

OCTOBER 2024

Greener Homes Report

A study looking into the challenges and changing behaviours on the journey to more sustainable homes





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Foreword

Now in its third year, Rightmove's Greener Homes Report tracks the progress toward sustainable homes, using our whole-of-market data.

It outlines the current obstacles, suggests ways to accelerate the green transition, and reveals the opinions of thousands of home-owners, renters, and landlords.

Is progress being made?

This year, 43% of all properties for sale and 55% of rental properties have an EPC rating of C or above, reflecting a 2% increase across both markets compared to last year. It's limited progress, but at least some progress.

A green wealth divide emerging

Although some progress has been made, these improvements aren't being made at scale, and a relatively small sub-section of the market has emerged as the one making the changes.

New Rightmove analysis shows that a green wealth divide has emerged. Home-owners of higher-value properties are leading the way in making green changes to their homes, while lower-value properties are at risk of lagging behind.

This isn't surprising, as cost continues to be the biggest barrier for people making energy-efficient home improvements.

Greener homes are becoming a luxury for those who can afford them. Encouragement, education, and a couple of available schemes do not appear to be sufficient. Much more significant and targeted initiatives are needed.

New government, new progress?

In 2023 the previous government scrapped plans to introduce EPC requirements for landlords. The new government has confirmed that requirements will be reintroduced as part of their Warmer Homes Plan, and that there will be a consultation 'by the end of the year'.

This would mean all rental properties would need at least an EPC rating of C by 2030.

We estimate there are around 2.9 million rental properties that need to be upgraded at a cost of around £8,000 per property. We await further details on the government's consultation, plus any support to help landlords make the transition, which in turn would benefit tenants.

What do we hope to see from the new government?

Overall, we need homes across Great Britain to go greener at scale, which means designing access to support those who need it most.

While any new policies or schemes would need to be carefully thought through, there are a few things that would appear to be logical steps towards making homes greener:

- Design a package of support for home-owners and landlords across the mass market (e.g properties under £400,000) to make green upgrades, through grants or low-interest, long-term loans:
 - One potential consideration could be to allow landlords to offset the costs of energy efficiency improvements against income tax in the year the costs are incurred, rather than against capital gains tax when the property is sold
- Introduce stamp duty rebates if a new buyer makes green improvements in the first few years of purchase. We suggested this change last year and still think it could be successful in helping motivate people to make changes
- Encourage mortgage lenders to continue investing in innovation in the green mortgages space, so that new products and awareness of them generates mass market appeal

Key takeaways

- ! At least 18 million homes – over half of all housing stock - need improvements to reach an EPC rating of C, costing over £196.7 billion, around £10,907 per household
- 🏠 Rightmove combined EPC register data with its whole-of-market property data and found that 50% of properties valued over £1 million have significantly improved their rating since their last EPC, compared to only 32% of properties valued under £400,000
- 🔑 In the rental market, an estimated 2.9 million properties need to be improved to reach an EPC C rating, which would cost £23.4 billion – around £8,074 per property for a landlord
- £ Half of landlords (50%) are concerned that the government will introduce costly charges for not meeting EPC requirements

We hope you find our latest analysis and the opinions from experts across the industry insightful.

Tim Bannister,
Director of Property Science at Rightmove



Insights at a glance

The size of the challenge

18 million homes need improvements to meet EPC rating C



Motivations and barriers

81%

of home-movers would consider making green home improvements if they could save money on energy bills

72%

of people would be willing to change how and when they use energy if it meant they could access cheaper energy rates at different times

£4,312 per year

is the average energy bill of a home with an EPC rating of F, compared with £1,681 for an EPC rating of C - a difference of £2,631

79%

of home-owners would be encouraged to make green home improvements if they had access to government grants or incentives

50%

of landlords are concerned that the government will introduce costly charges for not meeting EPC requirements

Progress check-in

43% of all properties for sale on Rightmove have an EPC rating of C or above, +2% from last year and +8% since 2019

55% of all properties for rent on Rightmove have an EPC rating of C or above, +2% from last year and +10% since 2019



Wales

Continues to be the area with the least energy-efficient homes for sale



London

Continues to be the area with the most energy-efficient homes for sale and rent



Yorkshire & The Humber and East Midlands

The areas with the least energy-efficient homes for rent

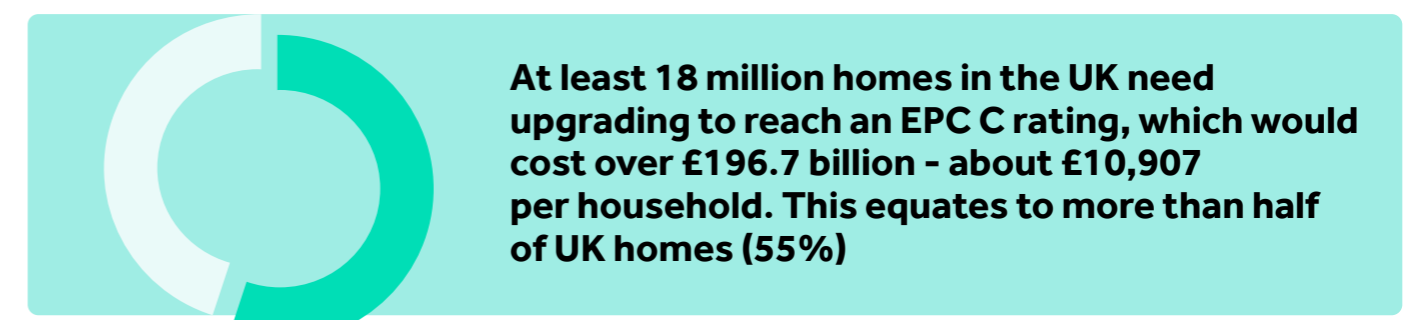




The challenge ahead

The government has committed to invest £6.6 billion over the next parliament, which it says will help retrofit five million homes and ensure that all rental properties meet minimum energy standards by 2030.

While this investment is a positive step towards improving energy efficiency, our analysis shows that more help will be required if we are to reach the targets set.



In the rental market, at least 2.9 million properties need improvement to get to an EPC C rating, which would cost £23.4 billion – around £8,074 per property for a landlord.

The introduction of the new minimum requirement target of an EPC rating of C could see some landlords pass these costs onto renters.

