

By MIKE OCKENDEN, director general of the Association of Home Information Pack Providers

As part of the European Energy Performance of Buildings Directive, Energy Performance Certificates (EPCs) are required to be made available on all properties – residential and commercial – as a trained resource of energy assessors becomes available to undertake the work.

EPCs provide information about the energy efficiency of a property, the environmental impact of that property, and provide recommendations on how best to improve the performance of the property.

The EPC uses graphs such as those we are used to seeing on household appliances to give the information the greatest possible impact. The recommendations are based on simple economics and will generally identify the easiest and least expensive measures to implement first. Often, they will also identify the options of micro-generation that can be considered by those who wish to take more radical action.

Controversy

The first implementation of EPCs has already taken place with the introduction of Home Information Packs (HIPs), the reform of the home buying and selling process that has attracted so much controversy.

The roll-out has gone very smoothly. Four-bedroom (and more) homes went live on 1 August 2007, three-bedroom properties on 22 September and all other properties on 14 December. It remains only for new-build properties to go live on 6 April so that all potential purchasers will then be fully informed on the energy efficiency of the house that they are considering buying as well as on roughly how much it will cost them to 'run' their new home.

So, how has it gone so far?

Well, the good news is that there have been no problems with producing EPCs as part of HIPs. They have been delivered quickly and efficiently, and the electronic processes work well. The not-so-good news is that in many cases estate agents are not showing HIPs including the EPC to home buyers and sellers, and in some cases they are not reproducing the graphs from the EPC on their sales particulars as they are required by law to do.

Clearly, consumers are not going to take action on improving energy efficiency when they do not see the EPC recommendations. There is work to do, and I will come back to that later.

Mixed reaction

When consumers have seen the EPC their reaction has been mixed. In the first place, there has been no management of consumer expectations by the Government about the sort of rating they can expect to see on their home. An average efficiency rating on today's housing stock is a D, and many consumers do not react well to this (I think the last time I got a D in anything was my Greek O-level!).

The better news is that figures recently released by the Government following the area trials for HIPs show that over 30% of home buyers who saw the EPC said they would implement some or all of the recommendations. As the purpose of HIPs is about improving the energy efficiency of our homes, this is the most important and encouraging statistic to date. What we do not yet know is how many consumers actually did make those improvements.

So what is the way forward?

First of all, we are encouraging all the parties that touch the home buying and selling process (such as estate agents, surveyors and conveyancers) to make sure that consumers see their HIP including, of course, the EPC. We have also suggested to the Government that unless the position improves it may become necessary to place a clear obligation on these parties to show the HIP to consumers through regulation.

Next, it is very important that consumers are made aware that the average rating for a property in UK at present is a D, and that such a rating is not a real or implied criticism of them or their home. It actually demonstrates the size of opportunity there is to reduce carbon emissions and cut domestic utility bills.

Perhaps the most important thing at this stage is to make it as easy as possible for consumers to action the recommendations in the EPC. Moving house is a stressful business and consumers will not want it to become more complicated by making energy improvements difficult to implement; in fact, the danger is that they would not bother. Also, they will want to be confident that suppliers providing the products and services that implement the recommendations can be trusted and are not ripping them off.

Grants available

To address this, the Association of Home Information Pack Providers is working with various important stakeholders – such as the Energy Savings Trust, the Energy Retailers Association and the National Insulation Association – to develop energysaving propositions for consumers that are not only easy to access and can be trusted but also to take advantage of the many and various grants that are available for energy efficiency improvements.

Finally, the EPC, while a good product, is not perfect and will require constant development to ensure that it is as accurate as possible for all properties. Also, we must take advantage of the learning that we have gained from the roll-out of EPCs as part of HIPs as EPCs are rolled out for rental properties and social housing later this year.

In summary, a report card might read: ‘Shows promise, but much hard work is required to achieve full potential.’