

“Decent” housing standards as a strategy to alleviate energy poverty

Louise Sunderland

Senior Advisor, Regulatory Assistance Project (England)

Energy poverty is broadly understood as the inability of households to enjoy adequate levels of energy services at an affordable cost.¹ It is caused by the interplay of three main factors: low incomes, high energy needs due to inefficient housing and energy-using appliances, and high energy prices. In addition, many households across Europe lack guaranteed access to sufficient energy sources, particularly when they are reliant on non-grid fuels like biomass.

The measures taken by national and local government to alleviate energy poverty can take many forms, but predominantly fall into three types: income support; support to pay the energy bills; or support to reduce energy use through efficiency measures. The third approach, improving the energy efficiency of the home, is the most sustainable, long-term solution.² It is linked to one of the main structural causes of energy poverty – inadequate housing – and can prevent some of the significant negative impacts on human health associated with cold and damp homes.³

Much of the EU housing stock is inefficient, and approximately 75% of it needs some form of energy renovation.⁴ Lower-income households are much more likely to live in inefficient housing and housing with defects. Across EU Member States, some 7% of citizens in the highest income decile reported living in a dwelling with a leaking roof, damp walls, floors or foundation, or rot in window frames or floor. In the lowest income decile, this percentage rises to 22%.⁵

A review of energy poverty policies in Member States shows that while most countries have some form of targeted energy subsidy, fuel price support or income support, fewer have targeted energy efficiency and home renovation programmes dedicated to low-income households.⁶

1. EU Energy Poverty Observatory. (2019). *Addressing energy poverty in the European Union: State of play and action*. https://www.energypoverty.eu/sites/default/files/downloads/observatory-documents/19-06/paneureport2018_updated2019.pdf

2. Ugarte, S., van der Ree, B., Voogt, M., Eichhammer, W., Ordoñez, J.A., Reuter, M., Schломann, B., Lloret, P., & Villafáfila. (2016). *Energy efficiency for low-income households*. Directorate-General for Internal Policies. [https://www.europarl.europa.eu/RegData/etudes/STUD/2016/595339/IPOL_STU\(2016\)595339_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2016/595339/IPOL_STU(2016)595339_EN.pdf)

3. Geddes, I., Bloomer, E., Allen, J. & Goldblatt, P. (2011). *The health impacts of cold homes and fuel poverty*. Department of Epidemiology and Public Health, UCL. <https://www.instituteofhealthequity.org/resources-reports/the-health-impacts-of-cold-homes-and-fuel-poverty/the-health-impacts-of-cold-homes-and-fuel-poverty.pdf>

4. Buildings Performance Institute Europe. (2017). *97% of buildings in the EU need to be upgraded* [Factsheet]. <https://www.bpie.eu/publication/97-of-buildings-in-the-eu-need-to-be-upgraded>

5. Figure 4 in Sunderland, L., Jahn, A., Hogan, M., Rosenow, J., & Cowart, R. (2020). *Equity in the energy transition: Who pays and who benefits?* Regulatory Assistance Project. <https://www.raponline.org/knowledge-center/equity-in-energy-transition-who-pays-who-benefits>

6. EU Energy Poverty Observatory. (2020). *Member State reports on energy poverty 2019*. https://energy-poverty.ec.europa.eu/discover/practices-and-policies-toolkit/publications/epov-member-state-reports-energy-poverty-2019_en

Ensuring that all homes across Europe meet a decent standard, including a decent standard of energy efficiency, supports not only the right to adequate housing recognised by the UN Committee on Economic, Social and Cultural Rights,⁷ but also the right to access essential services of good quality, including energy, which is enshrined in principle 20 of the European Pillar of Social Rights.⁸