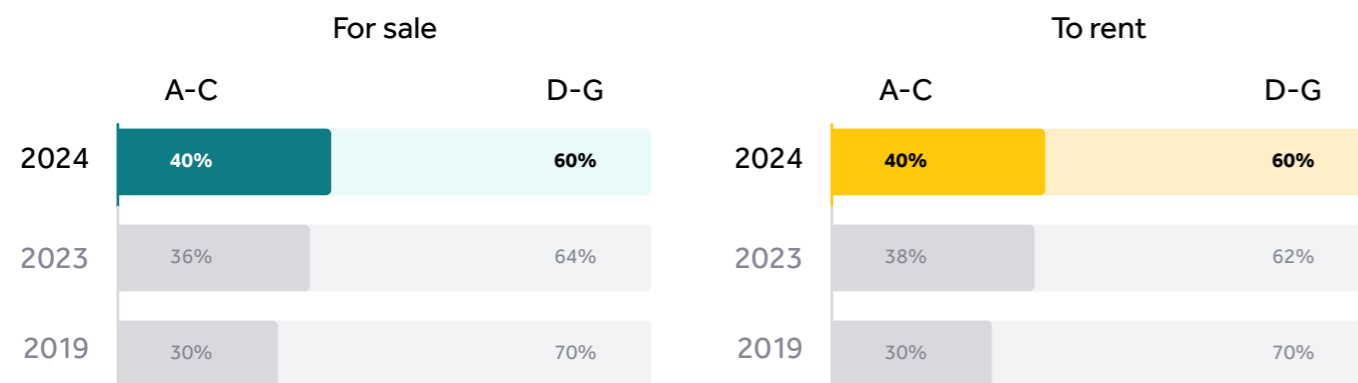
Tracking progress

Our analysis suggests that some progress is being made towards greener homes.

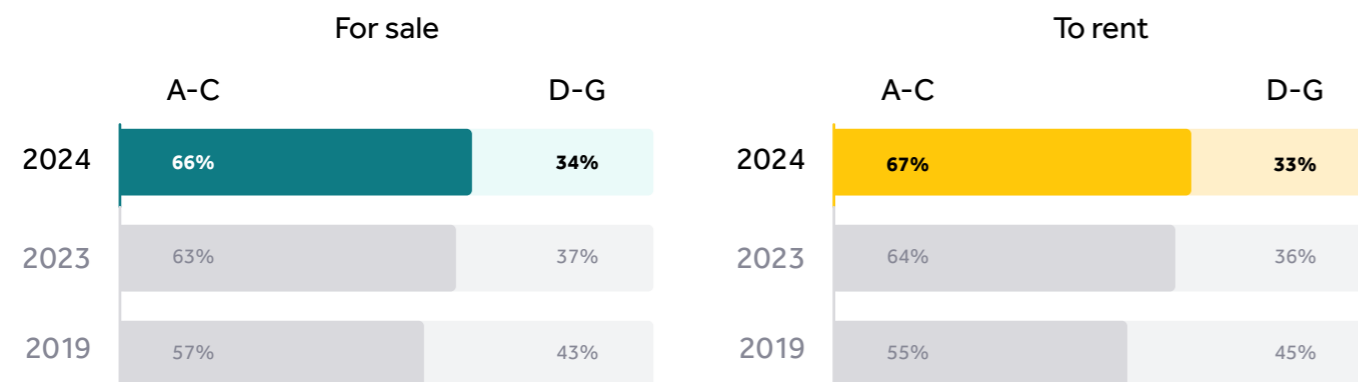
43% of all properties for sale on Rightmove, have an EPC rating of C or above, whilst 57% are EPC D or below.

The rental market overall has a higher proportion of energy-efficient properties in comparison to resale, with 55% of rental stock having an EPC rating of C or above and 45% EPC D or below.

Houses in Great Britain



Flats in Great Britain



These findings indicate a slow gradual improvement in the energy efficiency of homes across Great Britain.

However, our analysis shows that based on the current rate that homes are improving, it would take at least 30 years for all houses for sale on Rightmove to reach at least an EPC rating of C, and 19 years for flats for sale.

