

Review of the Private Rented Sector Energy Efficiency Regulations (domestic)

Lead department	Department for Energy Security & Net Zero
Summary of measure	The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 sought to drive cost-effective energy efficiency improvements in the domestic and non-domestic Private Rented Sector (PRS) which would not have occurred otherwise, lowering energy demand, reducing associated carbon emissions, and generating energy bill savings for PRS households.
Submission type	Post-implementation review
Implementation date	1 st April 2016
Department recommendation	Amend
RPC reference	RPC-DESNZ-26135-PIR(1)
Opinion type	Formal
Date of issue	26 th March 2026

RPC opinion

Rating¹	RPC opinion
Fit for purpose	The evidence presented in the PIR provides a sufficient and proportionate basis for the Department's recommendation to amend the domestic PRS MEES regulations. The PIR is underpinned by a substantial mixed-methods evaluation programme. The PIR is transparent about key limitations (including EPC data coverage and timeliness, and representativeness constraints in qualitative research) and explains how these affect interpretation of results.

¹ The RPC opinion rating is based on whether the evidence in the PIR is sufficiently robust, as set out in the better regulation framework, to support the departmental recommendation. RPC ratings are fit for purpose or not fit for purpose.

RPC summary

Category	Quality²	RPC comments
Recommendation	Green	The PIR sets out clear policy objectives and provides evidence that the regulations have broadly achieved them. It reports improving landlord awareness and high estimated compliance. The Department recommends that the regulations are amended. The Department notes that Government climate ambitions have increased since the introduction of these regulations and rising energy costs have increased the need for energy efficiency measures.
Monitoring and implementation	Satisfactory	The PIR adopts a proportionate approach for a statutory review of this scale, drawing on a substantial multi-year evaluation programme and providing sufficient evidence to assess implementation, compliance and impacts. The PIR has evaluated the strengths and limitations of the evidence used.
Evaluation	Satisfactory	While the PIR does an adequate job of assessing how well the measures have achieved the desired outcomes, the Department could link these more explicitly to the stated objectives. The Department has not provided any further estimates for the overall monetised impacts of the policy.

² The RPC quality ratings are used to indicate the quality and robustness of the evidence used to support different analytical areas. The definitions of the RPC quality ratings can be accessed [here](#).

Summary of proposal

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 sought to drive cost-effective energy efficiency improvements in the domestic and non-domestic Private Rented Sector (PRS) which would not have occurred otherwise, lowering energy demand, reducing associated carbon emissions, and generating energy bill savings for PRS households.

The regulations require that all private rented properties must have an Energy Performance Certificate (EPC) rating of at least EPC Band E, unless a valid exemption applies. These regulations apply to both domestic and non-domestic properties. For privately rented domestic properties, the regulations were implemented in two phases, applying to new tenancies from 1 April 2018, and extended to all (in-scope) tenancies on 1 April 2020. In 2019, the regulations were amended to require landlords to invest or co-invest up to £3,500 per property to meet the standard if retrofit could not be fully funded by a third party.

The PRS Regulations include a 'Duty to Review' clause that requires a review of the policy every 5 years, the first of which was published in March 2021. A commissioned evaluation of the domestic PRS Regulations was completed in 2025; this post-implementation review has been informed by the 2019 interim report, 2020 interim report and 2026 final report of evaluation.

Recommendation

The PIR sets out clear policy objectives and provides evidence that the regulations have broadly achieved them. It reports improving landlord awareness and high estimated compliance in light of the PIR's identification of residual issues linked to enforcement visibility and compliance (including use of exemptions).

The Department recommends that the regulations are amended. This is consistent with the evidence presented in the PIR demonstrating, through a mix of qualitative and quantitative evidence, that whilst the regulations are helping towards achieving the three overall objectives of the policy, there are ways that the regulations could be improved to help deliver better on these objectives. The Department notes that Government climate ambitions have increased since the introduction of these regulations and rising energy costs have increased the need for energy efficiency measures. The PRS MEES regulations remain a key lever for driving energy efficiency installations in the rented building stock. Overall, this approach is sufficient to support the department's recommendation.

The Department should strengthen the link between the evaluation findings and the proposed amendments by adding a concise summary that clearly links the main evidence on awareness, compliance and impacts to the remaining barriers and the specific changes intended to address them.

The department has not attempted to estimate the full costs and benefits of the policy however the PIR discusses some realised costs and benefits which the

evaluation was able to quantify, and notes where policy delivery departed from the original assumptions. The PIR should do more to justify not attempting to conduct a comprehensive cost-benefit analysis and explain where evidence gaps prevented this.

