

Manchester's commercial buildings top the league table in EPC ratings

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Latest research from the [British Property Federation](#) (BPF) shows that 83% of commercial buildings in seven major UK cities have an EPC below B.

The analysis of commercial real estate in London, Birmingham, Bristol, Leeds, Liverpool, Manchester and Newcastle shows that just 2% of commercial buildings have an EPC rating of A and a further 15% have an EPC rating of B, shining a light on the scale of the challenge facing commercial real estate as uncertainty over future regulations continues.

Manchester tops the table with 20% of commercial buildings securing an EPC rating of A or B, followed closely by London with 19%. Leeds and Liverpool occupy mid table with 18% of commercial buildings rated A or B. Coming in bottom of the table are Newcastle at 16% and Bristol and Birmingham where just 15% of commercial spaces in these two cities have an EPC rating of B or above, meaning 85% of commercial assets in these two cities need to be brought up to an EPC B in the next five years, if the proposed 2030 deadline is confirmed, equating to over five million sq. m of commercial floorspace every year.

While 20% of commercial real estate in Manchester has an EPC of A or B this still equates to over 10 million sq. m below EPC B, the equivalent of 83 Arndale Shopping Centres. To bring all commercial real estate in these cities up to an EPC A or B by 2030 would require 94,595 sq. m of space to be upgraded every single day for the next five years (table 1). This is a huge undertaking that will require all parts of the supply chain and construction industry to be well-resourced and operating efficiently.

The current proposals for EPC ratings in the commercial sector, consulted on in 2021, are a target of EPC C by 2027 and EPC B by 2030. To date, there has been no response to the 2021 consultation and this delay

makes the proposed interim milestone of EPC C by 2027 unrealistic, and the EPC B by 2030 target increasingly challenging. The commercial real estate sector is committed to decarbonising and improving the energy efficiency of its buildings, but the BPF is urging the Government to publish a full response to the outstanding consultation urgently and work with the sector to ensure the regulations can be effectively implemented.

This research highlights the scale of the challenge in retrofitting our commercial buildings. The BPF is offering to work with Government to help shape the MEES regulations, so as to bring as many properties as possible up to EPC B. However, the sector needs clarity on the timeline for new minimum energy efficiency standards and certainty that the EPC B target will be the end target, to give buildings owners the confidence to make long-term investment decisions. In addition, the BPF is seeking clarity on the rules around exemptions and enforcement and the split of responsibilities between owners and occupiers.

Rob Wall, Assistant Director, British Property Federation, comments, "Commercial and industrial buildings account for around a third of all building emissions. The sector has a critical role to play in tackling climate change. Yet the Government continues to keep owners and investors in the dark about future minimum energy efficiency standards.

"Our research shows the scale of the challenge we face in retrofitting our commercial buildings, across all asset types and across the UK. The lack of a response to the 2021 consultation is hugely frustrating and is making a tough situation worse. The targets proposed in 2021 no longer look achievable, and we would call for the proposed interim EPC C target to be abandoned entirely.

"To be clear, we support higher minimum standards, and we are seeing improvements in the EPC ratings of commercial buildings. But progress is slow. If we are to have any chance of hitting an EPC B target by the early 2030s then we need clarity from Government now."