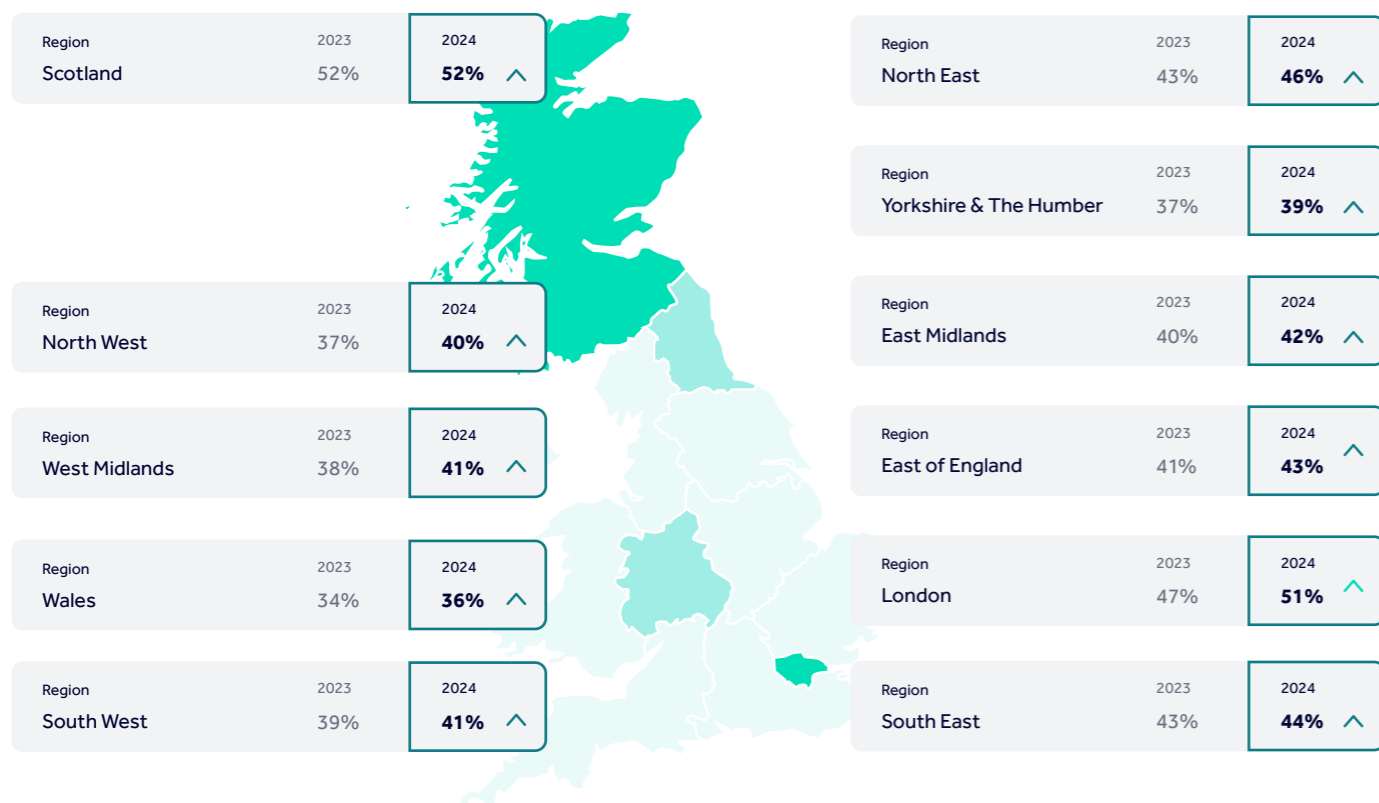
Regional variations

- Homes for sale in Wales continue to have the lowest EPC ratings on average across Great Britain, with 64% rated D or below
- Yorkshire and The Humber and East Midlands have the lowest average EPC ratings for rental homes, with 54% rated D or below
- Five of the top ten local authorities with the lowest average EPC scores of properties for sale are in Wales: Gwynedd, Isle of Anglesey, Ceredigion, Powys, and Carmarthenshire
- The Scottish Borders is the weakest performing local authority in the rental market - followed by Powys in Wales
- Homes for sale and rent in London continue to have the highest average EPC ratings, with 51% of properties rated above an EPC rating of C



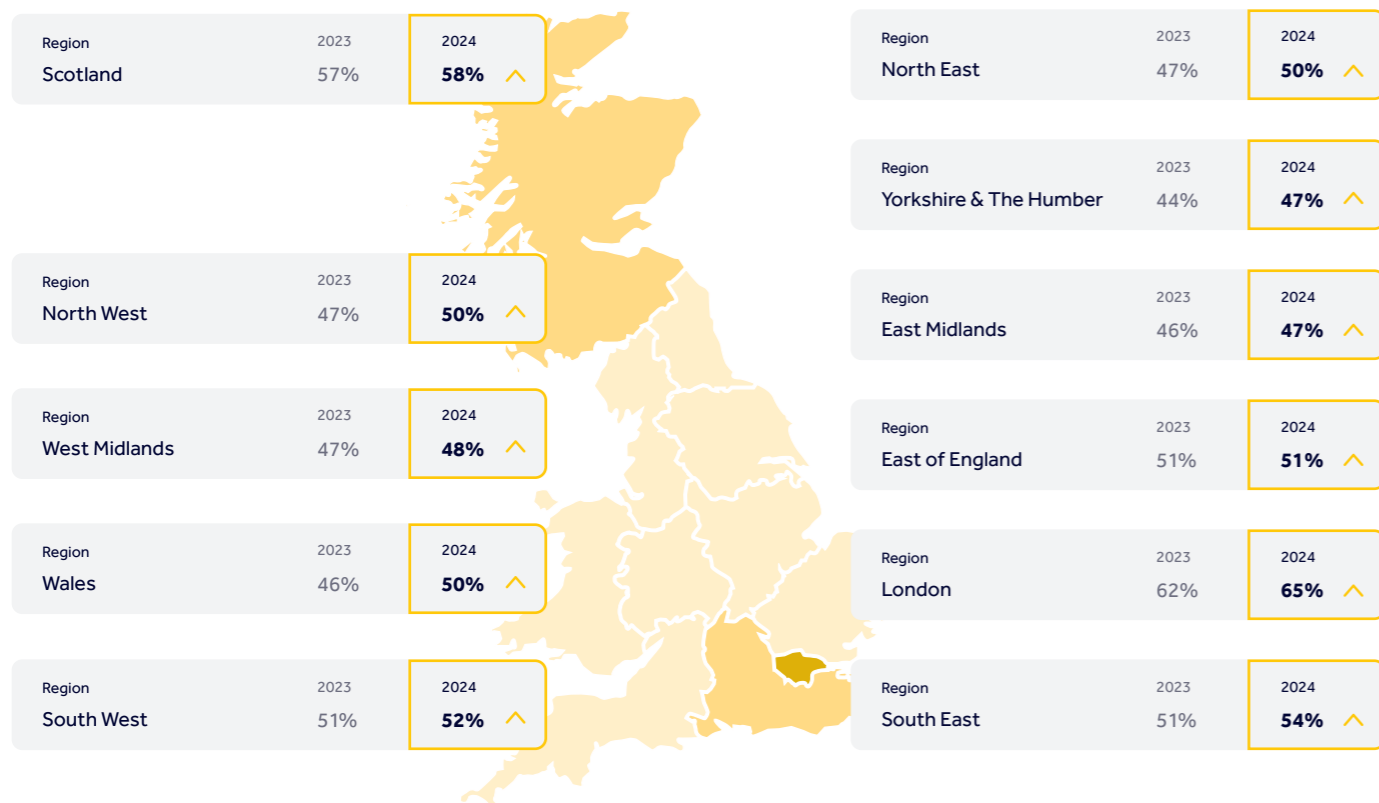
Regional sales progress by EPC ratings

% of properties for sale which are EPC rated A-C



Regional rentals progress by EPC ratings

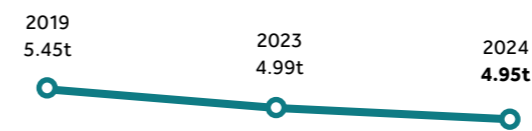
% of properties for rent which are EPC rated A-C



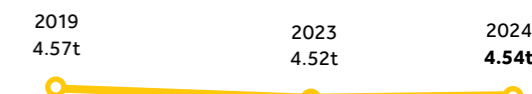
Looking at the environmental impact of a home, we've also compared annual CO₂ emissions that a home produces, as presented in each EPC, since 2019:

Average CO₂ emissions from a house

Tonnes emitted



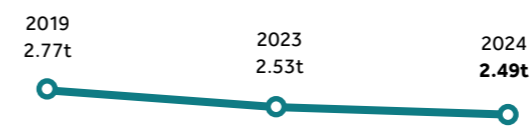
For sale



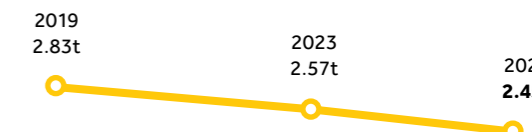
To rent

Average CO₂ emissions from a flat

Tonnes emitted



For sale



To rent

"On average houses tend to be less energy-efficient than flats and while the growing build-to-rent market could help, it's still in its infancy. Some of the easy gains have already been made when it comes to energy efficiency improvements, and it's going to get increasingly difficult."