Monitoring and implementation

Proportionate

The PIR adopts a proportionate approach for a statutory review of this scale, drawing on a substantial multi-year evaluation programme and providing sufficient evidence to assess implementation, compliance and impacts.

The PIR could be improved by setting out a concise forward monitoring approach for the period until the next statutory review (or until replacement arrangements are in place), including the key indicators the Department expects to improve as a result of proposed service and enforcement changes.

Range of evidence

The Department has used four different approaches to gathering evidence to undertake process evaluation: landlord surveys, landlord interviews, letting agent interviews, and tenant interviews. The Department has conducted five types of assessment within the impact evaluation, including assessments of compliance, energy efficiency, CO₂, energy costs and health.

The PIR has evaluated the strengths and limitations of the evidence used.

Gaps in evidence justified

The PIR appropriately highlights important monitoring constraints: EPC coverage is incomplete; EPCs may not reflect upgrades if landlords do not commission a new EPC following works; and EPC accuracy/consistency can vary. These limitations are clearly described and are relevant to interpreting compliance and impact results.

The PIR appropriately identifies and explains limitations and gaps, including limitations in recruiting certain landlord subgroups for qualitative research (particularly below standard landlords who neither upgraded nor registered exemptions).

The Department states that non-domestic PRS evidence is not yet available and will be addressed in a separate PIR.

Evaluation

Policy objectives considered

The Department has revisited three core objectives of the original policy:

- Drive energy efficiency installations which would not have occurred otherwise and improve the energy efficiency of buildings in the private rented sector in a

cost-effective manner, encouraging continued investment in energy efficiency over time

- Through energy efficiency installations, improve the energy performance potential of domestic buildings. This in turn should reduce carbon emissions, lower energy bills (including for those in fuel poverty) and lower overall energy demand, as well as stimulate potential economic growth and employment
- Increase energy security, improve air quality, and improve health outcomes (due to warmer homes and working environments)

While the PIR does an adequate job of assessing how well the measures have achieved the desired outcomes, the Department could link these more explicitly to the stated objectives.

The PIR would benefit from presenting headline summary statistics of the impacts – for example, by converting the £67 annual bill saving per household into an aggregate benefit using the EANDCH framework. Where carbon savings are cited, the PIR should continue to clearly signpost its caveat that EPC-based emissions metrics may overstate savings because changes partly reflect electricity grid decarbonisation rather than property upgrades alone.

Unintended effects

The PIR considers possible unintended market effects, including rent passthrough and landlord exit, and reports limited evidence of significant adverse consequences attributable to the regulations in isolation. It also discusses how non-compliance can relate to misunderstandings, the time/cost burden for some landlords, tenant-related barriers in exceptional cases, and perceived lack of enforcement.

Original assumptions

The PIR sets out key original assumptions (including assumptions around compliance and the funding environment) and explains subsequent policy changes (including the removal of the “no cost to landlord” principle and introduction of the £3,500 cap). It is transparent that the evaluation did not replicate the original IA’s full cost benefit analysis due to data limitations.

The Department has not provided any further estimates for the overall monetised impacts of the policy. The PIR states that the original IA estimated a Net Present Value (NPV) of £32 million in 2013 prices and provides a qualitative summary of the costs and benefits that were monetised. The PIR would benefit from providing some comparative figures of estimated and realised impacts, for example anticipated and actual CO2 savings per property.

Improvements or alternatives considered

The PIR sets out intended improvements to the operation of the regime (including improvements to the exemptions register and measures intended to support enforcement). To strengthen the evaluation narrative, the PIR should briefly summarise how these specific changes are expected to address the remaining

barriers evidenced in the evaluation (e.g., reducing administrative friction, improving exemption evidence quality, and improving enforceability/visibility).

The Government aims to lay legislation to update the PRS regulations in 2027 to align with planned timelines for EPC reform. The PIR would be improved by setting out a logic model to set out the process by which the proposed improvements would help achieve the original policy objectives better.

Regulatory Policy Committee

For further information, please contact enquiries@rpc.gov.uk. Follow us on X [@RPC_Gov_UK](https://twitter.com/RPC_Gov_UK), [LinkedIn](https://www.linkedin.com/company/rpc-gov-uk/) or consult our website www.gov.uk/rpc. To keep informed and hear our views on live regulatory issues, subscribe to our [blog](#).