

# It is time for a grown-up conversation about decarbonising the UK's housing stock

**The British public is 'simply not engaged' with the necessity of cutting domestic carbon emissions, but there are opportunities for businesses and homeowners who take the initiative on sustainability.**



Whatever spin the government is trying to put on things, it is clear to anyone who works in property that the public are simply not engaged with this topic, at least not enough to move from discussion to action. As a country we are committed to reaching net zero by 2050 but, as yet, little is being done to encourage (or force) homeowners to reduce emissions, even though our homes account for about 16% of them.

In a recent Property Vision survey, 100% of those who responded said that they did not believe the UK would reach net-zero by 2050. Furthermore, when asked how important it was for the surveyor to highlight sustainable retrofit options when buying their current home, only 33% selected 'very important' – no one marked it as a 'priority'. Additionally, 50% of respondents would not consider switching to a fossil fuel-free boiler or a heat pump.

In other evidence, a property editor of one of the UK's biggest newspapers admitted to me that during the UK's hosting of COP26 in November 2021, they had to remove any mention of it from the front page of their online editions, as readership levels plummeted whenever it was featured – I suspect the same was true of COP27.

If this is all too anecdotal, on July 18th last year Client Earth, the environmental law charity who 'persuaded' China to withdraw from investing in any new coal fired power stations overseas in 2021, successfully sued the UK government in the High Court. The ruling stated: "The High Court found that the net zero strategy, which sets out plans to decarbonise the economy, doesn't meet the Government's obligations under the Climate Change Act to produce detailed climate policies, that show how the UK's legally-binding carbon budgets will actually be met."

The government has decided not to appeal the decision and now has 8 months to provide a quantified account of how it will achieve its climate targets.

As a business, we like to deal in facts and follow rules laid down by those with the specific knowledge and authority to create them. For example, when advising clients on planning issues, our starting point is always to look at current planning policies, not to submit an application regardless and see what happens. We therefore undertook to read and digest the above-mentioned net-zero strategy document, 'Build Back Greener' to see what this would mean for our clients and the properties we have bought for them.

As the High Court determined, it appeared to provide no clear guidance at all. So, we began asking key industry figureheads (architects, planning consultants, sustainability advisors etc) for their interpretations. Surprisingly for something which should have been the cornerstone of the property industry's approach to planning for the future it turned out that none of those we asked had read the document and many did not even know of its existence. I kept asking and am now at over 300 requests – only one (architect) so far has opened it and, even then, admits to not getting past the first few pages.

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The government is clearly not going to take the lead on this issue because legislation forcing people to spend money retrofitting their homes (rather than feeding their children or going on holiday) is a total vote loser. Equally, subsidies will be few and far between because the Treasury simply does not have the money.

So, in the absence of government, perhaps leadership from elsewhere will emerge? However, the Green Party has only ever managed to secure one MP and Al Gore still charges you if you want to view his film, 'An Inconvenient Truth'. Furthermore, the messages trumpeted by the credible and well-respected activists such as Greta Thunberg, Sir David Attenborough, and even King Charles III do not receive the engagement necessary to bring about change. One must merely look at their YouTube or Instagram reception to see that their influence is just a fraction of that gained by pointless reality TV stars pontificating on the most banal issues.

Einstein defined insanity as “doing the same thing over and over and expecting different results.” This is where the property industry is in our approach to net-zero. A major battle has been won in getting the world to believe in climate change but, as life is experiential, only those immediately affected by the results of global warming are taking practical steps to do anything about it. It therefore seems like the right time for a change in approach.

For most of us, the big picture is beyond our control. However, we can all make a difference to our own carbon footprints if we choose to, and there is no avoiding the fact that those of us who live in draughty old houses produce more carbon than those who live in new builds. If the fire and brimstone messages are not getting through, and the government is impotent, what may work?

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To a certain extent, more normal market forces are starting to help as we move away from the artificial booms brought about by the quantitative easing post banking crisis, Covid support and cheap energy. For example, pensioners are now finally downsizing having previously been able to delay the inevitable because everything they needed was affordable. The benefit to the environment is twofold. Firstly, they are moving to well insulated, cheap-to-run smaller houses. Secondly, the buyers of their former homes hopefully have the desire and budget to upgrade their EPC rating.

With interest rates and the general cost of living looking set to remain high, more property owners will focus on costs and the overall investment value of ownership. This is where we believe the incentive for change lies. Rather than the unappealing negativity currently associated with each of us having to do our bit to save the planet, there is a positive message which is more likely to spur action.

Statistics are emerging which show that the capital values and rental returns of low emission properties (both residential and commercial) significantly exceed those of inefficient alternatives (although the disparity is greater in countries where there is tougher legislation). Equally, energy cost savings more than justify the cost of retrofit works. For example, The Energy Savings Trust estimates that draught proofing measures with the addition of cavity wall and loft insulation could save £555 on the average annual energy bill. Furthermore, the health benefits of warm spaces are so well recognised some can now qualify to get their heating bills paid by the NHS!

However, the beneficial effect of these positive messages needs to be enhanced by reducing the hurdles to implementation. The Royal Borough of Kensington and Chelsea lifted the requirement for individual Listed Building consent for solar panels in March last year and are consulting on additional glazing being allowed in Grade II listed properties – previously unheard of – as long as there is no ‘harmful visual effect’. All other local authorities need to follow suit. Reducing VAT for green energy retrofit works, or lower rates of Stamp Duty for low carbon house sales would also help.

Some banks are also seeing good traction with their ‘green mortgages’. Coutts, for example, is offering a discount of up to £2,000 on mortgages for A and B EPC rated purchases and up to £2000 off original mortgage arrangement fees if improvements push EPCs to C or above within 12 months of taking out a loan. More banks are set to follow suit.

Climate change isn't going away, and pressure will mount on governments to ramp up legislation. As this happens, we are all going to be forced into action but the availability of the necessary kit, along with technicians and builders to install it, are all going to become more expensive and harder to find. Whichever way you look at it, the early adopters are going to come out as winners.

As 2023 begins, it's time to start focussing on the positives: making our homes more sustainable is good for the planet, it's good for the soul, and importantly, it's good for the pocket as well.