Tim Bannister, Director of Property Science at Rightmove



New builds leading the way

The new-build sector could act as a catalyst for driving growth in the retrofit market. As the number of energy-efficient new homes increases, consumer awareness and demand for low-carbon technologies in existing homes will rise.

New-build developers also have a unique opportunity to share valuable insights with key stakeholders, helping to accelerate the adoption of these technologies across the housing market.

According to data from the Home Builders Federation (HBF), buyers of new-build homes can save over £2,200 a year on energy bills, while these homes emit 36% less carbon compared to older properties.

“The residential housing market is gradually advancing towards building sustainable homes, but as an industry, we are not moving quickly enough. Housebuilders have a unique opportunity to innovate and accelerate the transition to net zero. At The Hill Group, we are committed to driving this change and are proud to be making excellent progress towards a fossil-fuel-free portfolio, switching to air-source heat pumps in all new Hill homes later this year.”

Andy Hill OBE, founder and Group Chief Executive at The Hill Group

With the Future Homes Standard set to launch in 2025, the construction of new homes is expected to significantly reduce carbon emissions by 75-80%. These future homes will prioritise low-carbon heating solutions and focus on enhanced insulation and energy efficiency, making them more sustainable and cost-effective for home-owners.

“In 2023, we launched our zero carbon-ready homes trial in Sudbury. This is an important milestone to meet the requirements of the Future Homes Standard and the UK’s net zero goals. The trial homes feature a range of cutting-edge energy-efficient, low carbon technologies including air source heat pumps, photovoltaic solar panels and battery storage, infrared heating and smart home technology which could reduce energy bills.”

Jennie Daly, Chief Executive at Taylor Wimpey

What do new-build residents think about greener homes?

HomeViews, the UK’s only review platform dedicated to residential property and part of Rightmove, have asked just under 21,000 new-build residents how much they value sustainable building features.

68% said that environmentally sustainable features would be important to them when looking for a new home. This figure has remained largely static over the past three years.

Regionally, new-build residents in London valued sustainable features most alongside residents in the South West of England (70%). Residents in North East England valued sustainable features least (61%).

Residents in different types of homes showed no consistent variations in their value for sustainable features. However, the age of resident was seen to have a significant impact.

“Only 0.06% of our 44,000+ reviews specifically mention EPCs. However, a higher proportion include mentions of associated factors such as insulation and energy bills.”

“We do see older residents valuing home eco ratings higher than younger residents, perhaps due to a better understanding of their impact on the lived experience and costs of the home.”

“It seems that, while the benefits of higher EPC ratings are of immediate interest to residents, more education may be needed to bring about better understanding of the ratings themselves.”

Hannah Marsh, Co-Founder of HomeViews



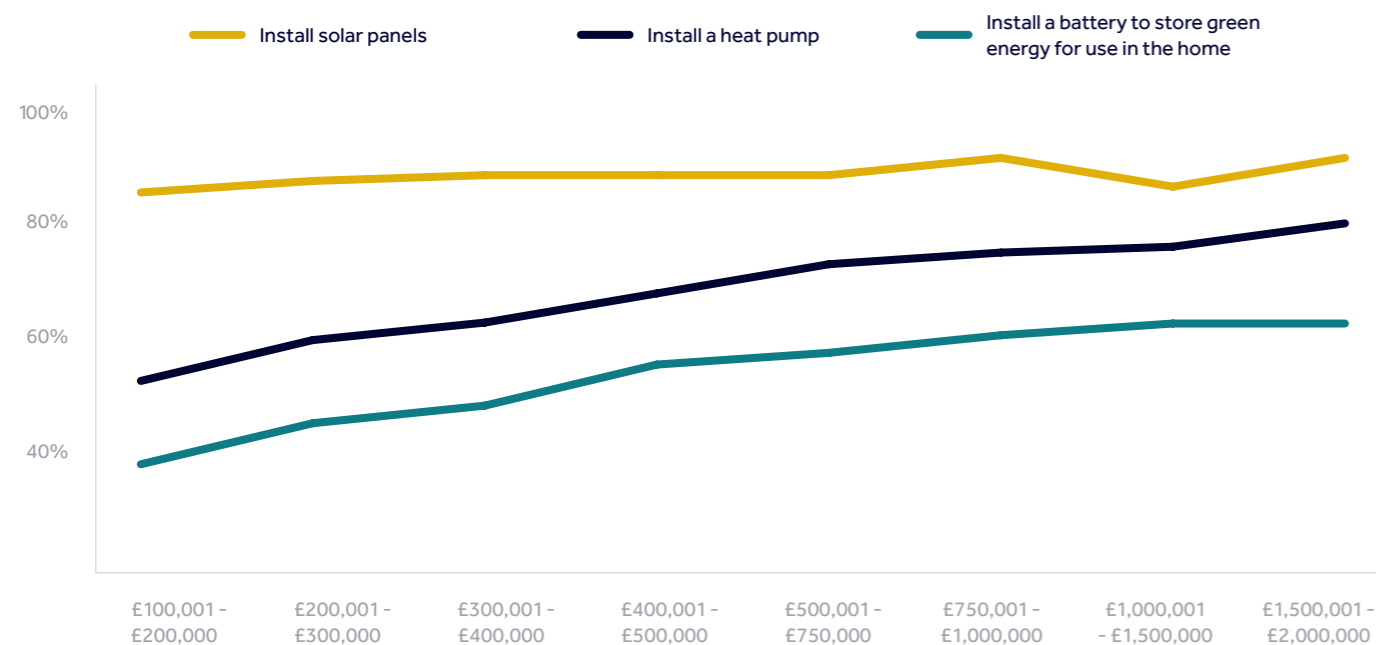
The green wealth divide

This year our analysis has revealed an interesting division in the housing market, highlighting a clear green wealth divide.

Home-owners of higher-value properties are leading the way in making green changes to their homes, while lower-value properties are at risk of lagging behind.

Awareness of energy efficiency measures, like heat pumps, solar panels, and energy storage, is lowest among owners of lower-value homes and increases as home value rises.

Which of the following are you aware of, as potential measures to improve a home's energy efficiency?



