

Member Briefing: Responding to the EPC Consultation

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The UK Government is consulting on proposals to improve the energy performance of privately rented homes. These changes may unintentionally impact short-term let (STL) and self-catering businesses, even in Scotland. Your voice matters - please consider submitting a personal response.

Deadline – Midnight 2nd May 2025.

Key Points to Include in Your Response

- **Self-Catering Properties Are Not Part of the Private Rented Sector (PRS)**
 - Self-catering properties operate under a **licence to occupy**, not a tenancy.
 - They are used for **temporary, short-term stays**, not long-term residential occupation.
 - No guests pay for energy usage — **the business pays utility costs**.
- **EPC Standards Must Reflect the Nature of Tourism Businesses**
 - EPC assessments are designed for full-time residential homes — not **seasonal tourism accommodation**.
 - A one-size-fits-all PRS energy standard is **inappropriate** for our sector.
 - Forcing EPC Band C compliance would lead to **perverse outcomes** with minimal environmental benefit.
- **Economic and Operational Impacts Would Be Severe**
 - 92% of self-caterers are concerned about **business viability** under stricter EPC rules.
 - EPC upgrades could cost tens of thousands of pounds — more than **three years of average profit** for many operators.
 - **Up to 30%** of UK self-catering businesses would consider **exiting the market** if EPC Band C became mandatory.
- **Cumulative Pressures Are Unsustainable**
 - Our sector is already dealing with:
 - STL Licensing and EPC-related rules;
 - Planning control zones;
 - Visitor levies;
 - Loss of FHL tax relief;
 - Cost-of-living and energy price shocks.
 - **Layering new EPC regulations** will tip many over the edge.
- **Risk to Rural Communities and Domestic Tourism**
 - Many properties are in **remote or coastal areas** with limited alternative use.
 - Losing STL properties risks **job losses, business closures, and tourism decline**.
 - It may push UK visitors **toward flying abroad**, increasing carbon emissions — the opposite of climate goals.
- **We Support Climate Action – But It Must Be Proportionate**
 - The ASSC's Climate Action Plan is already promoting sector-appropriate improvements.
 - We support **energy efficiency** — but through **informed, sector-led approaches**, not blanket regulation.

Our Call to Government

Please echo these recommendations in your submission:

- **Formally exempt short-term let businesses** from PRS EPC regulations.
- Recognise that self-catering properties are **commercial tourism businesses**, not homes.
- Support **tailored climate action** for the tourism sector.

- Undertake a full **Rural Impact Assessment** before introducing new requirements.
- Engage with industry bodies like the ASSC to create evidence-based, workable policy.

Respond to the consultation here: <https://energygovuk.citizenspace.com/home-local-energy/improving-performance-of-privately-rented-homes/>

Or email a pdf: PRSMEEConsultation@energysecurity.gov.uk