BUILT ENVIRONMENT JUST TRANSITIONS ACCELERATOR

Advancing, Shaping, and Strengthening the Just Transition Together

ROUNDTABLE TAKEAWAYS

HOUSING RIGHTS POLICY WORKING GROUP (PWG)

1 JULY 2026

IHRB
Institute for Human Rights and Business

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STAKEHOLDER ATTENDEES

Convening Organisation

- Institute for Human Rights and Business (IHRB)

Policymakers

- Department for Energy Security and Net Zero (DESNZ)

Civil Society Organisations

- Centre for Energy Equality (CEE)
- Crisis
- Generation Rent
- Re-Generate
- UK Green Building Council (UKGBC)

Businesses & Investors

- Institutional Investors Group on Climate Change (IIGCC)
- Lloyds Living
- Lloyds Banking Group

Apologies for Non-Attendance

- National Energy Action (NEA)

PURPOSE OF THE SESSION

Chaired by Giulio Ferrini (Head of Built Environment, IHRB) and moderated by Gordon Miller (Programme Manager UK, Built Environment, IHRB), this roundtable was a candid, interactive peer exchange held under the Chatham House Rule. It brought together policymakers, investors, businesses, and civil society to explore practical strategies for policies that uphold the right to adequate housing and accelerate decarbonisation.

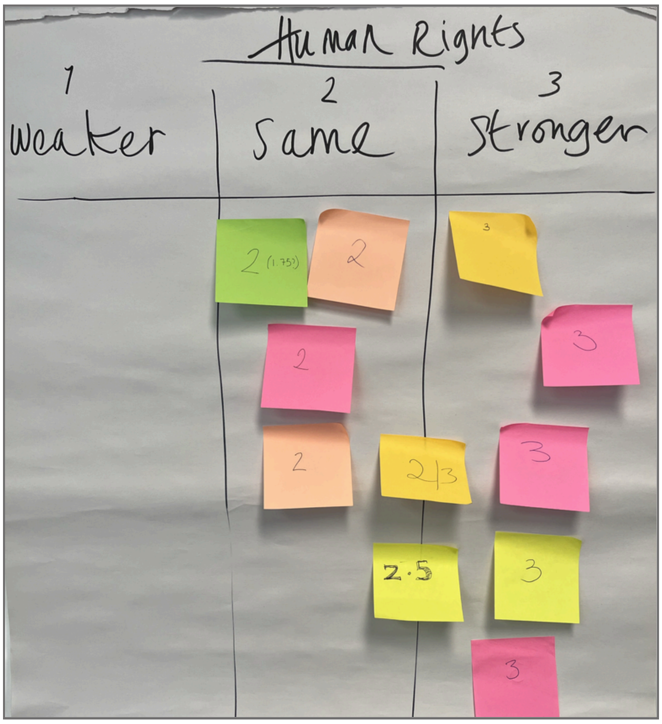
The central issue is how the 'split incentive' conundrum slows down retrofits in the private rental sector (PRS). Landlords are usually expected to fund improvements, but the financial benefit – lower energy bills – are felt by tenants. If landlords seek to recover costs through rent increases, there is a risk of renoviction and resistance from tenants. If landlords cannot recover their costs, they lack incentives to retrofit beyond minimum legal requirements. In both cases, climate action is delayed.

The session explored potential solutions, in particular the adoption of a 'Housing Cost Neutrality' (HCN) principle, and examined how new and forthcoming regulation – including the Minimum Energy Efficiency Standards (MEES) and the Renters' Rights Act (RRA) – interacts with market-rate rent definitions and renoviction loopholes.

HUMAN RIGHTS TEMPERATURE CHECK

As an opening exercise, participants were asked to anonymously note – on a post-it, using a scale of 1 to 3 – how they felt their organisation's human rights approach compares to a year ago: 1 = weaker than a year ago, 2 = about the same, 3 = stronger than a year ago.