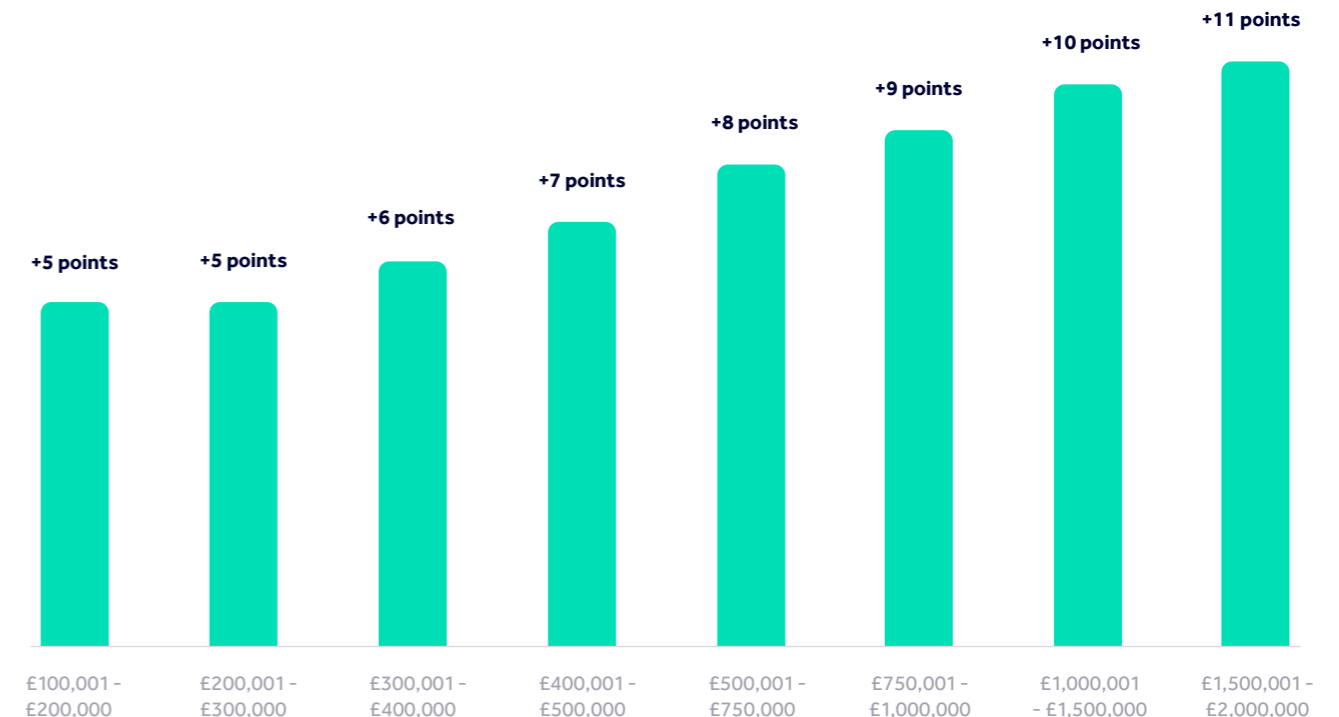
Our data shows that green home improvements are more likely to be made to higher-valued properties. It makes sense that those who can afford a more expensive home are more likely to have the funds available to make changes.

However, it isn't just cost that is a driving motivator to make changes. Those living in higher-valued properties see improving their quality of life as another important motivator for making green home upgrades.

Rightmove analysed EPCs created over the past year with its whole-of-market property data and found that 50% of properties valued over £1 million have significantly improved their rating since their last EPC, compared to only 32% of properties valued under £400,000.

We measure significant improvements by an increase of at least eight EPC points, as that represents roughly half a band increase in an EPC rating.

EPC improvement points by property value



However, different energy improvement measures have a different impact on energy efficiency. Although each house is different and measures sometimes work better together rather than individually, an indication of what is required to move an EPC rating is shown below:

EPC improvement points by recommendation



Of all property types, detached houses up for sale on Rightmove currently have improved their EPC rating the most since they were last sold, and again this is more pronounced in higher-value homes:

32%
of EPC D-rated detached homes valued between £400,000 -£500,000, upgraded to a C since their last EPC

22%
of detached houses achieved the same improvement in the £100,000 to £200,000 price range

The trend for flats is similar but less pronounced:

23%
of flats valued between £400,000 -£500,000, improved their EPC rating from a D or below to a C or above

17%
of flats in the £100,000 to £200,000 range achieved the same improvement

“While energy efficiency is increasingly important, it’s often not a top priority for buyers and renters, who tend to focus more on features like parking and south-facing gardens. In the rental market, with such a shortage of quality stock, energy efficiency becomes more of a ‘nice to have’ rather than essential. This is especially true in areas like the Cotswolds, where properties range from traditional cottages to modern new builds with high EPC ratings.



“In West Oxfordshire, where detached homes are common, the cost of living affects people in different ways. Premium property owners, for instance, are making improvements not necessarily to boost EPC ratings, but to make their homes more comfortable and improve quality of life. These upgrades, like installing a new boiler, can significantly reduce energy bills.”

Brendan Kay, Managing Director at Parkers Witney & Eynsham

This year, the number of properties on Rightmove added for sale in June 2024 that include green terms in the listings have risen since last year, for example ‘electric car socket’ (+20%) and ‘heat pump’ (+31%).

While higher-value homes are more likely to feature green terms, the overall proportion of listings on site mentioning these features remains low across the wider market (<1%).

Currently, 64% of properties listed for sale on Rightmove are priced below £400,000. This highlights that a significant portion of the housing stock across Great Britain is yet to embrace green home improvements:

 Heat pump	<p>1% of properties over £400,000 mention ‘heat pump’ in their listings, compared to 0.2% under £400,000.</p>
 Electric car socket	<p>1% of homes over £400,000 mention ‘electric car socket’ in the listing, compared to 0.5% for under £400,000.</p>

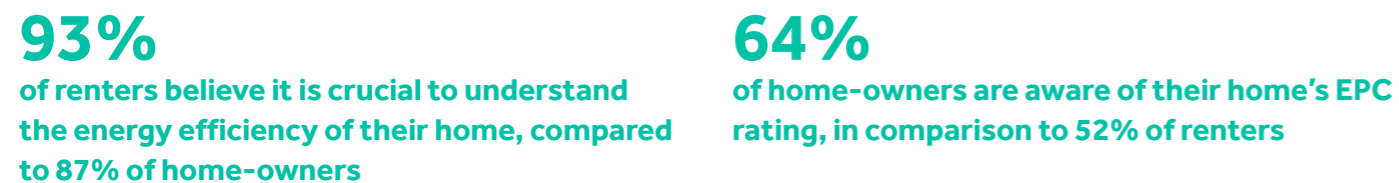
Since 2020, searches for ‘solar panels’ on Rightmove’s website have increased from the top 500 to the top 100 in our ranking of most searched for terms, whilst ‘heat pump’ has rise from >1000th to the top 200. Over the past year, we have seen a smaller increase in search terms, with ‘solar panels’ increasing from the top 200 in May 2023 to the top 100 in March 2024.

