

Energy Performance for Heritage Assets

Church Commissioners for England – Net Zero Conference - 30th June 2023

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Typical Estate



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MEES Regulations (Domestic Private Rented Property)

Minimum EPC Band = E

Valid for 10 years

Cost cap on certificate's recommended measures = £3,500 inc VAT

Energy improvements since 1 October 2017 included in cap.

Exemptions available (valid for 5 years)



Score	Energy rating	Current	Potential
92+	A		
81-91	B		85 B
69-80	C		
55-68	D		
39-54	E	48 E	
21-38	F		
1-20	G		

Exemptions

More than £3,500 to achieve E: “All relevant improvements made”

More than £3,500 for even one improvement: “High cost”

Harmful improvements: “Wall insulation”

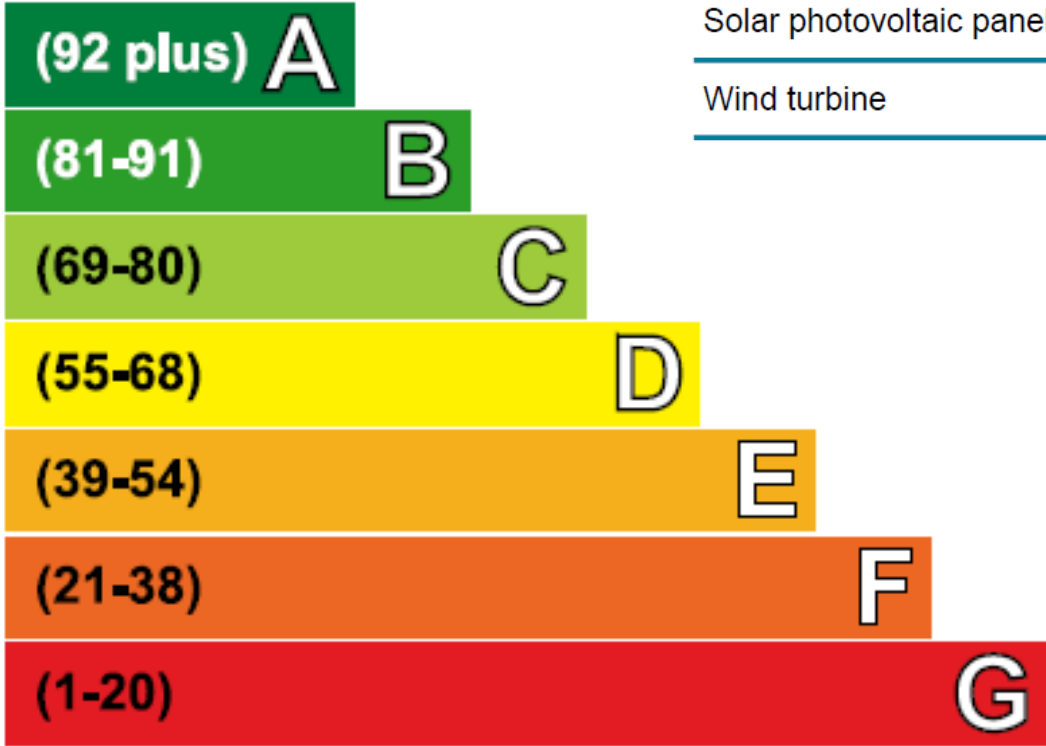
Consent unobtainable: “Third party”

5% Reduction in value: Property Devaluation



EPC Recommendations

Recommended measures	Indicative cost	Typical savings per year	Rating after improvement
Internal or external wall insulation	£4,000 - £14,000	£ 104	E49
Floor insulation (solid floor)	£4,000 - £6,000	£ 88	E53
Solar water heating	£4,000 - £6,000	£ 57	D56
Solar photovoltaic panels, 2.5 kWp	£3,500 - £5,500	£ 306	D66
Wind turbine	£15,000 - £25,000	£ 653	B86



Listed Buildings & Conservation Areas

Exempt from requirement to have an EPC Certificate

“insofar as compliance with minimum energy performance requirements would unacceptably alter their character or appearance”.

Eg double glazing, wall insulation, heat pumps, flues.

