

A guide to prepare landlords for the new EPC rules

The government announced details of their new [Warm Homes Plan](#) in January 2026, which has significant implications for private landlords in England and Wales.

Not only will rental properties need to have an EPC C or a valid exemption from 1 October 2030, but the existing methodology used to measure energy performance will switch from the cost-based Energy Efficiency Rating (EER) to the Home Energy Model (HEM) on 1 October 2029. The HEM measures energy efficiency in a fundamentally different way.

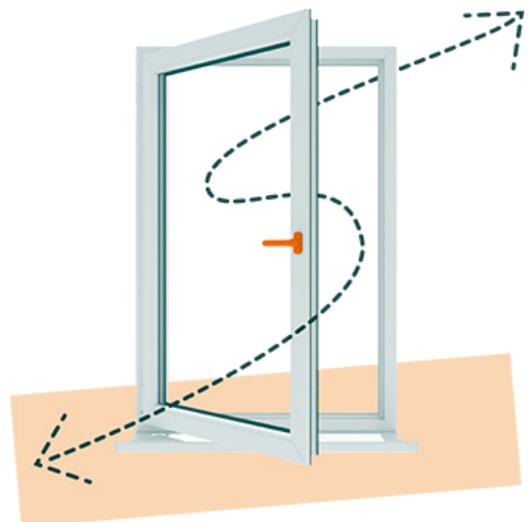
While the details of the Home Energy Model are subject to an ongoing consultation, which closes on 18 March 2026, the broad principles are clear. Landlords need to understand what is being proposed so they can make informed decisions and start planning.

Created in collaboration with Suzanne Smith, founder of [The Independent Landlord](#), this guide explains the government's plans to overhaul the rules about energy efficiency and what landlords can do to get ready.

The new minimum energy efficiency standard (MEES)

From 1 October 2030, the minimum EPC rating for all domestic private rented properties will change from an EPC E to an EPC C. Landlords whose properties fail to meet this standard will not be able to continue letting their properties, unless they register a valid exemption.

The new MEES will apply to existing and new tenancies alike on 1 October 2030, as well as being extended to “whole HMOs when a single room is let”, short-term rental properties and “heritage properties”. This means that they will need to have EPCs, although if they fail to reach the EPC C level, they may qualify for an exemption.



What are the exemptions from MEES?

Landlords may continue to let properties that have not met the standard if they qualify for an exemption, and register on the **PRS Exemptions Register**.

These are the key exemptions:

The new cost cap

There will be a cost cap of £10,000 per rental property, or 10% of the property's value if the property is valued at under £100,000.

This means that once a landlord has spent up to or over the relevant cost cap, or the next cheapest improvement will take the total spent on improvements over the cost cap, they may register the property for a 'cost cap' exemption, and continue to let the property for 10 years.

Costs incurred from 1 October 2025 count toward the cost cap.

Solid wall insulation exemption

A landlord may choose not to install solid wall insulation if it is the only remaining measure available to bring the property up to standard against the Fabric Performance Metric (which I explain below).

This exemption lasts for 10 years.

Third-party consent exemption

The third-party consent exemption applies where the improvements needed require consent from the freeholder, planning authorities, mortgage company or the tenant, and they deny the consent.

The landlord can register for an exemption if "despite best efforts that consent cannot be obtained or is given subject to conditions which cannot be reasonably complied with".

The exemption lasts 5 years, but where it concerns a lack of tenant consent, it will last until the tenancy ends or is assigned to a new tenant, and then the landlord would need to carry out the work.

Negative impacts exemption

Landlords will be able to register an exemption if they can provide evidence that a measure will negatively impact or devalue their property by 5% or more. This exemption lasts for ten years.

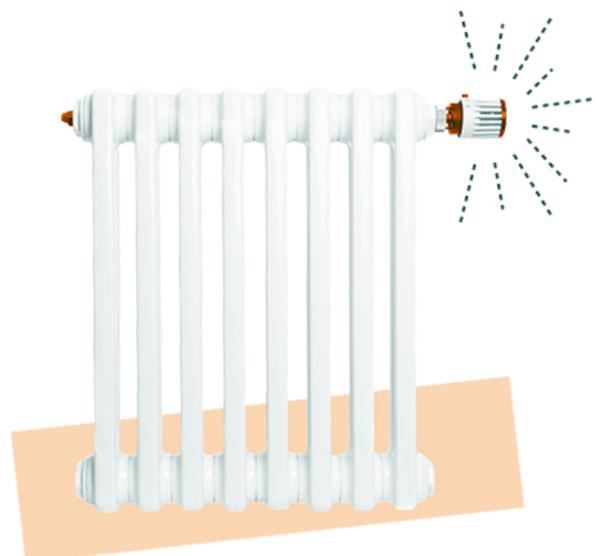
'All relevant improvements made' exemption

Where the EPC report or another approved report shows that no further improvements are possible. The validity period for this exemption would be five years.

