

Northern Ireland Department for the Economy

Consultation on support for low carbon heating in residential buildings

Response from Propertymark

December 2024

Background

1. Propertymark is the UK's leading professional body of property agents, with over 18,000 members representing over 12,800 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.¹

Consultation – overview

2. The consultation introduced by the Department for the Economy (DfE) is part of the Northern Ireland Executive's commitment to achieving net zero by 2050. In December 2021, the Executive published 'The Path to Net Zero Energy' which established an Energy Strategy which set out how Northern Ireland will ensure that it has the skills, technologies and leads the behavioural change required to meet net zero. As part of this, the Climate Change Act (Northern Ireland) 2022 set a legislative target of meeting at least a 100% reduction in greenhouse gas emissions by 2050. This consultation specifically looks at how the DfE can promote and fund sustainable technologies to ensure that more homes can reduce their carbon emissions and become more energy efficient.

Propertymark response – summary

3. Propertymark welcomes the opportunity to respond to the DfE's consultation on Support for Low Carbon Heating in Residential Buildings. Propertymark has long supported efforts made to increase the energy efficiency of buildings, as all governments acknowledge the contribution from domestic properties to the UK's total greenhouse gas emissions. Propertymark has been critical however in how energy efficiency has been addressed, where progress has been too slow, and financial support has been ineffective².

¹ <https://www.propertymark.co.uk/>

² [Lagging behind: energy efficiency in low-viability properties | Propertymark](#)

4. It is vitally important that the energy efficiency support system introduced in Northern Ireland does not lead to homes being abandoned for being too inefficient, which could occur if support does not account for the wide range of environments buildings are located in and how they are designed. This is because some new technologies are not feasible in some environments and will be more expensive to be installed in some types of properties. Research on the impact of energy poverty in England reported that rural homes tend to have poorer insulation and are more difficult to retrofit³. Since 36% of Northern Ireland's population lives in rural areas,⁴ any support in energy efficient technology must account for the large number of homes where installing new heating systems is not feasible.
5. To offset this issue, Propertymark recommends that the DfE considers the following three points:
 - **Firstly, the DfE needs to avoid a one-size-fits all approach or face an unprecedented increase in empty homes** – there will be homes that, due to their environment or design, will not be able to adopt new technologies. These properties will require alternative measures in order to improve their energy efficiency or will have to be abandoned or demolished. Therefore, a robust exemptions procedure should be established with clear rules and guidance for how to improve the energy efficiency of properties that cannot adopt all or some new technologies.
 - **Secondly, without effective financial support, landlords and homeowners will not be able to afford new technologies** – any support system introduced must also increase financial support or other measures such as tax breaks for homeowners and landlords who are seeking to retrofit their properties. If new technologies are not affordable, they will not be installed, and homes will remain less energy efficient.
 - **Thirdly, financial support should be linked to increasing the energy efficiency of the property rather than the uptake of specific technologies** – financial programmes that focus on adopting a single piece of technology, such as the Boiler Upgrade Scheme in England, are ineffective at meeting their objectives⁵. Any financial support must focus on a range of options to improve the energy efficiency of properties, which would help improve the energy efficiency of homes which cannot install new technology.

³ [Double energy vulnerability: Spatial intersections of domestic and transport energy poverty in England - ScienceDirect](#)

⁴ [Key Rural Issues 2020 - Final.pdf](#)

⁵ [The Boiler Upgrade Scheme is failing to deliver, says Lords committee - Committees - UK Parliament](#)

Questions

Question 1: Do you agree with the criteria used to inform technology eligible for support? If you do not agree, please explain why you do not agree and provide evidence to support your answer.

6. The following criteria has been set by the Department for the Economy which will help identify the technologies that will be eligible for support:

- *It is intended that the department will support the upfront capital cost of low carbon heating technologies, rather than the running cost of fuels.*
- *Support will be targeted at technologies that currently offer efficiencies greater than 100% as this will deliver higher carbon emission savings compared to fossil fuel alternatives. Annex B outlines a worked example of carbon emissions by main technology types.*
- *A technology that includes the combustion of a fossil fuel will not be eligible for support, in line with the Energy Strategy vision to replace fossil fuels with renewable energy.*
- *Technologies that cause adverse effects on air quality (and consequently human health) will not be supported.*
- *The scheme will have an upper capacity limit for an installation of 45kWth.*
- *A technology that also generates electricity will not be eligible. For example, Combined Heat and Power (CHP) and solar PV-T technologies.*

7. As such, the DfE has considered only the following technologies to be eligible for financial support:

- Air to water heat pumps
- Ground to water heat pumps
- Water to water heat pumps

For the purpose of our response, we will shorten these technologies to “water heat pumps”.

