reports of residents challenging landlords on energy costs based on what they read in the EPC. The proposed approach, where the Energy Cost Metric is a headline metric and is presented as a real cost, risks creating more confusion.

This would also highlight that properties that score poorly on the Heating System Metric, because they have gas central heating, are cheaper to run.

If there is to be a Headline Cost Metric, then this should be presented in bands, in line with the other headline metrics.

However, if the Government goes ahead with the proposal, and presents the Energy Cost Metric in pounds and pence, it will be important that this is caveated with some disclaimer or explanation.