# What landlords in Wales need to know about the new EPC & MEES rules

A clear, practical guide to minimum energy efficiency standards from 2030.


## Giving you the expert's view from CPS Homes' Director of Operations and Compliance Expert, Nikki Lewis

The rules around energy efficiency in the private rented sector are changing. For landlords in Wales, the roadmap is now largely confirmed, the minimum standards are clear, and – crucially – there is time to plan.

At CPS Homes, we work with landlords every day who are trying to balance compliance, cost, long-term investment value and tenant demand.

This guide is designed to explain what's changing, what your options are, and how to approach the new standards calmly and strategically.
Whether you manage your own property, use another agent, or already work with CPS Homes, our aim is simple: to help you stay compliant in the most practical and cost-effective way.

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# EPC timing: what happens between now and 2030

**A quick recap: the current Minimum Energy Efficiency Standard (MEES)**

Since 2020, MEES regulations have made it unlawful for landlords to let most private rented properties in England and Wales if they have an EPC rating of F or G, unless a valid exemption has been registered.
In short:

- Properties must have an EPC rating of E or above, or
- The landlord must have registered a valid exemption on the PRS Exemptions Register

Landlords who breach the current rules may face financial penalties and restrictions on letting the property.

These rules are now being strengthened.

**If you hold an EPC rated A, B or C before October 2029**

- You can continue to let the property until that EPC expires
- You do not need to meet the new standard or register an exemption during that period

**By October 2029**

- Any property without an A-C EPC will need a new-style EPC
- You will then need to either improve the property or apply for an exemption

**From October 2030**

- Properties that do not meet one of the compliance routes cannot be legally let

# What changes from October 2030

From October 2030, all privately rented properties – both new and existing tenancies – must meet one of the following conditions (we explain these in more detail later in this guide).

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| **1. A valid EPC with an Energy Efficiency Rating (EER) of C or above** | Although EPCs are moving to a new assessment system, the current Energy Efficiency Rating (A-G scale) will continue to appear on EPCs issued up to September 2029.<br><br>Because EPCs last for 10 years, this means:<br><br>• If you commission an EPC before October 2029 and it shows A, B or C, you can rely on it until that EPC expires<br>• In some cases, landlords may remain compliant under this route until as late as 2039<br><br>For many properties – particularly those with gas boilers – this is likely to be the simplest route to compliance. |
| **2. A valid EPC meeting the new energy efficiency standard** | From late 2027, EPCs will move to a new system that assesses properties using multiple performance metrics rather than a single headline score.<br><br>If you do not already hold a valid EPC rated A-C under the old system by October 2029, you will need to:<br><br>• Commission a new-style EPC<br>• Either meet the required standards under that EPC, or<br>• Register a valid exemption |
| **3. A registered MEES exemption** | Where it is not reasonable or cost-effective to bring a property up to the required standard, landlords will be able to rely on a range of exemptions. These are a legitimate part of the system and will apply to a significant number of properties. |

# Understanding the new EPC system (plain English)

The new EPC framework moves away from a single A-G score and instead assesses properties across several metrics. For landlords, three metrics matter.

**Fabric performance (the priority)**
This measures how well the building retains heat and covers items such as:

- Insulation
- Double or secondary glazing
- Draught-proofing

This is the primary metric under the new rules. Landlords must meet a C rating for fabric performance first.

In practice, the standards for insulation and glazing are expected to be broadly similar to those under the existing EPC system.

**Heating systems**
This looks at the efficiency and carbon impact of the heating system.

- Gas boilers are expected to score poorly
- Heat pumps and low-carbon systems score much more favourably

**Smart readiness**
This assesses a property's ability to support energy-management technology, such as:

- Smart meters
- Solar panels
- Battery storage


**How the metrics work together**

Under MEES, landlords must:

1. Meet the required standard for fabric performance, and
2. Meet the required standard for either smart readiness or heating systems

If you cannot achieve a C rating in two metrics, you will need to register an exemption.

# Exemptions: when upgrading doesn't make sense

Exemptions are not loopholes. They exist because some properties cannot reasonably meet the new standards.

At CPS Homes, we expect exemptions to be a normal part of compliance for many landlords. The following exemptions are expected, though more may still be added.

**Cost cap exemption**
Landlords will not be required to spend more than £10,000 per property.
Key points:

- Costs from October 2025 onwards count toward the cap, so be sure to retain receipts and invoices
- The cost of having the EPC is included
- Fossil-fuel heating installations do not count toward the cap
- If the next cheapest measure would exceed the cap, an exemption can be registered

**All improvements made exemption**
Where you have made all the improvements recommended on the EPC and the property has still not reached the minimum standard, you can register an exemption.

