



# GREEN WATCH

Working together for a better future

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# Welcome to GREEN WATCH.

Each month, Environment and Sustainability Manager, Corrina Jones MRICS, shares a round-up of stories and guidance on energy efficiency and sustainable practices.

We welcome the opportunity to work with you and your colleagues to explore the ways in which we could support you achieve your sustainability targets. If you would like to arrange a meeting to discuss any of the initiatives featured in this update, please contact Corrina Jones via email to [corrina.jones@esurv.co.uk](mailto:corrina.jones@esurv.co.uk).



## In this month's issue:

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## ENERGY

### **BREAKING NEWS: Government announces two-year price cap on energy bills**

Under new leadership from Liz Truss, the government has announced a two-year Energy Price Guarantee. The government-backed cap means that average household bills should not rise above £2,500 from October. The government is borrowing the money to fund the cap, which will add to the national debt and may be clawed back via higher taxation in the future, but details have not been finalised.



[What the new Liz Truss energy plan means for you- BBC News](#)



### **Energy Crisis May Have Bigger Impact on Households Than 2008 Crash**

More than half of UK households risk being pushed into energy poverty this winter by soaring bills that threaten suppliers with rising amounts of debt that simply can't be repaid.



[UK Energy Crisis Risks Squeezing Households More Than 2008 Crash - Bloomberg](#)

### **Households already owe £1.3bn to energy suppliers**

Even before winter bill hikes set in, energy debt in Great Britain has hit an all-time high and is already three times higher than it was a year ago.



[Households already owe £1.3bn to energy suppliers - even before winter bill hikes set in | UK News | Sky News](#)

## What is your EPC rating?

When gas and electricity bills are taken together, those living in the worst rated homes will pay almost £2,000 extra compared to EPC band C, and the average EPC band D homes will pay almost £600 extra.



[Energy & Climate Intelligence Unit | Poorly insulated homes to pay... \(eciu.net\)](#)

Click on this link to check whether you have a current EPC and what your rating is:



[Find an energy certificate - GOV.UK \(www.gov.uk\)](#)

Energy Performance Certificate band	Annual electricity bill 2022/23 (estimate, £)	Annual gas bill 2022/23 (estimate, £)	Annual total energy bill (estimate, £)	Extra annual bill payments compared to EPC band C (£)
EPC C	2,070	1,806	3,877	
EPC D	2,249	2,226	4,474	598
EPC E	2,605	2,581	5,186	1,309
EPC F	3,080	2,774	5,854	1,978
EPC G	3,258	2,322	5,581	1,704

## The scale of the climate change and energy crisis challenge will require bold solutions and joined up policy

The war in Ukraine has undoubtedly exacerbated the energy crisis, but the lack of sensible energy strategy over the last twelve years will be instrumental in determining how hard this crisis will impact homeowners.

A lack of a national retrofit strategy, slow investment in renewable energy, a failure to develop gas and energy storage facilities and to ensure security of supply, and the privatisation of the energy sector has left consumers very vulnerable.

Solutions must aid climate action or future generations will not have a planet to live on let alone a house to can live in.

## PROPERTY MARKET

Energy prices are expected to rise further than predicted – what will be the impact on the housing market? Buyers can be very responsive to changing market conditions and as the cost of living and energy crisis unfolds and the impact of paying excessive energy bills slowly sinks in, I would expect to see the market cool, and the importance of energy efficiency move up a buyers' priority list.

More home-hunters are taking notice and searching for green features on Rightmove, and more agents are using them as selling points. Rightmove has also identified a price differential of up to 16% for homes which have improved their EPC ratings. As energy costs increase, this correlation between higher ratings and higher property values may strengthen.



[Rightmove-Green-Homes-Report.pdf](#)

In line with their net zero ambitions, the government has proposed key deadlines for, initially landlords, but eventually all homeowners, to bring their properties up to minimum standards of energy efficiency.

This legislation has done little to kick-start the retrofit revolution required to help realise a net-zero future but has instead resulted in a scramble for already good EPC-rated property. Around 70% of landlords sold rental homes rated EPC 'D' to 'G' in the last three months, with 53% purchasing an 'A'-'C' rated property. Landlords selling off properties does not solve the key issue of net zero and the need for a retrofit of existing UK stock.