Mandatory energy standards for homes

Mandatory energy performance standards for homes are policy tools designed to ensure the entire housing stock is improved to a minimum standard. The benefit to this whole-stock approach over programmes that invest in targeted renovation of individual homes occupied by low-income or energy-poor households is that access to a decent home is assured for all. Any home a household moves into should meet the minimum standard. A number of countries and regions in Europe have introduced or are considering such standards for private homes or privately rented homes as summarised in the table below.⁹

Jurisdiction	Homes targeted	Standard	Implementation date
France	Private homes	Energy Performance Certificate* label E	2028
France	Logements locatifs	Consommation inférieure à 450 kWh/m ² /an	2023
France	Rented homes	Using less than 450 kWh/m ² /year	2023
Scotland (proposed)	Privately rented homes	Energy Performance Certificate label C	2028 (from 2025 at tenancy change)
Scotland (proposed)	Owner-occupied homes	Energy Performance Certificate label C	2033 (from 2025 at sale)
Flanders, Belgium	All homes (enforced only for rented)	Roof insulation Double glazing	2020 2023

* Energy Performance Certificates are the national assessment and labelling frameworks introduced by EU countries and required by the Energy Performance of Buildings Directive. They label buildings on a scale of (usually) A to G, with A being the best performance and G being the worst. The scales are not harmonised across Europe, therefore homes with the same EPC label will not have the same level of performance in different countries. More countries use these standards in the social housing sector. Social housing standards are not covered here, given the different ownership structure of that stock. In many countries the social housing performs on average better than the rest of the housing stock.

The standards in Europe and beyond¹⁰ focus predominantly on privately rented homes. This results from tenants being more vulnerable to poor housing standards, as they do not have the right to upgrade their homes and landlords may have little incentive to improve the home. The standards focus on the worst-performing homes and tend to require them to be improved so that they

7. “An adequate house must contain certain facilities essential for health, security, comfort and nutrition”, such as “energy for cooking, heating and lighting, sanitation and washing facilities”, as well as protection against “cold, damp, heat, rain, wind or other threats to health.” UN Committee on Economic, Social and Cultural Rights. (1991). *General Comment No. 4: The Right to Adequate Housing (Art.11(1) of the Covenant)*, E/1992/23. <https://www.refworld.org/docid/47a7079a1.html>

8. European Commission. (n.d.). *European pillar of social rights*. https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights_en

9. Sunderland, L., & Santini, M. (2021). *Next steps for MEPS: Designing minimum energy performance standards for European buildings*. Regulatory Assistance Project. <https://www.raponline.org/knowledge-center/next-steps-for-meps-designing-minimum-energy-performance-standards-for-european-buildings> and Sunderland, L. and Santini, M. (2020) Case studies: Minimum energy performance standards for European buildings. Regulatory Assistance Project. <https://www.raponline.org/knowledge-center/case-studies-minimum-energy-performance-standards-for-european-buildings/>

10. Further standards that address rented homes can be found in New Zealand, Victoria in Australia, and Boulder, Colorado, in the USA. Sunderland, L., & M. Santini. (2020). *Filling the policy gap: Minimum energy performance standards for European buildings*. Regulatory Assistance Project. <https://www.raponline.org/knowledge-center/filling-the-policy-gap-minimum-energy-performance-standards-for-european-buildings>

no longer fall into this category. A slightly different approach is taken in the standard in Flanders which, similar to Australia and New Zealand, focusses on the presence of basic insulation or heating measures in the property, as a proxy for adequacy.¹¹

These standards have received increased attention across Europe since the European Commission launched the Renovation Wave Strategy¹² in 2020, which proposed the introduction of common standards across Europe. In December 2021, the Commission published its proposal for inclusion of the common standard in the Energy Performance of Buildings Directive.¹³ In it, the minimum standards proposed broadly follow the design of the national examples, requiring the worst-performing homes, with Energy Performance Certificate G and F, to be improved to the higher energy label, F and E, by 2030 and 2033 respectively. At the time of publication, these standards are under negotiation.