Responses indicated that human rights approaches have held steady or strengthened over the past year, with more than half indicating improvement.

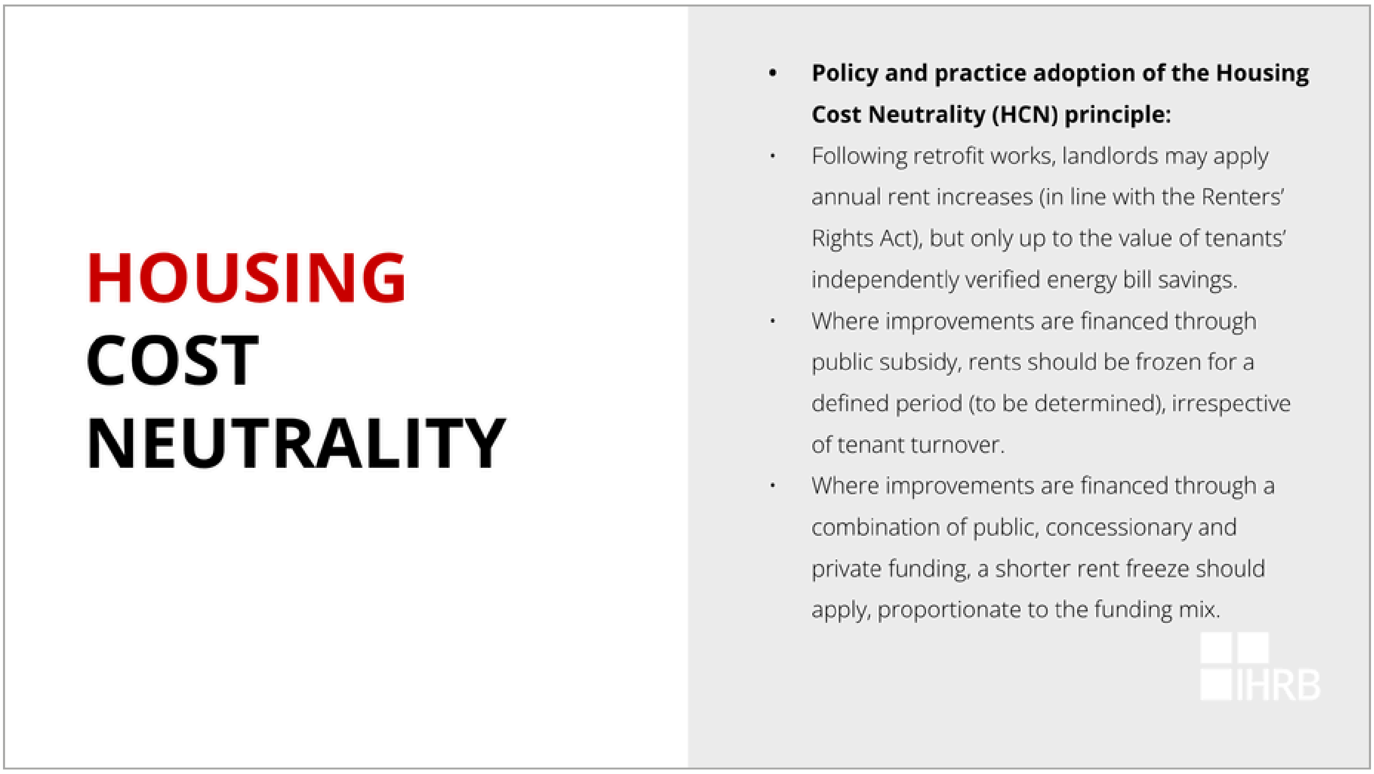


Anonymous 'temperature check' responses gathered at the start of the session

OPENING REMARKS – IHRB

Giulio Ferrini (IHRB) set out the split incentive conundrum and introduced a potential solution for the PRS: a principle of 'HCN', long championed by the International Union of Tenants, under which:

- Where retrofit is paid for by the landlord, rents may increase annually in line with the RRA, but only up to the value of tenants' energy bill savings, as verified by EPC certificates.
- In the limited cases where retrofit is funded entirely through public subsidy, rents should be frozen for a defined period (to be determined), regardless of tenant turnover.
- Where retrofit is funded through a mix of concessionary and private finance, a shorter, proportionate rent freeze should apply.