8. In the majority of cases, we agree that the criteria that the DfE has produced will have a positive impact on energy efficiency. This is because, in principle, Propertymark supports the introduction of criteria that would lead to the greatest impact on improving energy efficiency for homes. However, there are properties where the technologies eligible for support will either not be suitable or the owner of the property will be unable to afford the installation of the new system.

9. Propertymark is concerned that a focus on a narrow range of technologies, even if we grant that they could be made applicable to a large portion of homes in Northern Ireland through investment in these technologies, could lead to a substantial number of properties being left unviable for energy efficiency improvements. This would reduce the Northern Ireland Executive’s ability to

reach net zero. We therefore would encourage support for an additional broader range of energy efficiency technologies. This could be supported through a thorough review of homes in Northern Ireland, understanding which percentage of properties would benefit more from alternative energy efficiency methods and allocating resources accordingly.

Question 2: Do you think that other criteria should be applied? Please provide evidence to support your answer.

10. Yes, we urge the DfE to introduce a separate set of criteria that would be produced following a survey of the country's homes. The aim of this new criteria should be to maximise energy efficiency where the technology receiving support is not applicable, leading to a wider range of energy efficiency improving measures and technologies that can receive support. We envision that this new criterion would be introduced if it is identified that the number of properties where the technology that is eligible for support is not feasible for a set percentage of homes, for example if 20% of the country's homes would not benefit from water heat pumps. For homes where water heat pumps are not feasible, the new criteria would apply in order to establish alternative technologies that would best improve the energy efficiency of these homes. The new criteria would include questions about the technology's feasibility and impact on energy efficiency of homes.

Question 3: The department does not intend to provide financial support for biomass boilers, do you think there should be exceptions to this? Please give reasons for your answer.

11. We do not think that there should be exemptions to financial support for biomass boilers. This is because there are alternative low-carbon heating technologies available that do not introduce pollutants such as particulate matter, nitrogen oxides and sulphur oxides into the atmosphere. Our recommendation to explore alternative technologies and systems to improve energy efficiency would remove the need to install biomass boilers within homes where water heat pumps are not viable.

Question 4: The department does not intend to provide financial support for hybrid heat pumps, do you think there should be exceptions to this? Please give reasons for your answer.

12. Yes, we would argue that hybrid heat pumps may be required for properties where water heat pumps are not feasible. They should remain potential technologies to financially support but only if they would present the next best alternative for properties which cannot install water heat pumps.

Question 5: Should a minimum Seasonal Co-efficient of Performance of at least 2.8 or higher be applied to the low carbon technologies considered for support? Please tick all that apply and give reasons for your answer.

- **Air Source Heat Pump**
- **Ground Source Heat Pump**
- **Water Source Heat Pump**

13. We agree that a minimum Seasonal Co-efficient of Performance of at least 2.8 or higher should be applied to low carbon technologies considered for support. Where these technologies are feasible to be installed on properties, we would urge the DfE to consider setting as high a performance level that can be achieved. This would ensure that, where these technologies are feasible, they can have a maximum impact on the energy efficiency of the property which would greatly improve the Northern Ireland Executive's ability to reach net zero. However, we would urge that the DfE should introduce exemptions to this level of performance where it cannot be achieved within an individual property. Where it cannot be achieved, support should be provided to an alternative technology that can achieve it or to the technology that is most feasible for the property with the highest Seasonal Co-efficient of Performance rating.

Question 6: Should all domestic buildings be eligible for low carbon heating technology support? Please give reasons for your answer.