Setting mandatory minimum energy performance standards for the housing stock has the potential to protect households on low incomes from very poor housing, addressing one of the key structural causes of energy poverty and a key contributor to broader inequity. The existence of a standard alone does not, however, guarantee that the rights to both adequate housing and basic (energy) services will be realised.

Case study of housing standards in the UK: standards and rights do not guarantee benefits of renovation and decent housing

The UK is, perhaps, one of the first European country to introduce and enforce legally-binding minimum energy standards in private housing. The primary legalisation that enabled the standard for privately rented homes in England and Wales was introduced in 2011¹⁴ with the regulations that defined the standard and its implementation issued in 2015.¹⁵ But, the history with housing standards goes back further.

The basis for the privately rented housing standard was an earlier Housing Health and Safety Rating system used to assess threats to human health in housing.¹⁶ This classified a home below an EPC “E” rating (on the UK’s A to G scale) as a category one health hazard, defined as a serious and immediate risk to a person’s health and safety. This classification of an energy inefficient home as a health risk was first translated into a guidance standard – the Decent Homes standard – for

11. In Flanders, minimum roof insulation and double glazing are required for homes, although enforced only for rented homes. In New Zealand, roof and floor insulation and a fixed heating system are required for privately rented properties. In Victoria, Australia, heating and cooling devices and appliances must meet minimum efficiency standards in privately rented homes.

12. European Commission. (2020, 14 October). *A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives* [press release]. <https://ec.europa.eu/commission/presscorner/detail/en/IP-20-1835>

13. European Commission. (2021, 15 December). *Proposal for a Directive of the European Parliament and of the Council on the energy performance of buildings (recast)*. <https://ec.europa.eu/energy/sites/default/files/proposal-recast-energy-performance-buildings-directive.pdf>

14. Energy Act 2011. UK Public General Acts, 2011 c.16, part 1, chapter 4 (2011). <http://www.legislation.gov.uk/ukpga/2011/16/part/1/chapter/4/enacted>

15. The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015. UK Draft Statutory Instruments, ISBN 978-0-11-112835-0 (2015). <https://www.legislation.gov.uk/ukdsi/2015/978011128350/contents>

16. UK Department for Communities and Local Government. (2006). *Housing health and safety rating system: Guidance for landlords property related professionals*. <https://www.gov.uk/government/publications/housing-health-and-safety-rating-system-guidance-for-landlords-and-property-related-professionals> enabled by UK Government (2004) *Housing Act 2004*. <https://www.legislation.gov.uk/ukpga/2004/34/contents>

social housing that covered a broad range of housing quality issues beyond energy efficiency like sanitation and accessibility.¹⁷ Then it informed the legislated minimum energy efficiency standard for privately rented housing enforced from 2016.

The privately rented housing standard was introduced, in part, to address the high levels of energy poverty in the private rented sector. At the time, 19% of private sector households were in fuel poverty compared to 8% in the owner-occupier sector. Around 50% of the privately rented homes with an energy performance certificate label of F or G, targeted by the standard, were occupied by fuel-poor households.¹⁸

The standard was introduced in three stages. From 2016, tenants were given the right to request their landlord make improvements to the home if it fell below the standard. From 2018, landlords were required to improve the homes when either the tenant changed or the contract with the existing tenant changed or was renewed. From 2020, the standard applied to the whole privately rented housing stock, meaning homes under long-term contracts were included. The design and enforcement of these standards offers lessons about their efficacy to protect households from poor housing.

The only enforcement in the period from 2016 to 2018 relied on tenants to request their landlord to make improvements, with enforcement support from the local authority. This method overlooked the power imbalance between tenants and landlords. Relying on the tenant to request their rights puts them at risk of retaliatory eviction, or rent rises, when they seek repairs and maintenance of their home.¹⁹ In 2019, tenants' awareness of their rights with regard to housing standard was still low, as was their willingness to report a below-standard home,²⁰ illustrating the limitations of this approach.