This approach would ensure overall housing costs for tenants do not increase, while incentivising landlords to retrofit – overall avoiding renovictions, retaining public support for decarbonisation, attracting private financing, and ensuring public funding can be spent on the social housing sector. It was noted that progress depends on coordinated advocacy, credible financing pathways, and pressure from trusted intermediaries – including investors, institutional landlords and civil society. For IHRB's Built Environment Just Transitions Accelerator (BEJTA), the opportunity lies in shaping the debate before the legislative framework is finalised; for tenants and communities, the approach speaks directly to their right to adequate housing.

SHARED INSIGHTS – KEY TAKEAWAYS

In line with the Chatham House Rule, the points below reflect the range of views provided by a handful of participants, without attribution to individuals or organisations.

Funding & Schemes

Discussion referenced the Warm Homes Plan (£1.5bn) and the Boiler Upgrade Scheme (up to £9k per household) as key existing levers.

A regenerative, place-based approach to retrofit and housing policy was advocated, with a caution that the agenda should extend beyond the Warm Homes Plan alone. The importance of scale and a robust place-based business case was emphasised.

Private Rented Sector (PRS) Focus

The PRS was flagged as a particular priority: 36% of fuel poverty sits within this sector.

Concern was raised that landlords may capture the value of grants rather than tenants seeing the benefit.

It was noted that tenants are unlikely to proactively apply for available grants without clearer protections in place.

Enforcement

An enforcement gap was highlighted: only 1 in 5 councils enforced Minimum Energy Efficiency Standards (MEES) in 2024/25, with just 8 councils issuing 10+ notices.

- Ring-fenced funding for council enforcement was recommended.
- Extending Rent Repayment Orders to MEES breaches was proposed, with a note that the London Mayor has supported tribunal funding (circa £400k) in this area.
- It was suggested that tribunal processes should be made more accessible to tenants, and that tribunal awards should be reduced for homes below EPC band C.

Landlord Behaviour & Risk of Perverse Incentives

Manchester's Good Landlord Charter was cited as a potential model that could be extended to London and elsewhere.

A 'renovation coercion' risk was flagged – the suggestion was that cost caps should apply across a landlord's whole portfolio, rather than per property.

Concern was raised about landlords using 'moving back in' grounds to evict tenants following retrofit ('renoviction').

Deep Dive – Manchester's Good Landlord Charter

The Charter requires properties to meet EPC C as a minimum within achievable timescales, alongside a commitment from landlords to access any retrofit funding they're eligible for.

In practice, Charter members must already meet EPC D as a minimum and have a plan in place to reach EPC C by 2028 — two years ahead of the expected national 2030 deadline.

Supporters of the Charter can access a grant to improve the energy efficiency of their property through the Warm Homes: Local Grant, which rewards responsible landlords, cuts fuel poverty, and reduces carbon emissions. Grants of up to £30,000 are available, with tenants never paying for the upgrades.

The grants cover two categories: energy performance upgrades (loft, wall, and floor insulation, double/triple glazing, draught-proofing, solar panels, smart heating controls), capped at £15,000, with the remainder available for low-carbon heating.

Eligible properties are generally rated EPC D or E (F/G properties need a registered regulatory exemption), and tenant eligibility is means-tested — via deprivation decile, receipt of means-tested benefits, or gross household income under £36,000.

Over 100 landlords have signed up as Charter supporters, covering roughly half of Greater Manchester's rental sector, and the region has increased financial penalties against poor landlords by 43%, with £1.47m in fines issued.