14. Yes, all domestic buildings should be eligible for low carbon heating technology support if the owner of the property is required to retrofit their property and install new technology or energy efficiency improving measures. We would go a step further and urge that low carbon heating support should be expanded to all energy efficiency improving measures. This is for three major reasons. Firstly, supporting all domestic buildings to improve their energy efficiency will have a

greater impact on reducing carbon emissions and helping the Northern Ireland Executive meet net zero. Secondly, retrofitting properties is considerably expensive. If some domestic buildings do not receive support, landlords and homeowners may struggle to purchase what they need to improve the energy efficiency and reduce the carbon emissions of their home. Thirdly, if energy efficiency or similar targets are introduced and not all domestic properties can receive the financial support they need, these properties risk becoming empty. Not only would this negatively impact those who have to move as a result of properties being sold or left empty, but it will exacerbate existing supply issues within the housing market, potentially driving up rents sales prices to unsustainable levels.

Question 7: What minimum energy efficiency criteria in relation to domestic buildings should be met (if any) to make them suitable for a low carbon heating technology support? Please give reasons for your answer.

Option A – No minimum energy efficiency requirements

Option B – A valid EPC with no loft or wall insulation recommendations.

Option C – An energy assessment of the home conducted by a technical adviser.

Option D – A minimum standard of EPC rating.

Option E – Other method (please specify).

15. Option C – an energy assessment of the home conducted by a technical adviser. We would encourage Option C to be taken. This would help identify the specific energy efficiency saving measures that should be adopted, with financial support offered to the homeowner or landlord. By doing so, more properties can maximise their potential energy efficiency rather than having to adopt new technologies or improvements that would not meet the needs of the specific property.

Question 8: If you selected Option C – do you think support should be available towards the costs associated with an energy assessment as part of support for the installation of the low carbon technology? Please give a reason for your answer.

16. We would prefer financial support to be targeted at the installation of low carbon technology and other energy efficiency improvements. This is particularly necessary in Northern Ireland where house prices are typically lower compared to the rest of the UK, while retrofitting costs can be as high as £24,000 in some cases⁶. Any financial support provided should support a country-wide

⁶ [Lagging behind: energy efficiency in low-viability properties | Propertymark](#)

improvement of energy efficiency of buildings, with as many buildings installing improvements as is financially and feasibly possible.

Question 9: Do you agree that support for low carbon heating technologies is provided separately for owner-occupiers with alternative provision of support made for landlord, social housing, and non-domestic properties? Please give reasons for your answer.

17. We agree that support should be provided separately. Each tenure has different challenges, financial resources and a different variety of types of homes. Financial support must accommodate the unique features of each tenure and be designed in a way that best supports energy efficiency improvements within each tenure while minimising a loss of existing housing stock.

Question 10: Do you agree that self-build properties should be eligible for support at this time? Please provide reasons for your answer.

18. We see no reason why self-build properties should be exempt from support. Owners of self-build properties will be required to improve the energy efficiency of their homes and need access to financial support just as anyone else.

Question 11: Do you think additional financial support should be available to those homes in rural and island locations? Please provide reasons for your answer.

- Both – rural and island
- Rural only
- Island only
- Neither

19. All homes will require financial support in order to ensure as many homes can be made as energy efficient as possible. Rural and island homes especially will require support, as stated earlier, they typically are less energy efficient and more difficult to retrofit.

Question 12: If you answered yes to Question 11, how would homes be identified as rural by the department? Please provide reasons for your suggestion.

20. We do not consider that an additional supplement to financial support would be necessary depending on if the home is rural. Financial support should be linked to the amount of works required to ensure the property is as energy efficient as it can be. By the nature of many rural buildings in Northern Ireland, they will receive additional financial support for this reason rather than automatically due to the fact that they are rural. Additionally, this would save the DfE resources by not having to provide additional support to rural homes which are more energy efficient than the average home in Northern Ireland.

Question 13: Do you agree that to be eligible for support, a new heating installation should replace fossil fuel heating, replace direct electric heating, or be installed where no central heating currently exists? Please give reasons for your answer.

21. Where a home's heating system requires replacing, we agree that financial support should prioritise homes where new technology would replace fossil fuel, or other heating systems that produce high carbon emissions, or where there is no central heating in place. This would ensure that the DfE can maximise the energy efficiency improvements across the country per amount spent on financial support.

Question 14: Do you agree that replacing a low carbon heating system with another low carbon heating system should be ineligible for support? Please give reasons for your answer.

22. Initially, we agree that replacing a low carbon heating system with another low carbon heating system should be ineligible for support. This would help encourage homeowners and landlords to consider alternative methods to improve the energy efficiency of their homes, which ideally would be eligible for financial support. Over time we would recommend that this policy should be reviewed if it would help more homes improve the energy efficiency of their homes if they replace their low carbon heating system with one which is more efficient.