The stronger enforcement triggers in 2018 and 2020 did not, however, guarantee full implementation of the standard or guarantee decent private rented housing.

Local authorities were designated in the legislation as the enforcement body. These public bodies were, however, not adequately resourced with public funds for this task, which was identified as a barrier to implementation.²¹ Enforcement was further complicated for local authorities by the highly unregulated nature of the UK private rented housing sector. In England, there is no register of landlords and no inspection regime for rented homes that could be used to check compliance with the standard. As a result, local authorities have no single data set by which they can easily find rented homes or rented homes that fall below the standard. Due to lack of funding and poor integration of enforcement into existing processes or regimes, local authority enforcement activ-

17. UK Department for Communities and Local Government. (2006). A decent home: definition and guidance. <https://www.gov.uk/government/publications/a-decent-home-definition-and-guidance>

18. UK Department for Business, Energy & Industrial Strategy. (2020). *Improving the Energy Performance of Privately Rented Homes in England and Wales* [Consultation]. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/934534/prs-consultation-2020.pdf

19. Cromarty, H. (2021). *Housing conditions in the private rented sector* (England). House of Commons Library. <https://researchbriefings.files.parliament.uk/documents/CBP-7328/CBP-7328.pdf>

20. RSM UK Consulting LLP. (2019). *Enforcing the enhancement of energy efficiency regulations in the English private rented sector*. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/825485/enforcing-enhancement-energy-efficiency-regulations-English-private-rented-sector.pdf

21. Department for Business, Energy & Industrial Strategy (2021) *Post Implementation Review of the Private Rented Sector Energy Efficiency Regulations*. https://www.legislation.gov.uk/uksi/2015/962/pdfs/uksi0d_20150962_en.pdf

ity was very low²² and compliance in 2020 had not reached 100%.²³ An interim evaluation report found that where local authorities were more actively increasing awareness and enforcing the regulations, an increased number of landlords would be encouraged to take action.²⁴

As a counterpoint to the UK standard, which was difficult to enforce, the standard for rented homes in Boulder, Colorado, in the United States, achieved full compliance within eight years of introduction. Rented homes make up more than half of Boulder's housing stock. The standard in Boulder was designed in consultation with stakeholders including rental housing association members, energy efficiency experts and the City, which raised awareness and acceptance. The standard utilised existing rental licencing, which includes an inspection every four years to renew a licence, for compliance checking. It was also supported by a framework of linked financial and practical assistance via the City's energy efficiency grants programme. Finally, public disclosure of compliant and non-compliant homes, via an online database and map of rental properties, allowed visibility and transparency.²⁵

To address the implementation challenges in the UK, the government has established enforcement pilots to identify and test new methods with a small number of local authorities. These pilots have included efforts on data and evidence gathering, data matching, and promoting awareness and engagement of landlords through trade associations and participating in local landlord forums coordinated by local authorities.²⁶

This experience from the UK highlights that decency standards are only as effective as their enforcement and the surrounding regulatory framework on which they rely.

Framework of enabling and enforcing

Standards alone do not improve homes. Effective design and a complete enabling and enforcement framework linked to standards are key.

When engaging with the introduction of standards at European level, civil society stakeholders from a range of social groups including housing, homelessness and poverty organisations, have called for a broader set of social safeguards to accompany new regulations.²⁷ These include protections for tenants from rent increases resulting from housing improvements and eviction as part of gentrification. Homeowners should also be supported with adequate and appropriate fi-

22. RSM UK Consulting LLP. (2019).

23. Department for Business, Energy and Industrial Strategy (2020). *Evaluation of the Domestic Private Rented Sector Minimum Energy Efficiency Standard regulations: 2020 Interim Process and Impact Evaluation Report*. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/969540/domestic-private-rented-sector-minimum-energy-efficiency-standards-interim-synthesis-report.pdf

