

Introduction

Homes for Scotland (HFS) fully recognises the challenges posed by the climate emergency and the subsequent need for an all-tenure approach in addressing residential emissions in Scotland. The new build sector already builds highly energy efficient homes and has played a significant role in reducing Scotland's carbon footprint, with new homes built to 2015 Building Standards representing a 75% reduction in carbon emissions when compared to 1990 baselines levels. New homes already offer significant energy savings, with estimated energy costs around one third of the national average energy bill. ¹

In this light, we welcome the Scottish Government's focus on existing stock in owner occupation. The Infrastructure Commission for Scotland reported that of the current 2.5 million homes in Scotland, 80% will still be in use in 2050. As such, strategic decisions are required at a national level to accelerate and implement guidance, standards and incentives on what types of energy/heating sources should be used to replace gas in residential buildings, both new and existing.

At present, there is a wide variety of sources being considered at an individual property / development level, ranging from district heating to ground source heat pumps, PV panels and hydrogen. While each will offer their own advantages, there still remains a lack of information regarding their performance and divergence in use between urban and rural areas. Clear guidance and incentives will therefore be needed from the Scottish Government to allow individual households make long term investment decisions in what is still relatively new and unfamiliar technology.

As Homes for Scotland is predominantly focused on ensuring there are enough new homes built each year to meet the needs and aspirations and Scotland's growing population, we have only answered a selection of the consultation questions based on our views on the overall Scottish housing market.

1. Do you agree or disagree that there should be a legally-binding energy efficiency standard for owner-occupied housing?

1.1 Agree.

1.2 It is important that the Scottish Government takes a proportionate response to the Climate Emergency in addressing energy efficiency across all tenures. At present, there is rightly an overt focus on ensuring the supply of new housing coming through the system is playing its part in contributing to a net zero Scotland.

1.3 However, any national strategy to reduce overall residential emissions must acknowledge that over 75% of Scotland's housing stock in use was built before 1982, with 20% being built before 1920. This means that a significant proportion of existing housing stock is over 100 years old. In many cases these existing homes fall well below the energy standards of new homes and will require significant adaptive work to increase the energy efficiency of these homes.

¹ Supplementary Written Submission from Homes for Scotland: Local Government and Communities Committee – The Draft Climate Change Plan (RPP3) – Available [Here](#).

2. Do you agree or disagree that EPC Energy Efficiency Rating Band C is the appropriate standard to use? Please explain.

2.1 Agree.

2.2 In 2018, 43% of Scottish home were rated as EPC Band C or better, which represents steady year on year increases since 2010 in the owner occupied sector. Further with 39% of Scottish homes rated at EPC D; these properties should be targeted first as they represent properties that will require the least amount of intervention to bring them to EPC C or above.

2.3 The remaining 11% of housing stock (approximately 267,000 properties) rated at EPC Band E and below represents the most challenging properties to bring in line, but it is vital that we do so.

5. Do you think the standard should be fixed, or should it be subject to periodic review and change over time? Please explain your view.

5.1. HFS believes that the standards should be clearly set out in a net zero route map to 2045 for the residential sector as a whole, outlining the specific pathways for both new and existing housing stock to contribute towards the overall goal of net zero. We believe that EPC C is a useful standard to begin with considering that 39% of existing properties are already at EPC D. However as technological innovations and methods of adaptations become more efficient and less expensive over time, the standard should be reviewed and increased.

6. Do you agree or disagree that 2024 is the right start date for the mandatory standard to start operating? Please give your reasons, whether you agree or disagree?

7. Do you agree or disagree with point of sale as an appropriate trigger point for a property to meet the legally-binding standard?

8. Do you agree or disagree that responsibility for meeting the standard should pass to the buyer if the standard is not already met at point of sale, as described above? Please explain your views and give any evidence you have, whether you agree or disagree.

9. What, if any, unintended consequences do you think could happen as a result of these proposals? For example, any positive or negative effects on the house sales market?

9.1. It is crucial that the enforcement of changes in the owner occupied sector regarding energy efficiency is done carefully and as collaboratively as possible with a clear timetable for delivery set out. Whilst the Scottish housing market has remained resilient over the last year despite the potential impacts of Brexit, we now must turn our attention to the short and long term impacts of COVID-19 on the both the wider economy and Scottish housing market.

9.2. We would highlight with specific caution the impact of enforcing stringent penalties upon either seller or purchaser and the potential impact this may have on slowing down an already fragile housing market. In the coming years there will likely be a multitude of changes being brought into the owner-occupied sector, including the removal of gas boilers, increasing energy efficiency measures and more.