[The push to hit EPC rating 'C' – who will pay the price? | Mortgage Introducer \(mpamag.com\)](#)

There are indications that landlords are focusing on buying new build properties and selling their less energy efficient stock to avoid upgrading older homes.

On a positive note, this may free up housing for first time buyers, but is this approach just 'kicking the can down the road'?

FTBs may be least best placed to afford the levels of investment needed to upgrade these homes. At present, there is no legislation requiring owner occupiers to improve the energy efficiency of their homes, but the government is consulting on this. And if new legislation is put in place, these properties may be find themselves hitting the market again and potentially with a brown discount



[Could low EPC rated homes become a 'hot potato'? | Mortgage Introducer \(mpamag.com\)](#)

**The Greener Homes Attitude Tracker (Q2)** by NatWest continues to show there is growing public support for energy efficiency, both in terms of insulation and renewable energy adoption driven by cost-of-living concerns and climate ones.

Key findings include:

- 63% of UK homeowners now plan to make green improvements over the next 10 years, up from 54% a year ago
- Younger homeowners are more likely to make energy efficiency upgrades and show a greater willingness to adopt newer technologies
- 23% of homeowners said the rise in the cost of living and greater focus on global energy security has made them 'a lot more likely' to implement energy efficiency measures in the next 12 months
- 62% of respondents try to minimise homes energy use. Up from 57% in 2021
- Energy saving features are becoming increasingly desirable to UK renters, with 61% wanting their landlords to install solar panels in a bid to reduce bills
- 39% of homebuyers looking to move in the next 10 years said that a property's EPC rating was a 'very important' factor, up from 32% a year ago
- More than half of householders looking to purchase a home now consider an electric car charging point an important property feature.



[natwest-greener-homes-attitude-tracker-q2-2022.pdf](#)

## Billions in mortgages at risk from climate change in high-risk areas

The Commonwealth Bank of Australia has identified that mortgages worth nearly \$31 billion are for home loans in areas exposed to increasing extreme weather. The bank also noted that construction standards in high-risk areas have not been designed to resist these risks and some homeowners are not adequately insured. The Reserve Bank of Australia has previously cautioned that property in areas exposed to climate change could see values fall and leave banks with less protection in the event of mortgage defaults.



[Billions in mortgages at risk from climate change – CBA | Mortgage Professional Australia \(mpamag.com\)](#)

## Physical climate risk

It is now clear that climate change brings economic, financial, and social risks. Lenders are required to report on climate related financial risks – both physical and transitional on their mortgage portfolios. Physical risks can result in reducing asset values and subsequent losses on mortgages. Lenders are using climate risk modelling to try to ascertain the potential impact on their mortgage portfolios under different emission pathways and timelines. But the correlation between future climate related financial mortgage risk and property values is hard to quantify.

For example, lenders are assessing their mortgage book against the financial risk posed by coastal erosion, but the UK is seeing rising property values in coastal areas, buyers are not yet looking at what 'may' happen in 25- or 30-years' time and buyer's motivations are often led by the heart and are not easily quantifiable.

The market and property values are primarily driven by supply and demand and property valuations are about market value as a snapshot in time. And let's not forget, Venice has flooded on average 60 times a year but has still been a property hotspot achieving record breaking property prices. This may change in the future, but trying to predict the future impact climate change will have on property values is a challenge.

Coastal areas have recorded the largest decline in buyer affordability over the past three years, according to data by the online property website Rightmove.



[Rising house prices hit coastal buyers hardest | News | The Times](#)

**Transitional risks** stem from the move towards a net zero economy and may arise from changes in climate policy, technology and shifting buyer preferences.

Property portfolios are at risk from the growing potential for stranded assets from transitional risks such as the forthcoming changes to the MEES regulations in the BTL sector.

There is a growing risk that properties that will not meet future energy efficiency standards or market expectations may become stranded assets.



## CLIMATE CHANGE IMPACT

### Why has it taken so long to sink in?

Climate change was first reported 110 years ago! The Braidwood Dispatch and Mining Journal article reads: "The furnaces of the world are now burning about 2,000,000,000 tonnes of coal a year. This tends to make the air a more effective blanket for the Earth to raise its temperature. The effect may be considerable in a few centuries."