24. *Ibid.*

25. Petersen, A., & Radhika, L. (2018). *Better Rentals, Better City: Policies to Improve Your City's Rental Housing Energy Performance*. Rocky Mountain Institute. <https://rmi.org/how-cities-can-ensure-better-rentals-for-everyone>

26. Centre for Sustainable Energy (2022) Compliance & Enforcement of the Minimum Energy Efficiency Standard (MEES) in the Private Rented Sector. <https://www.cse.org.uk/news/view/2713>

27. Right to Energy Coalition. (2021). *Tackling energy poverty: Ensuring the Renovation Wave delivers to households who need it most*. <https://righttoenergy.org/wp-content/uploads/2021/11/Briefing-How-to-alleviate-energy-poverty-in-the-EPBD-1.pdf>

nance for all situations²⁸ to ensure that standards do not become burdens on those who are already struggling with high energy costs. Finally, stakeholders have called for the integration of energy efficiency standards into broader housing supply, affordability and regeneration strategies and monitoring of the wider social impact on housing supply and affordability.²⁹

What is a “decent” home in energy and climate terms?

Countries introducing standards to be implemented almost a decade from now, in 2030 or 2033, must answer the question of what constitutes a decent home in the future. Europe now has a 55% carbon reduction target for 2030 that requires significant energy demand reduction and decarbonisation in the buildings sector. Extreme weather events are on the increase and the current energy price crisis has illustrated the high risk of volatile fossil fuel prices. All of this makes clear the need for a decent home to do more than escape the very worst category of energy performance of today.

Homes that meet only a low level of energy and thermal performance will not be adequate to protect households from extreme weather events like heat waves or cold spells. These homes do not offer protection in times of energy outages. Low-performing houses also fail to meet the challenge of switching from fossil fuel heating to the use of renewable sources affordably.³⁰

Conclusion

The rights to adequate and decent housing, and to access essential services of good quality, can be supported through the application of mandatory minimum energy performance standards for homes. These standards are also a key tool to alleviate energy poverty as they reduce one of the main structural energy inequalities that cause it. To be effective, the concept of a “*decent home*” should take into account the future climate and energy performance trajectory of the buildings stock. Future proofing homes is the only way to avoid them falling back into the underclass of worst performing buildings that pose a risk to low-income households. Rights and the standards that underpin them are, however, only empowering if households can exercise and access the benefits.

28. The frameworks in Scotland and France are good examples of support designed to suit different household incomes and tenures. energy saving trust. (2020). *Home energy programmes delivered by energy saving trust on behalf of the Scottish Government*. <https://energysavingtrust.org.uk/report/home-energy-programmes-delivered-by-energy-saving-trust-in-scotland>; and Ademe. (2022). *Rénovation: Les aides financières en 2022* [Financial assistance in 2022].

29. Maby, C. (2020). *Improving energy efficiency in owner-occupied homes in Scotland*. Existing Homes Alliance Scotland. <https://existinghomesalliancescotland.co.uk/information/istrong-support-for-energy-performance-standards-in-scotlands-homes>

30. District heating systems and heat pumps, the two predominant clean heating options, both run more efficiently when delivering heat at lower temperatures through wet heat distribution systems (pipes, radiators and underfloor heating). To enable homes to be heated to required indoor temperatures, minimum thermal efficiency of the building and size of the pipes and radiators are important. Sunderland, L. (2022). *How much insulation is needed? A low-consumption, smart comfort standard for existing buildings*. Regulatory Assistance Project. <https://www.raonline.org/knowledge-center/how-much-insulation-needed-low-consumption-standard-for-existing-buildings/>. Significant reductions in the need for heat will also be required, alongside other measures, to make heating with a heat pump affordable for low income households. See Sunderland, L. and Gibb, D. (2022) *Taking the burn out of heating for low income households*. Regulatory Assistance Project. <https://www.raonline.org/knowledge-center/taking-burn-out-of-heating-low-income-households/>