But.....



Commercial Rented Property

EPC Rating of E required where new tenancy.

From 1st April 2023 = Rating of E for *all* existing rented properties.

Exemptions as for domestic except “High Cost” is replaced by “7 Year Payback Test”.

Exemptions for <6 month and >99 year leases.



Holiday Lets

EPC not required where occupant is not responsible for energy costs.

NB check definitions of a holiday let.



Future Legislation

Government consultation plus a Bill passing through parliament:

New domestic tenancies = C from End 2025
All tenancies = C from End 2028

Non-domestic tenancies = B by 2030.

Exemptions apply.
£10,000 cap likely to be inflation linked. Includes spending from 2023?



What does this mean for Landlords of historic properties?

"Landlords who spend £3,500 up to 2023 to comply with current regulations may well be faced with another £10,000 bill in 2025 if the original expenditure didn't achieve a band C"

-Andrew Teanby, Savills Rural Research

Only 10% of PRS properties are eligible for an exemption, according to estimates.



Savills – Portfolio Energy Assessment Reports

1 Property Details & Summary

Property Address:	Property Details:	Property Description:
Property Address	Type: Detached dwelling Approximate Age: 1980 Gross Internal Floor Area: 177m ² Bedrooms: 4	1980's detached dwelling with pit tile roof, brick cavity walls, timber double glazed windows and attached single storey garage. Tarmac and gated front parking area with enclosed rear garden to grass. All figures in this report exclude VAT

Summary

02 Condition Survey & Planned Maintenance

Listed Building: No
Orientation: E
Mains Services: Power, gas, water, telecoms
Drainage: Mains

Average Property Condition: Reasonable
Maintenance Priority:

Year 1 £ 16,850
Year 2 £ 2,500
Year 3 £ 48,400
Year 4 £ 0
Year 5 £ 0

H&S Priorities: £7,050

03 Energy Performance Assessment

Current Registered EPC Certificate Data:

EPC: F
EIR (CO₂): F 12.0 t/yr
Potential EPC: C
Potential EIR (CO₂): C 3.5 t/yr

2022 EPC Assessment

EPC: D
EIR (CO₂): D 6.3 t/yr
Potential EPC: C
Potential EIR (CO₂): C 3.2 t/yr

Recommendation:

Energy Performance Option: A
Potential EPC: C
Potential EIR (CO₂): D 5.5 t/yr
Budget cost to achieve rating: £2,200
>£10,000 Exemption (Yes / No): N

Energy Performance Scenarios (combinations of improvements)

Current 2022 EPC: D

Current	62 - D	6.3	36,174			
Option	Package proposed combination of measures	Potential EPC rating	CO2 emissions (t/yr)	Energy Use (kWhs / yr)	Energy Savings (kWhs / yr)	Indicative Costs
A	1,2 & 3	C69	5.5	31,197	4,977	£ 2,200
B	1,2 & 4 (or 5)	C70	4.9	28,251	7,923	£18,700
C	1,2,3,5,6,7,8 & 9	A92	0.9	5,578	30,596	£64,700

* Not all of the energy saved would be used in the property as some would be exported to the National Grid.

Compliance Milestones

New Tenancies 2025: EPC C rating
Cost Cap: £10,000
Existing Tenancies 2028: EPC C rating
Cost Cap: £10,000

04 Market Appraisal

Value: £1,100,000
Date: 19/07/2022

05 Reinstatement Cost Assessment

Value: £671,000 ex VAT
Date: 28/6/2022

Development Potential

Limited but property would be capable of extension to the south (side) and to the west, (rear).

Consider knocking the bathroom and WC into one at first floor.