For ‘heat pump’ keyword searches increased from featuring in the top 300 to the top 200. This suggests that interest in green features when searching for listings has plateaued over the last year.



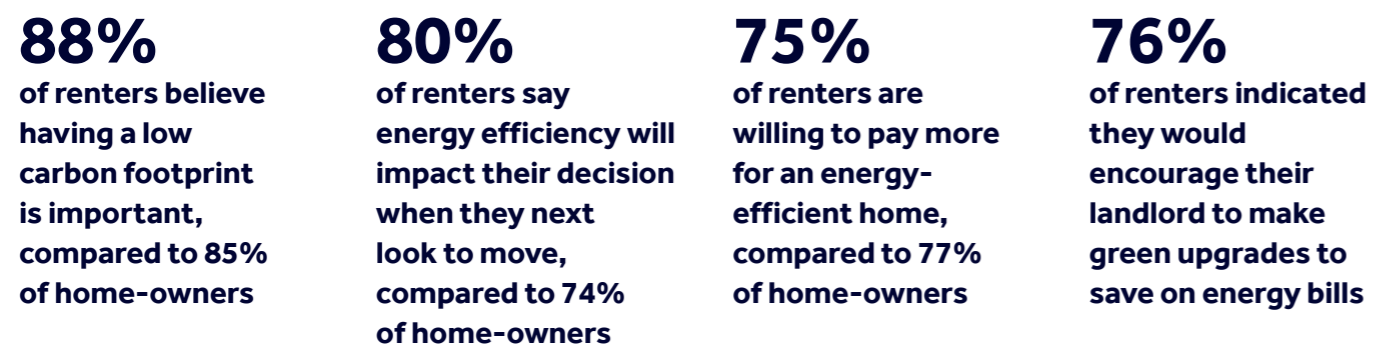
Landlords and renters: what lies ahead?

Our latest consumer survey reveals the growing importance renters place on energy efficiency, which in some cases is higher than home-owners:



However, renters are leading the call for stricter energy efficiency regulations, with 19% considering this the most important action for the new government—nearly double the 9% of home-owners who agree stricter energy efficiency regulation is the most important action.

Renters not only recognise the importance of energy efficiency but are also motivated by its potential benefits:



“Renters are facing a real challenge when it comes to finding energy-efficient homes. With limited stock available, many don’t have the option to choose a more sustainable property. Once they’ve moved in, they often end up encouraging their landlords to make further upgrades to try and lower energy bills, but even that can be difficult for landlords with older properties that may not meet modern energy standards or are even able to be upgraded. Fewer people are investing in rental properties, so we must find ways to bridge the gap between sustainability and availability to keep the rental market viable and more energy-efficient to meet the targets set.”

Megan Eighteen, President-elect at ARLA Propertymark

The introduction of Labour’s minimum EPC C target by 2030 is set to have a significant impact on landlords.

One of the concerns that landlords have with the Labour government is that costly charges will be introduced if rental properties do not meet the EPC C minimum rating.

The cost of improving a property’s EPC rating can vary widely depending on the current state of the building and the specific measures required.

Improvement cost by EPC point



New data reveals that rental properties with higher EPC ratings typically have higher monthly rents.

59%

of flats available to rent for less than £1,250 per calendar month (pcm) have an EPC rating of C or above (+4% since 2019)

73%

of flats available to rent for over £1,250 pcm have an EPC C or above rating (+12% since 2019)

40%

of houses available to rent for less than £1,250 pcm have an EPC rating of C or above (+7% since 2019)

45%

of houses available to rent for over £1,250 pcm have an EPC C or above rating (+12% since 2019)

Landlords of cheaper properties may be slower in making energy efficiency improvements due to the high costs of upgrades.

With the proposed minimum EPC requirements for all rental properties by 2030 set by the government, energy efficiency upgrades made by landlords could lead to higher rents and reduce the availability of rental properties, as some landlords might opt to sell rather than bear the cost of mandatory improvements.

“The challenge lies in the uncertainty around the support available for landlords. With limited grants and unclear timelines, landlords are facing pressure without enough guidance on how to meet these new standards affordably. If we don’t get clarity soon—on costs, tax benefits, and potential subsidies—we could see more landlords choosing to exit the market. The sooner we have concrete information, the better-prepared landlords will be to make informed decisions about upgrading their properties.”

Allison Thompson, National Lettings Managing Director, Leaders Romans Group

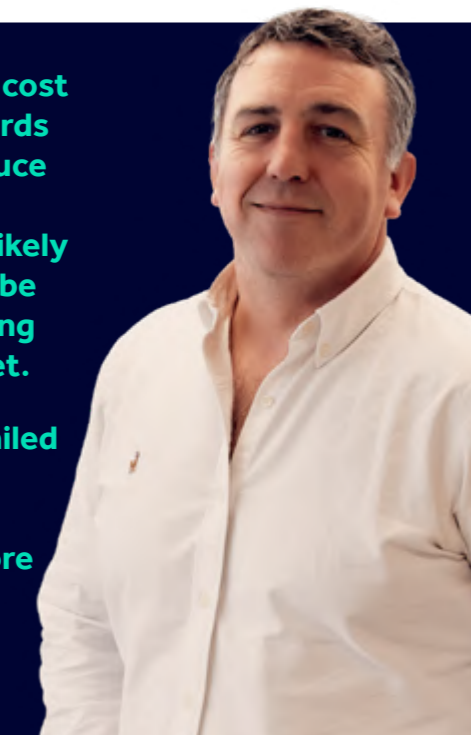
Our analysis suggests that there has been a gradual uptick in landlords exiting the market, as indicated by new sales listings of properties previously listed as rentals:

- 18% of properties for sale in August were previously on the rental market, compared with 8% in 2010
- The previous five-year average for homes moving from the rental to sales market in Great Britain is 14%

“Landlords, like all investors, value certainty about the cost of their investments. We know that over half of landlords are concerned that the government is going to introduce costly charges if green improvements are not made. Therefore, clarity must come very quickly on what is likely to be expected of landlords and any funding that may be available to them. Without this clarity, there’s a growing risk that more landlords may choose to exit the market.”

“We’d ask the government to promptly offer more detailed information on both fronts – support for landlords, making necessary energy efficiency improvements, and the structure of new homebuyer initiatives – before investor confidence is further eroded.”

Christian Balshen, Head of Lettings at Rightmove



“From conversations with our customers and landlords there is a growing interest for more energy-efficient properties. In particular, we are beginning to see would-be purchasers, especially BTL-Investors, looking further ahead at the tightening energy efficiency requirements in the pipeline featuring in their decision to buy. This is a market dynamic we anticipate will only continue to evolve and, over time, influence property values.”