[Climate change first reported 110 years ago! - future Net Zero](#)

### We need more studies on the possibility of human extinction

Catastrophic climate change outcomes, including human extinction, are not being taken seriously enough by scientists. The consequence of more extreme warming is still on the cards if significant climate action is not taken and the world needs to start preparing for the possibility of what is termed as the "climate endgame".



[Climate change: More studies needed on possibility of human extinction - BBC News](#)

Summers marked by more extreme heat, droughts and wildfires are the new reality in Britain as the climate crisis grips the planet, experts have warned. This summer, which has seen drought declared across swathes of England, raging wildfires, and temperatures spiking above 40C, is a taste of what's to come according to scientists and policy experts. Heatwaves and critically low water levels are expected to become more frequent and intense unless humanity stops emitting greenhouse gases.



[Warning UK must brace itself for more drought, heat and fire | The Independent](#)

Heatwaves have resulted in droughts - Large areas of the UK have had the lowest amount of rainfall since records began which has resulted in large parts of the UK being placed under official drought status.



[Environment Agency chairs National Drought Group as parts of country move into drought - GOV.UK \(www.gov.uk\)](#)

Wildfires are on the increase due to drier conditions, So far in 2022, there have been 745 wildfires in the UK - more than a 200% increase from the total figure of 247 for all last year.



[500 more wildfires this year than whole of 2021 - fire chief - BBC News](#)

Flash floods are on the increase as more frequent heavy downpours strike areas of parched earth too dry to absorb high volumes of water quickly. The water runs off and creates flood zones, putting property and lives at risk. Thunderstorms and flash floods have struck parts of southern England, causing flash flooding in large areas of central London.



[UK weather: Storms and rain bring flash floods to southern England - BBC News](#)

Flash flooding has hit Wales amid a yellow warning for thunderstorms. Footage shot on Tuesday afternoon shows torrential rain in Port Talbot and Swansea.



[LIVE: Flash flooding hits Wales amid Met Office yellow warning for thunderstorms - Wales Online](#)

## The Arctic is melting fast

Scientists have revealed that the Arctic is now warming at a rate four times faster than the rest of the world and that the region has warmed far quicker than previously thought.

Warming in the region is responsible for sea level rises, with sheets of ice, such as the Greenland ice sheet, melting and increasing depth.



[Arctic warming four times quicker than rest of the world - future Net Zero](#)

## Sea levels are rising much faster than a century ago,

reveals the Met Office's annual look at the UK's climate and weather. Levels are now rising by 3-5.2mm a year, which is more than double the rate of increase in the early part of last century. This is exposing more parts of the coast to powerful storm surges and winds, damaging the environment and homes. Around 500,000 homes are at risk from flooding, scientists say.



[Climate change: UK sea level rise speeding up - Met Office - BBC News](#)

## Climate refugees

We are starting to see the world's first climate refugees. Some 2,000 islanders in Guna Yala will become one of the first indigenous communities in Latin America to relocate because of climate change. The Panama government estimates all islands of the Guna people could be under water by 2050.



[Climate change forces indigenous islanders in Panama to relocate - BBC News](#)



## REFITTING



### Greener housing stock would end UK's Russian gas dependence more than twice over and save households over £2600 annually

That's according to the latest research published by the Active Building Centre ("ABC") and that's before you even add in the price cap increases due in October. The findings serve to highlight how critically important the energy performance of our homes is to solving the issues of national energy security, the cost-of-living crisis and climate change.



[Greener housing stock would end UKs Russian gas dependence .pdf \(affino.com\)](#)

**Homeowners are keen to go green**, with the UK experiencing the physical impact of climate change more acutely in recent years and the energy crisis making it shockingly clear how expensive it is becoming to heat poorly insulated homes, more and more people are 'warming' to the idea of retrofitting their homes.

The top five reasons people are now looking to act are to:

- save money on energy bills
- improve the insulation in their homes
- reduce their carbon footprint
- add value to their homes
- help sell their home in the future.