Question 15: Should households who have received energy efficiency support via schemes such as NISEP or Affordable Warmth be able to apply for additional low carbon heat support? Please give reasons for your answer.

23. Yes, we think that they should still be able to apply for additional low carbon heat support. Support should only be stopped when households meet an explicit (Energy Performance Certificate (EPC) target or have spent a maximum threshold of energy efficiency improvements to their home. This would help maximise the energy efficiency of homes in Northern Ireland.

Question 16: Should support options be designed to prioritise or target certain groups of people (such as those on low incomes)? Please give reasons for your answer. If you answered Yes, please detail which groups should be targeted and how could this be achieved?

24. Yes, priority should be given to homes that face barriers to installing energy efficiency improvements. This would include those on low incomes but also certain properties where installing energy efficiency improvements is more expensive. This will enable more people and thus more homes to become more energy efficient.

Question 17: Should prioritisation or additional support be given to those with older (perhaps 15+ years) fossil fuel boilers? Please give reasons for your answer.

25. We agree that prioritisation should be given to those with older boilers. As stated earlier, the goal of financial support should be to maximise the energy efficiency of homes in Northern Ireland. This includes ensuring that more people can install energy efficiency measures and new technologies but also to support properties where installing new technology would have a significant impact.

Question 18: Should additional support be offered to the consumer where no central heating system is present in the home? Please give reasons for your answer.

26. As stated earlier, support should be given where the outcome of financial support will lead to more energy efficient properties. Therefore, we agree that additional support should be offered to consumers where no central heating is present in the home.

Question 19: Should those with multiple occupied properties e.g. holiday homes be eligible to apply for support for more than one property? Please give reasons for your answer.

27. Yes, individuals with multiple homes will face significant costs to retrofit each home. Failure to financially support these individuals may also lead to the sale of these homes if energy efficiency targets are set but the landlord cannot afford to retrofit each property. This would cause disruption for the tenants at best and at worst could mean that the property cannot be occupied.

Question 20: Do you agree that the department has a requirement for consumer protection measures to be associated with support for low carbon heating technology? Please give reasons for your answer.

28. Yes, we agree that the Department must protect and support consumers who are looking to install new technologies or other energy efficiency improvement measures in their home. If minimum energy efficiency standards for homes are introduced, there will likely be new startups or existing companies who seek to profit from the increased demand for products that improve the energy efficiency of a property. It is therefore vitally important for the Department to establish standards for these new products, especially if the Department provides financial support to adopt specific products and technologies, so that consumers are confident enough to invest in them.

Question 21: What do you feel would be the best method of consumer protection? Please give reasons for your answer. If you chose Option B or Other, what consumer protection requirements should be specified?

- **Option A - Need for installers to be registered to a certification scheme such as MCS.**
- **Option B - The department to set its own consumer protection requirements.**
- **Option C – Other**

29. We would support Option A, the need for installers to be registered to a certification scheme such as MCS. The department may also want to consider introducing regulations that impact how these products can be advertised with legal consequences for manufacturers miss-selling these products to installers and consumers.

30. However, while we support Option A, there are some concerns that the Department for the Economy will need to consider. Under the Green Homes Grant scheme developed by the UK Government, all work covered by the voucher must have been completed by a TrustMark-registered installer who is also registered for the scheme.⁷ To this end, Propertymark recognises

⁷ <https://www.gov.uk/guidance/apply-for-the-green-homes-grant-scheme>

the merits of incorporating Trustmark into energy performance improvement works. For instance, there is a vetting process, and businesses must meet certain standards. However, we have two concerns about providing inclusivity to a certified or registered provider such as Trustmark. Firstly, the scope and reach of registered businesses with our members reporting that there were not enough Trustmark suppliers and choice. For instance, the scheme was announced in July 2020 but by November 2020, Trustmark had only registered 1,108 businesses able to install the primary and/or secondary measures. Secondly, it is important that letting agents and landlords can continue to use good quality local suppliers and they are not overlooked to deliver energy efficiency improvements. Under the Green Homes Grant scheme many agents wanted to use local installers and encouraged their suppliers to become Trustmark approved. However, the compliance steps for Trustmark approval are costly and burdensome for many small businesses, which discouraged them from applying.