“The size of the retrofit challenge for our residential stock is significant and unfortunately, still disjointed. Home-owner’s knowledge on how to improve their property varies widely as does their ability to fund the energy efficiency measures. In the absence of a national delivery framework it is difficult to see how we will meet our national targets.”

Matthew Cumber, Managing Director at Countrywide Surveying Services

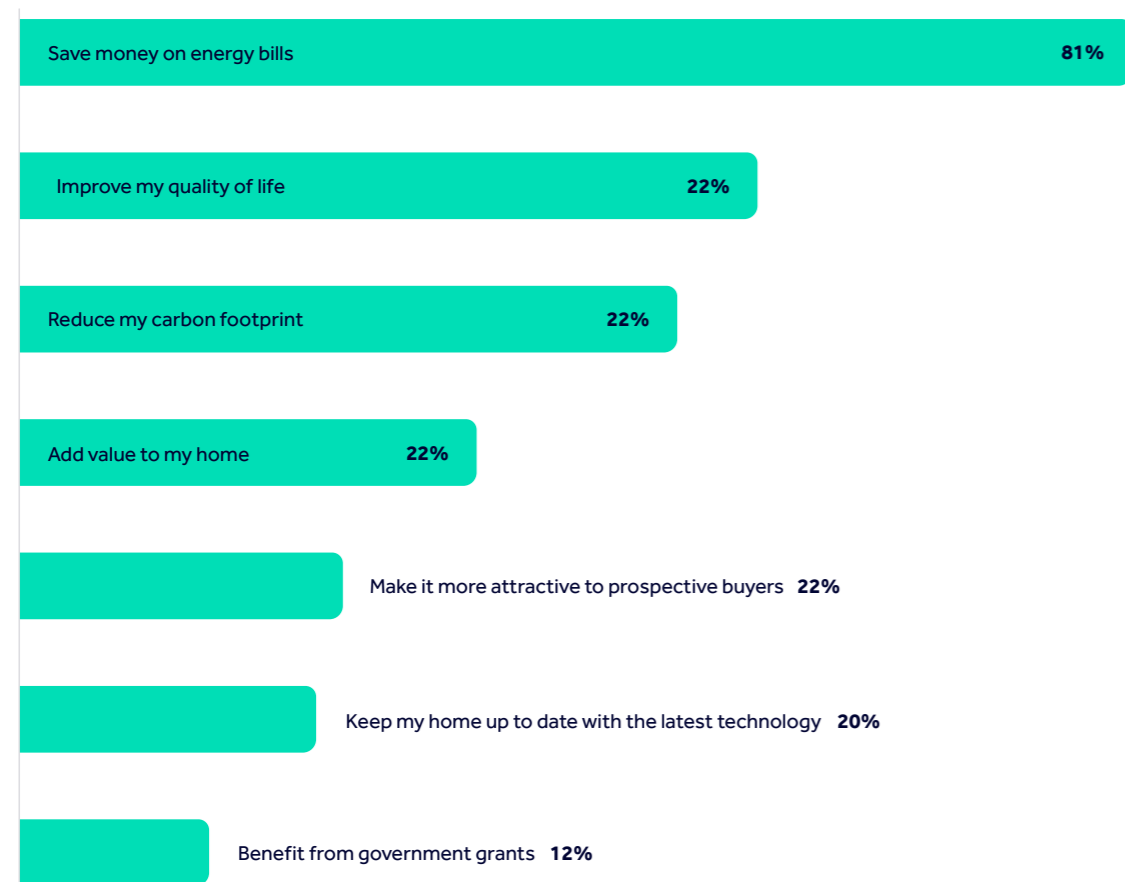
Motivations and barriers

Cost continues to be the biggest barrier when it comes to making green home improvements and reducing bills is the biggest motivator.

81% of home-movers would consider making green home improvements if they could save money on energy bills.

Why did you decide, or are considering to, make green home improvements?

% of home-owners



Rightmove’s Energy Bills Tracker shows that the difference in energy bills between homes with higher and lower energy efficiency ratings can be significant.

Our analysis shows that the average energy bill of a three-bedroom semi-detached house with an EPC rating of F is now £4,312 per year, compared with £1,681 for the same-sized house with an EPC rating of C - a difference of £2,631.

Interestingly, Rightmove’s latest consumer research reveals that 72% of people would be willing to change how and when they use energy if it meant they could access cheaper energy rates at different times of the day.

Financial incentives play a crucial role in driving the adoption of green home improvements:

- **79% of home-owners would be encouraged to make green home improvements if they had access to government grants or incentives**
- **81% said that if green upgrades increased the value of their home, they would be more likely to consider making them**



“Whilst today the challenge is upfront cost, there is an emerging world where the green option can be the cheaper option. Clean technologies such as heat pumps, solar panels and batteries enable customers to slash their energy bills while helping to balance the grid. Through innovations in smart technology and tariffs, we can make sustainable living affordable living.”

Greg Jackson, Founder and CEO at Octopus Energy

According to Snugg, a platform that simplifies home energy efficiency through accessible and affordable solutions, many people are confused about how to improve their home's energy performance and are unsure where to begin.

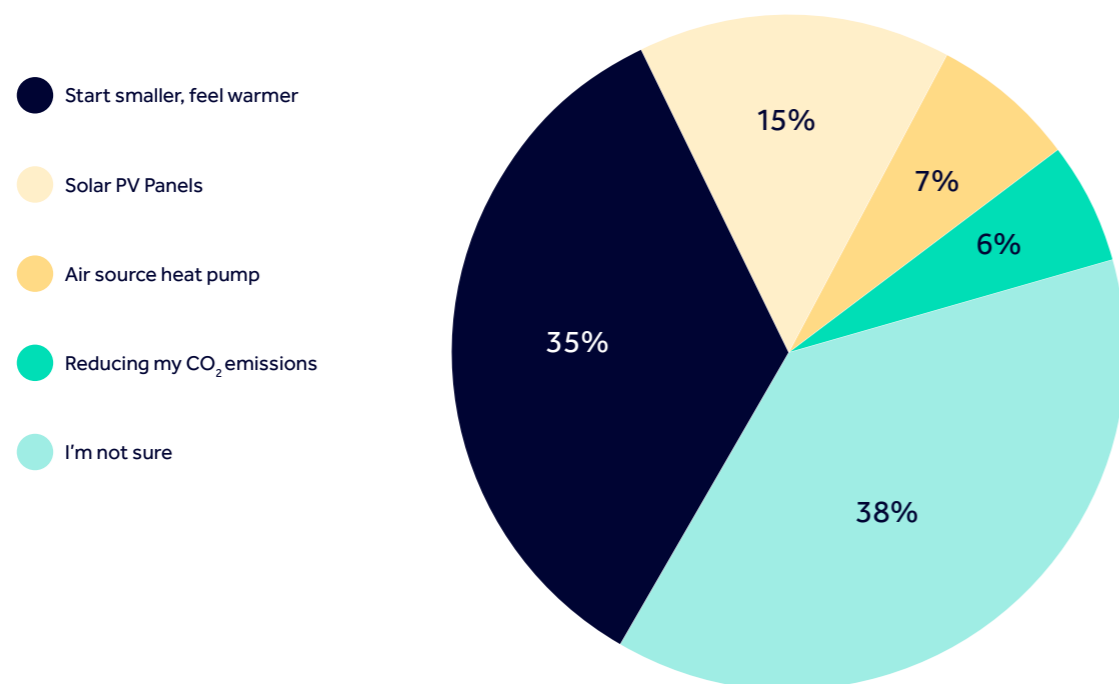
When users sign up to Snugg they are asked what their motivation is - nearly 75% either don't know where to start or just want simple, low-cost options.