However, there are numerous barriers stopping people from taking action to retrofit their homes.

71% of people surveyed for the NatWest Greener Homes Attitude Tracker state that the cost of the work required is still the number one major barrier to households improving the sustainability of their homes. Followed by the level of disruption caused and the lack of available finance



[natwest-greener-homes-attitude-tracker-q2-2022.pdf](#)



[Rightmove Green Homes Report 2022 - Rightmove Hub](#)

The Green Finance Institute (GFI) has partnered with Greater Manchester Combined Authority (GMCA) and their Retrofit GM programme to try and overcome some of these barriers by delivering financial solutions to unlock funding for the owner occupied and privately rented sectors.

The GFI will work with financial institutions, retrofit specialists and local organisations to pilot financial solutions to help support the retrofit of 60,000 homes.

These include:

- Property linked finance
- Local climate bonds
- Demand aggregation and coordination
- Green rental agreement
- Green mortgages.



[GMCA RetroFit Action Plan \(greatermanchester-ca.gov.uk\)Retrofit Task Force](https://greatermanchester-ca.gov.uk/RetrofitTaskForce)  
[#RetrofitGM \(gmgreencity.com\)](https://twitter.com/RetrofitGM)

Other barriers to retrofitting identified by the GFI include the lack trusted intermediary's and technical expertise and issues with the supply chain.

Homeowners are wary of receiving poor advice and then paying the price in the future. We only have to look at the spray foam debacle to understand property owners' concerns. Poorly fitted energy savings measures could leave properties un mortgageable.



[RPSA warns 250,000 homes could be unmortgageable due to spray foam insulation - Mortgage Solutions](#)

## Could ECO work for the able to pay sector and solve this issue?

EDF Energy, Scottish Power, OVO, and EON released a survey in June, which covered a proposal for a new £1 billion energy efficiency scheme for the able to pay sector entitled "ECO Plus". ECO has been very successful in installing measures in peoples' homes to reduce carbon emissions and tackle fuel poverty.

Could an expansion of the ECO framework, part funded by government, enable many more households to benefit from energy efficiency improvements?

The framework ensures all tradespeople are suitably qualified and is seen to provide impartial advice to homeowners and a guiding hand. A large proportion of the 'able to pay' sector is often asset rich, but cash poor and it could be argued that by offering some grant funding it could help stimulate the retrofit revolution if accompanied by low interest funding options.



[Can ECO work for those who are able to pay? \(elmhurstenergy.co.uk\)](https://elmhurstenergy.co.uk)

## NEW HOMES

**“Energy efficiency is a key consideration for new home buyers”**, according to Craig Hall, Director of New Homes Financial Services at LSL Financial Services and this has been backed up by recent Zoopla research which highlights what buyers want from housebuilders and estate agents in 2022. Nearly 70% of new build respondents cited energy efficiency as an “extremely” or “very” important factor in their decision to purchase a new home. In 2021, some 84% of newly built homes received an ‘A’ or ‘B’ EPC rating compared to just 3% of resale homes. In addition to the potential cost savings of new homes, people are increasingly conscious of housebuilders’ green credentials – with some 74% of new home buyers expressing the importance of their home being built with minimal impact on the environment



[Energy efficiency “key consideration” for buyers – Zoopla \(house-builder.co.uk\)](https://www.house-builder.co.uk)

### Green Homes Incentive

Residential developers who meet green standards can now access a new Green Homes Incentive that will help deliver lower carbon homes in Wales. Funded by the Welsh Government, the Green Homes Incentive is available on residential development loans and includes a reduction in loan repayment fees of up to 2%. Finance for up to 100% of building costs is available. Eligibility will depend upon qualifying criteria that includes EPC A Rating/Passivhaus status, non-concrete structures and non-fossil fuel heating systems.



[Development Bank of Wales Announces £33 Million for Greener Housing - Business News Wales](https://www.businessnewswales.com)

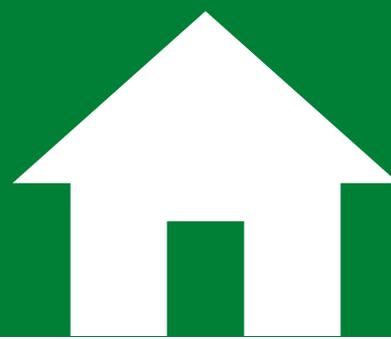
### England housing strategy to ‘consume 100% of country’s carbon budget’

The government’s housing strategy could consume all of England’s carbon budget unless vital action is taken to rapidly reduce the ecological impacts of housing.

