

Energy efficiency reform Scotland

Rural – Scotland – October 2026

A new timeline is proposed

Scotland's EPC regime is set for major reform. The Energy Performance of Buildings (Scotland) Regulations 2025 set out the framework for new certificates, ratings, property reports, and assessor arrangements. Most changes are now planned for 30 April 2028, not 31 October 2026, but they remain proposals until the 2026 amending Regulations take effect.

Energy Performance Certificates

Reformed domestic Energy Performance Certificates (EPCs) will be valid for five years, rather than 10 and contain three metrics:

- Heat Retention Rating (HRR): modelled energy per square metre needed to maintain standard indoor conditions, reflecting building-fabric performance.
- Heating System Rating (HSR): information on the type, efficiency and emissions of the principal heating system.
- Energy Cost Rating (ECR): modelled annual energy costs under standard assumptions.

The new ratings are unlikely to align with the current cost-based headline rating. A well-insulated electrically heated home may perform better under HRR than under the current rating. A poorly insulated property using inexpensive fuel or benefiting from on-site generation could perform worse.

Minimum Energy Efficiency Standards

There is currently no Minimum Energy Efficiency Standard (MEES) for the domestic private rental sector (PRS). As long as the landlord provides a valid EPC, homes can be let at any EPC rating. The Scottish Government is proposing a PRS MEES based on HRR Band C, not the Heating System or Energy Cost rating.

HRR bandings will be calculated using a new methodology based on the Home Energy Model and modelled heat demand. The consultation proposed the following bandings:

- A: 30 kWh/m²/year or less
- B: 31–70 kWh/m²/year
- C: 71–120 kWh/m²/year
- D: 121–215 kWh/m²/year
- E: 216–301 kWh/m²/year
- F: 302–350 kWh/m²/year
- G: 351 kWh/m²/year or more

The consultation proposed applying the standard to new tenancies from 2028 and to all relevant PRS properties by the end of 2033. It did not state a precise 2028 commencement date. The subsequent postponement of EPC reform to 30 April 2028 creates an obvious dependency, because HRR cannot be evidenced before reformed EPCs are available.

Timeline

Earlier plans would have caused most EPCs issued under the Energy Performance of Buildings (Scotland) Regulations 2008 to

cease to be valid when the reformed system commenced on 31 October 2026. The timeline below supersedes that approach. Existing EPCs will not be cancelled in October 2026.

Date	Development
1 January 2026	Provisions establishing the new Scottish EPC Accreditation Scheme and allowing approval of assessor organisations came into force. These provisions did not introduce the new certificates or rating system.
31 October 2026	EPC lodgement fees are planned to increase from £2.60 to £6 for domestic properties and from £12.10 to £15.50 for other properties. This is no longer the launch date for new-style EPCs.
30 April 2028	Planned introduction of the reformed domestic and non-domestic EPC system. From this date, assessors would issue only new-style EPCs and property reports. New buildings completed on or after this date would also require the new documents.
30 April 2028 – 30 April 2029	Transitional period for existing buildings being sold or let. A valid old-style EPC and recommendations report could generally still be used for a transaction. If the property is sold or let again during the period, the subsequent transaction would require a new-style EPC and property report. Short-term lets would receive the full one-year transition.
From 30 April 2029	Only new-style EPCs and property reports would be accepted for sales and lettings, including short-term lets.
30 April 2033	A final backstop requires certain large non-domestic buildings to display an EPC. A valid old-style certificate may remain displayed until it expires or until this date, whichever comes first.

The current timetable is still subject to Parliamentary approval. The transition period between 2028 and 2029 does not amount to “grandparenting” for MEES. The consultation proposed that compliance should be demonstrated using a reformed HRR EPC only, even where a current certificate records band C or above.

Exemptions

The consultation proposes exemptions where:

- Tenant or necessary third-party consent is refused or cannot reasonably be obtained.
- An independent architect, chartered engineer, building surveyor or architectural technologist advises that a measure would harm the building's fabric or structure.

- A landlord inherits or acquires a property with a sitting tenant, allowing a six-month temporary exemption.
- All suitable measures have been installed up to a proposed cumulative £10,000 cost cap without achieving HRR C.

Consent and technical-suitability exemptions were proposed to last five years, subject to specified circumstances that would end them earlier. The proposed Heat and Energy Efficiency Technical Suitability Assessment may provide an additional safeguard for traditional, protected, tenement and rural buildings, but it is not yet a settled statutory process.

Property report

A new property report will replace the recommendations report. It will provide more detailed information about potential improvements, including:

- Measures that could improve the building's energy performance and reduce emissions.
- Estimated costs for recommended measures.
- Information about alternative heating systems and their estimated installation and running costs.

The recommendations will be generated using standardised assessment methodologies. The report will advise owners to seek further professional advice before installing measures or changing a heating system to confirm suitability for the building.

Enforcement

Local authorities are proposed as enforcement bodies, using landlord-registration and EPC-register information to identify non-compliance. Indicative penalties were £600 for a breach lasting less than six months, £3,000 for a breach lasting six months or more, £600 for false or misleading exemption information and up to £600 for failure to comply with a compliance notice. These are consultation proposals only. The Energy Act 2011 currently limits the financial penalty for a single act of non-compliance to £5,000.

Scope

The proposed domestic MEES would not cover every rural residential letting. The 2025 consultation proposed excluding short-term holiday lets and dwellings let under crofting, small-landholding, and agricultural-holdings arrangements, along with other cases outside the relevant statutory definition.

Some buildings also fall outside the EPC regime. These include low-energy-demand non-residential agricultural buildings and workshops; stand-alone non-domestic buildings with a useful floor area below 50 m²; temporary buildings intended for use for no

more than two years; buildings sold for demolition; and caravans or park homes that are not classed as buildings. Scotland has no general EPC exemption for historic buildings or places of worship. Whether an exception applies will depend on the individual building and its use.

Non-domestic EPCs

The reforms also cover non-domestic buildings. Reformed non-domestic EPCs will show an Energy Performance Rating, an Energy Use Rating and a Direct Emissions Rating. The Energy Performance Rating will use a comparative asset-rating approach, assessing the building against a standard reference building, while the Energy Use and Direct Emissions indicators will show modelled regulated energy use and emissions arising directly from fuels used at the building. The calculation will use an updated non-domestic National Calculation Methodology and Simplified Building Energy Model.

Existing and reformed non-domestic ratings will not necessarily be directly comparable. Scottish Government modelling found that individual archetypes could move materially between bands under the revised comparative methodology. New-style non-domestic EPCs are planned from 30 April 2028 and will normally be valid for five years.

EPC reform should be distinguished from the existing section 63 regime. Since 2016, for certain non-domestic buildings over 1,000m², on sale or lease to a new tenant, it has been required to obtain an action plan identifying energy and emissions improvements, unless an exemption applies. This is a separate obligation and is not a general minimum EPC rating for all Scottish non-domestic lettings.

Next steps

Existing EPCs will not be cancelled in October 2026, and the current system is expected to remain in place until 30 April 2028. Owners should continue to comply with existing EPC requirements.

Current and reformed ratings will not be interchangeable, and an existing domestic Band C will not necessarily satisfy a future HRR C standard. Non-domestic buildings could also move between bands under the new methodology without any change to the property.

Portfolio owners should therefore identify properties likely to be sold or let around the 2028 transition and obtain building-specific advice before undertaking retrofit works. The timetable and the proposed PRS MEES should be reviewed again once the relevant regulations and final policy decisions are published.



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