**Solid wall insulation exemption**
Where the only remaining fabric improvement is solid wall insulation, landlords can choose not to install it and instead rely on an exemption.

**Property value exemption**
If a property is worth less than £100,000, landlords will not be required to spend more than 10% of the property's value on improvements.

**Negative impacts exemption**
Where the available measures would devalue the property or negatively impact it, an exemption can be registered.

**Third party refusal exemption**
Where a tenant or freeholder, for example, refuses consent for work to be done, this can be cited when registering an exemption. You'll need written proof if consent is refused, so it's important to request consent in writing and keep a written record of the response in case you need it later.

**New landlord exemption**
A six-month grace period will be given to new landlords to meet the minimum standard or register an applicable exemption. The Government is also exploring a portfolio-based approach to cost caps, where landlords could balance costs across their portfolio.

# How different landlords should approach the changes

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| **Properties already EPC C under the current system** | • You remain compliant until your existing EPC expires<br>• EPC methodologies change, so small efficiency improvements can help protect your rating |
| **Properties close to EPC C** | • Modest upgrades may allow you to reach C and renew close to Sept 2029<br>• This will secure compliance for a further 10 years |
| **Properties far below EPC C** | • Waiting for the new EPC system may allow better planning<br>• Early upgrades that improve fabric performance can still count toward the £10,000 cap |
| **Electrically heated or solar-equipped properties** | • The new system is likely to favour these homes<br>• Waiting for the new EPC may improve your rating without major works |

**Typical improvement measures**

Common EPC recommendations include:

- Insulation upgrades
- Low-energy lighting
- Draught-proofing
- Improved glazing
- Solar panels

Fabric improvements should always be prioritised before considering heating or smart technology, as non-fabric measures will not count toward the cost cap unless fabric standards are already met.

# Costs and funding support in Wales

It's said that upgrading to EPC C typically costs £6,000-£12,000, depending on the property.

There are, however, several existing grant schemes that may help reduce the cost. We expect more to be announced, too.

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| **Boiler Upgrade Scheme** | Supports the replacement of fossil-fuel systems with heat pumps or biomass boilers.<br><br>Eligibility<br>• You must own the property, including businesses, second homes, or rental properties.<br>• You can still qualify if you've already made energy-efficiency improvements, such as installing insulation.<br>• Available to both owner-occupiers and landlords.<br><br>How it works / how to apply<br>• Request quotes from an installer certified under the MCS scheme.<br>• The installer will confirm whether you meet the eligibility criteria.<br>• Once you accept a quote, the installer submits the application on your behalf.<br>• The grant value is taken off the total cost, reducing your final bill. |
| **Great British Insulation Scheme (GBIS)** | Supports cavity wall and loft insulation.<br><br>Eligibility<br>• The property must have an EPC rating between D and G.<br>• Homes must fall within Council Tax Bands A–E in Wales.<br>• Open to homeowners, landlords, and tenants.<br>• Households receiving certain benefits may qualify for extra assistance.<br><br>How it works / how to apply<br>• Confirm eligibility using your EPC rating and council tax band.<br>• Your energy supplier will organise an assessment of the property.<br>• You are under no obligation to proceed if you're unhappy with the assessment or associated costs. |

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| **Nest (Wales only)** | A Welsh Government scheme supporting low-income and vulnerable households.<br><br>Eligibility<br>• You must either own your home or rent from a private landlord.<br>• Your property is expensive to heat and has poor energy efficiency.<br>• You or someone in your household is on a low income and either receives a means-tested benefit or has a long-term health condition. |

# Looking for extra support?

Now that the roadmap is confirmed, landlords can plan with clarity rather than urgency. How you respond will depend on your property, your EPC position and your long-term plans – but there are sensible options in every scenario.

At CPS Homes, we don't expect landlords to navigate these changes alone.

We can:

- Arrange and manage EPC assessments
- Advise on EPC recommendations and priorities
- Identify relevant grants and funding
- Assess whether exemptions apply
- Handle exemption applications and registration
- Recommend and instruct suitable contractors
- Manage compliance on an ongoing basis

Our role is to help landlords make informed decisions – not push unnecessary works. If you'd like to talk through your position or have your portfolio reviewed, you're welcome to contact us today on 02920 668585, or email nikki.lewis@cpshomes.co.uk.