Portfolio Energy Assessment Reports

FEASIBILITY STUDY INTO OPTIONS FOR REDUCING CO₂ EMISSIONS

SUPPLEMENTARY ANALYSIS OF IMPACT ON EPCs FOLLOWING RECOMMENDATIONS

Property Address	Current EPC Rating	Potential EPC rating after recommendations	Current Estimated Energy Cost over 3 years	Potential Energy costs over 3 years	Potential future savings over 3 years after Recommendations	Current Annual Tonnes of CO ₂ produced	% Reduction in annual CO ₂ production following recommendations (tonnes)	Potential annual production of CO ₂ (tonnes)	RECOMMENDATIONS (Indicative costs)									
									Additional Roof Insulation	Wall Insulation	Floor Insulation (£)	Improved Glazing/ Doors	Re-roof inc. felt	Install Gas Combi Boiler	Ground Source Heat Pump	Air Source Heat Pump		
80 Millhouses Lane, Millhouses, Sheffield, S7 2HB	D62	C80	£11,907	£8,625	£3,282	21.7	84.06	7.8	£1,000	£17,000	£10,000		£20,000		£35,000			
The Rectory, 217 Nursery Rd, Dinnington, Sheffield, S25 2QU	E51	B62	£8,273	£2,055	£4,218	11.0	60.91	4.3		£13,000	£7,500	£1,000		£5,000				
The Rectory, Rectory Lane, Finningley, Doncaster DN9 3DA	F32	B89	£7,176	£1,791	£5,385	10.0	84.00	1.6		£13,000	£7,500				£35,000			
63 Sheffield Road, Sheffield, S12 4LR	D68	B84	£4,131	£2,712	£1,419	6.6	62.12	2.5		£14,000							£18,000	
The Rectory, Handsworth Road, Sheffield, S13 9BZ	E52	B88	£5,160	£1,716	£3,444	8.5	81.18	1.8	£500	£12,000	£7,500			£5,000	£30,000			
Healey Vicarage, 151 Gleadless Road, Sheffield, S2 3AE	E44	B85	£8,078	£2,388	£3,690	9.7	77.32	2.2	£1,000		£7,500				£30,000			
St. Mark's Vicarage, 4 St. Mark's Crescent, S10 2SQ	E52	D63	£7,845	£8,252	£1,583	13.0	15.38	11.0	£1,000	£5,000	£7,500							
2 Brooke Street, Thorne, DN8 4AZ	E53	B88	£5,469	£1,896	£3,573	9.2	81.52	1.7	£1,000	£13,000	£9,000	£1,000	£15,000				£18,000	
39 Sturton Close, West Bassacum, Doncaster, DN4 7JG	E51	B88	£6,552	£2,670	£3,882	10.0	76.00	2.4		£15,000	£9,000	£1,500					£18,000	
Average % reduction																		
	£60,591	£30,165	£30,426	99.7	66.94	35.1	£4,500	£102,000	£85,500	£3,500	£35,000	£10,000	£130,000	£54,000				

NOTES

- Reference to existing EPC are those provided by Sheffield Diocese Feb 2021 with the exception of 80 Millhouses Lane where the baseline assessment has been updated to correct apparent errors in the official EPC
- Calculations and assessments are made using RdSAP software as used for EPC assessment.
- Measurements used in calculation of energy use and potential savings are based on approximate areas from scale plans provided
- The information provided is indicative only, based on typical assumptions and using broad cost analysis and therefore will differ from real life situation. For more accurate assessment further detailed design and thermal modelling would be required.
- Payback figures may be misleading as cost estimates allow for associated works and do not recognise the principle of the upgrade work being opportunistic. For example part of a wider refurbishment or replacement of boiler due to breakdown
- It should also be noted that changes to accepted calculation methods, improvements in efficiency and reduction in costs, as technology develops, has not been factored in, and no allowance made for RHI schemes or other grants that may be available.

Why are people looking beyond EPC's when considering strategic management of their property portfolios in the context of improving the efficiency of their housing?

Should clients be targeting to meet MEES standards or should they be going a step further and aiming for net zero?

Society

- Lower energy use
- Improved air quality
- Reduced emissions
- Net Zero

Landlords

- Capital uplift
- Reduced void periods
- Compliance
- Better stock condition
- Reputation
- Higher rents?

Tenants

- Lower heating costs
- Improved comfort
- Better health
- Less tenant turnover
- Reduced fuel poverty

What can Landlords do now?

Rural landlords can overcome the latest energy efficiency challenge with a long-term strategy that looks beyond the Energy Performance Certificate

Spotlight: Rural Homes Energy Challenge



Thank you