The government’s response to England’s housing affordability crisis has been to pledge to build 300,000 new homes per year. Secure and affordable housing is a must but building new homes cannot be incompatible with achieving environmental goals.



[England housing strategy to ‘consume 100% of country’s carbon budget’ | The Independent](https://www.independent.co.uk)



**We need a circular economy** if we are to meet net zero goals. With more focus on 'whole life carbon' property developments, arguments for a circular economy will become louder. The UK Green Building Council has published a report on how the principles of a circular economy can help deliver whole life carbon reductions across developments. The principle focuses on the reuse of existing assets and materials.



[How Circular Economy Principles can impact carbon and value - UKGBC - UK Green Building Council](#)

## Plastic free homes

Work is completing on a ground-breaking project to build the first plastic free homes in Europe and the UK. The revolutionary development is providing 12 affordable homes built using carefully sourced plastic free alternatives as an example of what can be achieved to reduce environmental impact.



[Unlock Net Zero - Case studies & pilots - Building a greener future with Europe and the UK's first plastic free homes](#)

## GREEN MORTGAGES

The government has turned to property risk experts and lenders to help develop solutions that encourage customers to improve the energy efficiency of their homes. Some lenders now offer a 'green mortgage' and preferential rates to homeowners who purchase energy efficient homes a high EPC ratings(A or B). But there has been focus on rewarding homeowners able to afford to buy a new home and products designed to support customers with retrofitting. Along with product availability, Vikki Jefferies, Propositions Director of our sister company PRIMIS cites the issue of short shelf life of products with little or no notice on withdrawal. The pace of change and limited availability of current mortgage products places pressure on brokers.

As the UK works towards its net zero goal, e.surv has developed its HomePlus consumer proposition, offering a digital home survey report alongside a Knowledge Hub that includes energy efficiency tips and guidance on topics such as heat pumps, EPC ratings, and new build properties.



[e.surv launches HomePlus digital home survey and Knowledge Hub](#)

Brokers and users of Moneyfacts Analyser are able to search and filter for 'green' residential and buy-to-let (BTL) mortgages. Green mortgages have gained popularity, with a number of lenders launching mortgages aimed at lending on more energy efficient properties and allowing funds to be used for upgrades.



[Moneyfacts Analyser introduces green search and filter \(mortgagefinancegazette.com\)](#)

Atelier is determined to help fund green developments for eco homes and has launched the Carbonlite Challenge, an initiative that gives developers a unique choice; the greener the design, the cheaper the finance.



[Energy prices expected to rise further than predicted - what does it mean for mortgages? | Mortgage Introducer \(mpamag.com\)](#)

## RENEWABLE TECHNOLOGY



### Renewable energy does make financial and economic sense

New research from Stanford University outlines how 145 countries could meet 100% of their business-as-usual energy needs with wind, water, solar and energy storage. The study finds that in all the countries considered, lower-cost energy and other benefits mean the required investment for transition is paid off within six years. The study also estimates that worldwide, such a transition would create 28 million more jobs than it lost.



[Study finds 100% renewables would pay off within 6 years - pv magazine International \(pv-magazine.com\)](#)

**Homebuyers should be given a 50 per cent discount on stamp duty if they agree to install heat pumps,** a Conservative think tank has said.

The rebates would incentivise people to make homes more energy-efficient at the crucial “moment of change” when they moved. A similar scheme in Finland has helped that country reach one of the highest rates of heat pump sales in Europe.



[Call to halve stamp duty if you fit heat pump | News | The Times](#)

### The steel in our buildings can generate clean energy

Solar roofing panels which are greener, lighter, cheaper and flexible, and which can be printed on the steel used in buildings, are the focus of a new three-year research collaboration between Swansea experts and Tata Steel UK.

The solar roofs would enable buildings to generate, store and release their own secure supply of electricity.