New landlord exemption

Investors buying properties with sitting tenants will have a six-month grace period from the date of purchase to bring the property up to standard. They must, however, register for this exemption.

Also, any exemptions held by the previous landlord will lapse and the new landlord will need to register the exemption in their own name.



The Home Energy Model: the new metrics for EPCs

This is where the biggest change lies for landlords.

The current cost-based Energy Efficiency Rating (EER), which estimates the cost of heating, lighting and hot water, will be replaced by a new Home Energy Model (HEM). This will assess the fabric performance of the building, and either low-carbon heating or its readiness for smart energy technologies.

Here is more detail on the metrics:

1.

Fabric Performance Metric

All rental properties will need to achieve an EPC C rating for the Fabric Performance Metric, unless they have a valid exemption.

This metric measures the thermal performance of the building itself: its insulation, window quality, and airtightness. The government has said it intends to align the C/D boundary with the current EPC system.

2.

A choice of second metric

Once the Fabric Performance Metric is met (or the landlord has a valid exemption), landlords can choose between two further metrics:

– The Heating System Metric

This assesses the technologies used to generate heat.

Systems with high efficiency and low carbon emissions, such as heat pumps and low-carbon heat networks, would achieve a C rating.

However, a gas boiler would not achieve a C under this metric, regardless of how efficient it is. Even hybrid heat pump/gas boiler systems would score a D or below.

– The Smart Readiness Metric

This metric is also referred to as “micro-generation”, as it measures a property’s ability to generate its own energy and use smart technology to optimise use of the energy.

The government has confirmed that solar panels alongside a smart meter would be sufficient to achieve a C rating. Other measures that count include electric batteries, smart heating controls, and smart EV charge points.

In practice, this means that when landlords’ pre-2029 EPCs expire, they will eventually need to invest in either a heat pump or solar panels (plus a smart meter), unless they qualify for an exemption, after having first improved the fabric of the building.

Transition arrangements

The government has confirmed there will be an initial period from the end of 2026 when landlords will be able to choose between the EER and the HEM for their EPCs. However, only the HEM will be available from 1 October 2029.

In order to encourage landlords to start improving energy efficiency now, properties that receive an EPC C under the EER methodology before 1 October 2029 will be deemed to comply with the MEES rules until the certificate expires. This is called “grandfathering”.

5 things landlords should do now

1.

Get the property to an EPC C

If your property is close to a C, it is worth getting another EPC to see how far it is from an EPC C, particularly if you have undertaken improvements since the last EPC.

If you're close to a C, it may be worth investing in improvements now to get it over the line before 1 October 2029, so you benefit from the grandfathering arrangement.

Alternatively, if you already have solar panels or a heat pump, your rating may improve under the HEM. It would therefore make sense to wait until the HEM is launched before you get another EPC.

2.

Start with the building fabric

Due to the "fabric first" approach of the new regime, improving the thermal performance of the building will always help.

You may even improve it sufficiently to get an EPC C under the EER metrics.

3.

Don't rush into heat pumps or solar panels yet

The details of the new metrics are still subject to consultation, and technologies are continually improving.

It makes sense to wait until the HEM is confirmed before committing to major expenditure on your chosen second metric, unless you have a clear reason to proceed now, such as a grant.

4.

Check your eligibility for grants

Many grants are available, particularly if your tenants receive benefits. A good place to start is your local council, who may give grants under the Warm Homes: Local Grants scheme.

5.

Keep records of what you spend

All expenditure on energy efficiency improvements from 1 October 2025 counts towards the cost cap, so keep your receipts.

Looking ahead

These changes are significant, but they are not happening overnight. Landlords have until 1 October 2030 to comply, and those who act before 1 October 2029 can buy themselves up to 10 further years under the current, more straightforward EPC system.

A lot can change between now and then. Technology may improve, costs may come down, and the rules themselves may be adjusted.

However, the direction of travel is clear: the government expects the private rented sector to decarbonise, and the new EPC metrics are designed to drive that. Landlords who take a measured, informed approach will be in the strongest position.



Suzanne Smith is the founder of **The Independent Landlord**, a trusted resource for landlords navigating the complexities of property letting. Suzanne covers more detailed analysis in her blog post [The new EPC minimum energy efficiency standards for landlords for 2030](#). To explore more of Suzanne's content or sign up to her free weekly newsletter, visit her [website here](#).

Please note: The insights in this guide reflect Suzanne Smith's personal experience as a landlord and founder of The Independent Landlord. They are provided for general information purposes only and should not be interpreted as legal or financial advice.