Tenant Protections

Proposals included: annual rent-rise limits tied to inflation/wages (as in the German model), replacing annual reviews pegged to "market rate"; tribunal recognition of subsidised retrofit costs; and longer restricted periods on 'landlord need' evictions following retrofit.

Targets

Targets referenced included EPC upgrades for social housing by 2030, alongside ongoing PRS reform.

Post-meeting footnote

- **Social housing:** The Government published its formal response to consultation on 28 January 2026, confirming social landlords will need to meet EPC C (or equivalent) against at least one reformed EPC metric by 1 April 2030, rising to two metrics by 2039.This followed a July 2025 consultation on introducing new MEES for social and affordable housing, with the requirement being to meet an EPC 'C' rating against post-reform metrics by 2030. A time-limited spend exemption applies, capping required spend at £10,000 per property by 1 April 2030; if a home still can't reach the standard after that spend, compliance can be deferred further. This aligns with the equivalent PRS proposal and cost cap.

- **PRS reform:** The RRA 2025 increases security and stability for renters, including ending Section 21 'no-fault' evictions from 1 May 2026. A reformed Decent Homes Standard is expected to apply from 2035 across both social and private rented sectors, with local authority enforcement teams leading on compliance in the PRS.

FACILITATED DISCUSSION – KEY TAKEAWAYS

In line with the Chatham House Rule, the points below reflect the range of views and areas of debate raised during open discussion, without attribution to individuals or organisations.

Business case and incentives

- Retrofit business engagement remains difficult in practice; MEES was seen as a vital lever to shift behaviour through regulatory compliance.
- Some participants reflected that the business case in the private rented sector is weak, especially for improvements beyond minimum standards. It would likely require both higher post-retrofit rents and higher valuations. While we see a “brown discount” for potentially stranded assets, the “green premium” is rarely material, adding pressure to cost recovery through rental.
- A social retrofit landlord model was cited as one example of an alternative approach already in operation.
- Build-to-rent developers were noted as having integrated sustainability and social value into new schemes, though structural blockers remain.
- Discussion touched on incentive design for energy companies, and a tension between landlord and investor incentives as a continuing blocker.

Finance and investment

- Long-term capital and pension funds are increasingly taking a longer-term view, with sustainability considerations being built into due diligence – a gradual, but real, shift. Investors are also setting expectations for their supply chains.
- In affordable housing specifically, cost and benefit are often assessed by different actors, weakening the correlation between private and public sector approaches. A London borough-level model and a government guarantee mechanism enabling more favourable lending terms were both referenced as useful examples.
- A recurring dynamic was described in which a relatively modest investment can create a stand-off between funding parties.

Tenants, equity and the housing market

- Only a small proportion of the PRS is classified as affordable; growth in non-profit or philanthropic landlord models was suggested as one way to meet rising demand for social and affordable housing, alongside supporting policy design.
- Private landlords vary greatly in scale – the majority (~80%) own between one and four properties – and policy needs to reflect this alongside the diversity of tenant circumstances.
- A human rights lens was raised, with emphasis on protecting the most vulnerable tenants; MEES enforcement shortfalls were flagged again as a barrier to this.
- The HCN approach would reduce the exposure of tenants to energy price increases compared to a situation where rents are kept lower but the property is not retrofitted, keeping bills high.

NEXT STEPS

- Firm up the policy recommendations arising from the session, including the HCN principle.
- Ongoing engagement with policymakers to help plug policy gaps.
- Develop collective outreach across participating organisations.
- Strengthen coalition-building to build a unified, evidence-backed voice ahead of the next phase of retrofit delivery.

Further detail on the policy recommendations discussed is set out in the BEJTA UK Housing Rights Internal Policy Note and Business Case Explainer.

Future convenings

The next BEJTA UK Housing Rights PWG session will take place in Quarter 3, 2026.

Institute for Human Rights and Business

Making human rights part of everyday business

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