"People need a reason to start looking at their home energy efficiency. Rising energy bills have encouraged many to make smaller interventions like improving roof insulation and draught-proofing but larger measures, such as installing solar panels or heat pumps, are more likely to be considered alongside other significant events. These events might include adding an extension or a new kitchen, or when remortgaging. People are also more likely to act a year or two after moving into a new home, once the initial financial outlay has been overcome and they are ready to start investing in creating their 'forever home'."

Robin Peters, Co-Founder and CEO of Snugg

Where would you like to start?

% of respondents choosing their motivation for using Snugg on sign-up



Could lenders do more to help?

Green mortgages currently offer lower interest rates or additional borrowing options for energy-efficient homes, however, banks' current offerings are limited, with only a small range of products available, and awareness is low:

48%

of home-movers are not at all familiar with green mortgages, according to our latest consumer survey

40%

of home-owners living in properties valued under £200,000 would be encouraged to make green home improvements if they had access to cheaper mortgage interest rates

The upfront costs associated with making a property eligible for a green mortgage e.g. retrofitting for energy efficiency can be a blocker for many home-owners, as can the lack of awareness and understanding around what is available and to who.

"We recognise our role in making energy-efficient home upgrades more affordable. Home-owners want to make their properties more sustainable, but high costs and lack of clarity hold them back. We're seeing an increasing number of people recognise the value in retrofitting, and by simplifying the process and offering cashback for home-owners who make green home improvements, through our Green Living Reward, we're helping to make energy efficiency a more compelling option for people. But people need clearer government policies and better support on improving home energy efficiency to drive real progress."

Andrew Asaam, Homes Director at Lloyds Banking Group

"While it's encouraging to see more green mortgage options, further support is needed to help consumers with the upfront costs of green home improvements. Most green mortgages still offer cashback for homes with an A or B EPC rating, but newer products now reward upgrades like insulation or solar panels. These incentives, such as cashback or lower interest rates, are now given upon completion of improvements. For these products to scale, retrofit data must become as accessible as EPC data, which would streamline the process and make green mortgages more available."

Matt Smith, Mortgage expert at Rightmove



Conclusion

It is evident that while progress has been made, the task of improving the current housing stock into energy-efficient, greener homes remains a challenge.

This year's analysis shows that the progress made has been concentrated in higher-value properties, where home-owners have the resources to invest in green improvements.

However, the majority of homes, particularly those valued under £400,000, are still lagging behind. The financial barriers to making green home improvements remain a significant obstacle, and without substantial support, the mass market risks being left behind.

Despite these challenges, there are encouraging signs. Home-owners, landlords, and renters are becoming more aware of the benefits of greener homes, yet the financial strain is a consistent theme. Our data shows that while many are willing to adopt greener practices, the high costs of doing so are a deterrent.

The government's current plans mark a step in the right direction, but to help shift the mass market, more robust financial incentives and accessible green home improvement products are needed. The concept of greener homes is no longer just for early adopters, it's a necessity to future-proof homes.

Thank you for reading this year's report. We hope it provides a clear picture of the progress Great Britain is making towards greener homes, what challenges lie ahead, and how we might accelerate progress in the future.

Tim Bannister,
Director of Property Science at Rightmove



All copy and commentary in this report was published on Friday 4th October 2024.

Special thanks to Rightmove analysts Ioan Pettit, Juno Wild, Jake Elworthy and Rob Murphy for their contributions to the analysis in this report.

Need more information? If you are a journalist and would like more info or an interview with Tim Bannister, you can contact Laura Pilch on laura.pilch@rightmove.co.uk.

If you would like to discuss green datasets and how they could help your business, you can contact datasupport@rightmove.co.uk.

EPC ratings of homes and improvement over time nationally by region and local authority: analysis of EPC ratings of all homes for sale and to rent on Rightmove, Jan-June 2019, Jan – June 2023 versus Jan – June 2024

CO₂ emissions over time nationally: the average annual CO₂ emissions from the EPC register for all homes for sale and to rent on Rightmove, Jan – June 2019, Jan – June 2023 versus Jan – June 2024

Mentions in property descriptions: Rightmove listings data June 2024

EPC register data: [gov.uk/find-energy-certificate](https://www.gov.uk/find-energy-certificate)

Cost to improve analysis: analysis of recommendations from the EPC register, with its whole-of-market data, estimating the average cost to improve all properties that are D or below to an EPC C rating

All landlord survey data: Rightmove's landlord survey, conducted between 19th and 29th July 2024, with 1,602 responses

All consumer survey data: from Rightmove's Go Greener survey, with 14,091 responses, conducted between 13th and 20th May 2024

Rightmove Energy Bills Tracker: October 2024

Government green energy plans: [labour.org.uk/change/make-britain-a-clean-energy-superpower](https://www.labour.org.uk/change/make-britain-a-clean-energy-superpower)

Government's Warmer Homes Plan: [gov.uk/government/publications/warm-homes-social-housing-fund-wave-3/warm-homes-social-housing-fund-wave-3-clarification-questions-23-september-2024](https://www.gov.uk/government/publications/warm-homes-social-housing-fund-wave-3/warm-homes-social-housing-fund-wave-3-clarification-questions-23-september-2024)

The Home Builders Federation Watt Report 2022: [hbf.co.uk/policy/wattsave](https://www.hbf.co.uk/policy/wattsave)

Snugg insights: analysis of self-selected motivations by Snugg product users, March - September 2024