[How steel in our buildings can generate clean | EurekAlert!](#)



## DRIVE GREEN

### How do you feel about a self-driving car?

Our cars are becoming more and more automated, but I am not sure how I feel about a totally self-driving car. The government has unveiled plans to rollout self-driving vehicles on UK roads by 2025. We could see self-driving commercial vehicles on our roads even sooner delivering groceries and assisting passengers when moving through airports.



[Self-driving revolution to boost economy and improve road safety - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

### Looking after your EV in a heatwave:

- Check your tyre pressure - higher temperatures affect tyres and an incorrect tyre pressure can reduce your range
- Take care of your battery - try and park in the shade. Extreme temperatures can both reduce range and even damage the battery. Electric cars' lithium-ion batteries work most effectively between 20-25°C
- Only charge your battery to 80% - full batteries are more likely to overheat
- EVs mod cons – air conditioning can reduce your range by 17%. The good news is that many new electric cars have preconditioning. This means you can cool down your car before setting off and avoid draining the battery while on the road..

### Five electric vehicle innovations to look out for in 2022

- 1.Vehicle to grid - V2G charging allows energy stored in the vehicle's battery to be exported back to the grid during periods of high demand
- 2.Wireless charging
- 3.Ultra-fast charging
- 4.Pop-up and lamppost chargers
- 5.Electrified roads.



[Five electric vehicle innovations to watch in 2022 - Energy Saving Trust](#)



[Top tips for EV drivers in hot weather - Zap-Map](#)

## SUSTAINABLE BUSINESS

### Where are you sourcing your laptops from?

The Royal Mint has signed a deal to use remanufactured 'carbon-neutral' laptops for its IT estate. The move will see a large drop in its Scope 3 emissions, with more than 70 laptops already delivered to the company.



[Carbon-neutral laptops in 'mint' condition - future Net Zero](#)

**Banks must reflect cost of living crisis**, meeting climate targets and improving diversity in pay, says UK watchdog - the Financial Conduct Authority (FCA), has said that remuneration policies should support the purpose, long-term strategy and values of firms, while reflecting the current economic environment.

Banks should also provide details of how their environmental, social and governance (ESG) commitments are linked to pay, including any targets.



[Banks must reflect cost of living crisis in pay, says UK watchdog | Reuters](#)



### Lender guidance on climate change

The vast majority of property lawyers say lenders must update their climate change guidance. An overwhelming 91% of lawyers thought lenders should update their risk search data due diligence guidance in this area.



[Exclusive: Lenders must update climate change risk guidance, say property lawyers \(mortgagefinancegazette.com\)](#)

### Several major firms are under investigation amid claims they may have exaggerated their environmental credentials

The Competition and Markets Authority (CMA) will be scrutinising eco-friendly and sustainability claims made by ASOS, Boohoo and George at Asda about their fashion product. Misleading claims about a firm's commitment to the planet can also have a significant impact on the HR function as 68% of workers prioritise roles at firms with strong green pledges.



[Firms probed over 'greenwashing' claims - HR could be impacted | Organisational Culture | HR Grapevine | News](#)

## CLIMATE / ENERGY ACTION

Find out if a heat pump is a suitable source of central heating before you install one. If your property has an EPC, you can use your postcode to fill in some details required automatically.

 [Energy efficiency "key consideration" for buyers - Zoopla \(house-builder.co.uk\)](https://www.house-builder.co.uk)

### Is now the right time to switch energy provider?

Check if you should switch by clicking on this link:

 [Energy Comparison | Compare Gas & Electricity - Uswitch](#)

### Give your home an energy MOT

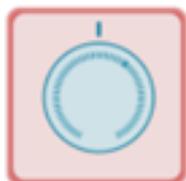
The government is launching new website providing homeowners with recommendations that could help save hundreds of pounds a year on bills.

 [Find ways to save energy in your home - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

## How to save money on your energy bill



£ savings on annual bill



**£105\***

Turn thermostat down one degree



**£35** per person

Take four-minute showers and swap one bath a week for a shower



**£20**

Switch off lights when leaving a room



**£14**

One less wash a week (dishwasher or washing machine)

Total: **£174**