RESEARCH

BRIEFING NOTE

EPC Reform Scotland

Rural - Scotland - March 2026

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EPC Reform - Scotland

Introduction
Energy Performance Certificates (EPCs) in Scotland are currently issued under the Energy Performance of Buildings (Scotland) Regulations 2008.

EPCs are required when buildings are sold, let, or newly constructed, and must be displayed in certain large non-domestic buildings.

EPCs currently use a single headline energy efficiency rating (A–G) and are valid for 10 years. There are no minimum EPC standards currently in force for domestic or non-domestic properties in Scotland. Properties can legally be sold or let with any EPC rating.

As directed by the Warm Homes Plan, the Scottish Government has legislated for a major overhaul of EPCs, delivered through the Energy Performance of Buildings (Scotland) Regulations 2025 (which replaces the 2008 regulations). The reforms aim to:

- Provide clearer, more practical information about building performance.
- Support net zero and heat decarbonisation policy (Draft Buildings (Heating and Energy Performance) and Heat Networks (Scotland) Bill).
- For the first time, introduce Minimum Energy Efficiency Standards (MEES) for private rented homes.
- Improve consistency and credibility of EPC data across Scotland.

The new EPC regime will go live in October 2026. All existing EPCs will expire on 31 October 2026.

Update 23/03/2026: The UK Government has announced a delay to the EPC Reform, which is now expected to be introduced in the second half of 2027 rather than October 2026. A revised launch date is expected to be set out in summer 2026. Due to the delay, Scotland's EPC Reform is also on hold until the UK EPC timetable is confirmed.

What is changing?
EPCs will move away from a single headline rating. For domestic buildings (e.g. farmhouses, cottages), there will be three separate ratings:

- Heat Retention Rating (HRR[1]) – fabric performance (insulation, airtightness)
- Heating System Rating – system type, efficiency and emissions
- Energy Cost Rating – indicative running costs

An HRR Band C broadly aligns with the current EPC Band C, though some properties may move up or down in the ratings depending on fabric quality.

For non-domestic buildings (e.g. estate offices, commercial units), there are multiple ratings covering:

- Energy performance
- Energy use
- Direct emissions

This change is particularly relevant for older, traditionally built rural properties, where fabric and heating system performance will be more clearly distinguished.

The current methodology for assessing the energy performance of homes is the Standard Assessment Procedure (SAP), and this is being replaced by the Home Energy Model (HEM), which includes elements of SAP. The timeline of the EPC reform is dependent upon the HEM model being implemented by the UK Government. Without the HEM model, it is difficult to measure where a property currently sits and thus what works are required to meet minimum standards.

Additional reform changes
EPCs will be redesigned to improve clarity and will sit alongside a digital interface, allowing users to explore both upgrade pathways and potential impacts of fabric or heating changes. Printable/PDF EPCs will remain available for transactions.

A new property report will replace the current recommendations report and will:

- Set out improvement options
- Highlight alternative heating systems
- Provide indicative cost information

EPC validity will be reduced from 10 years to five years. This will increase the frequency of reassessment for estate portfolios.

KEY DATES FOR EPC REFORM

1 January 2026	Administrative and assessor systems begin transition. No change yet for landowners.
Autumn 2026	The HEM will be implemented.
31 October 2026	New EPC regime goes live: • 2008 Regulations revoked • New ratings and property reports • EPC validity reduced to five years
31 October 2026 – 31 October 2027	Transitional period. Some existing EPCs can still be used e.g. properties already on the market.
After 31 October 2027	Only new-style EPCs valid.
1 April 2028	All newly let private rented homes must meet a minimum HRR Band C.
31 December 2033	All private rented homes must comply with HRR Band C.

[1] EPC is the measurement tool, the certificate and data source. HRR is the new fabric metric within the reformed EPCs. MEES is the regulatory requirement that will be enforced via EPCs using HRR Band C as the minimum standard.

What does this mean for rural property owners?

Short term (now – October 2026):

- No immediate compliance changes
- Existing EPCs remain valid until the new regime begins
- Estates should:
    - Audit EPC expiry dates across residential and commercial portfolios
    - Identify buildings likely to need reassessment soon after October 2026

Medium term (from October 2026):

- EPCs will:
    - Expire more quickly (five years)
    - Provide clearer signals on fabric vs heating performance
- Older rural buildings may appear to perform differently under the new metrics, even without physical change.

Summary

Whilst EPC reform is not yet about enforcement, it sets the framework through which future regulation, funding and compliance will operate, and will go live on 31 October 2026. Everyone will need an EPC - the HRR will be the metric that matters most.

The changes are particularly relevant for rural, older and mixed-use estates. EPCs will become shorter-lived, more detailed and more influential. Early portfolio review and strategic planning will help estates manage future risk and cost. A £10,000 cost cap per property applies from 1 April 2027 (applicable for the duration of the property ownership). If a property cannot reach the standard within £10,000, the landlord can seek a cost cap exemption, which local authorities will manage.

Steps for farms and estates to take ahead of the October 2026 changes:
Review existing EPCs across all residential and non-domestic buildings.
Complete thorough inspections to highlight properties likely to need early reassessment after October 2026, particularly older or traditional buildings.
Build in the move to a five-year EPC cycle.
Pull together building information (fabric details, heating systems, past upgrades) to support the new Property Report requirements.
Keep an eye on the introduction of the HEM, which will underpin the new ratings.
Start factoring EPC reform into wider estate planning and decarbonisation work.

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