Question 22: If it is required for installers to be accredited to a certification scheme in order to take part in any future government support, should funding be made available towards certification fees? Please give reasons and evidence to support your answer.

31. Based on our concerns raised in paragraph 30, we would welcome support to cover the certification fee. As stated earlier, under the Green Homes Grant Scheme, the quality of energy efficiency improvement works improved. However, many of our members have raised concerns that access to a registered local business was not guaranteed. It is therefore essential to improve access to an accredited scheme. Providing financial support for more businesses and individual installers to become accredited would help increase the number of accredited installers, preventing cases where landlords and homeowners have no access to qualified professionals.

Question 23: Should any electrical work completed as part of the low carbon heating technology installation be required to be certified by an approved accredited body? Please give reasons and evidence to support your answer.

32. Yes, for the same reasons that it is important to introduce consumer protections and ensure that the installer is accredited. When consumers are potentially investing a substantial amount of money to improve the energy efficiency of their property, they need to be confident that those working on the installation of energy efficiency measures are trusted and meet high standards.

Question 24: Do you agree with the criteria for the administration of support for low carbon heating technologies? If no, please give reasons for your answer.

33. The criteria for the administration of support for low carbon heating technologies is as follows:

- *Easy for applicants to apply*
- *Straightforward and low cost to administer*
- *Has no on-going obligations*
- *Has lower risk of overcompensation*
- *Helps towards the upfront capital costs of the technology*
- *Has a budget which can be easily managed*

34. We have no issues with the above criteria.

Question 25: Do you agree with the approach to offer support by providing a one-off capital grant? If no, please give reasons for your answer.

35. Yes, we agree that a one-off capital grant would be an effective approach. The grant however must be flexible in the way that it can be used. Similar grant schemes currently on offer, such as the Boiler Upgrade Scheme in England, fail to meet the needs of homeowners and landlords who cannot install air source heat pumps, which has led to poor uptake of the scheme. Propertymark recommends grants that can be used to cover the cost of a wide range of energy efficiency improving measures, based on what is most suitable for each individual property.

36. How this would work for example is that an energy efficiency assessor inspects the property and provides an overview of how the property's energy efficiency can be improved. Recommendations can then be linked to known methods of improvement which includes their cost. The property owner can then apply for a grant using that report as evidence and receive a grant that covers a fixed percentage of cost.

37. For landlords, the Department will need to encourage landlords to make improvements on their property. This can be encouraged by introducing the ability for landlords to offset the costs of energy efficiency improvements on their tax of their annual rental income.

Question 26: Which option do you think should be the approach to the level of financial support for eligible technologies?

- **Option 1 – apply the same amount of funding for all eligible technologies.**
- **Option 2 – apply different amounts of funding per eligible technology type.**
- **Option 3 – other (please specify).**

38. Propertymark thinks that Option 1, apply the same amount of funding for all eligible technologies, should be considered. This would help to promote energy efficiency measures that are best suited for each individual property rather than those which have the largest discount.

Question 27: Are there any cost barriers beyond the cost of the technology that you feel may impact on the successful rollout of low carbon heating technology support? Please give reasons for your answer.

39. We have no further comments to make at this time.

Question 28: Do you have suggestions as to how the department can ensure financial support delivers the best possible value for money? Please give reasons for your answer.

40. As stated before, the Department can ensure financial support delivers the best possible value for money by ensuring that support offered is based on an accredited inspector's report of a property. This report would provide options for homeowners and landlords to decide the most effective energy efficiency measures that they can afford for their home, making the grant more cost effective compared to the number of homes which improve their energy efficiency.

Question 29: Is the supply chain and manufacturing base in NI well established to cope with demand for installations of low carbon heating technologies if demand increases? Please give reasons for your answer.

41. Propertymark does not have the full understanding of the supply chain and manufacturing base in Northern Ireland to fully answer this question. However, in order to improve the energy efficiency of homes across Northern Ireland, greater investment in the supply chain and manufacturing base will be essential.

Question 30: Is there any evidence of after-care delays with repairs and maintenance of heat pumps due to supply chain shortages and delays that may cause someone to be without heating? If yes, please provide evidence.

42. Propertymark does not have the explicit experience or expertise to answer this question.

Question 31: How can growth of the skills base within the heat pump industry be supported by the private sector and government to complement any support for low carbon heating in a) the short – medium term (up to 10 years) and b) the long term (over 10 years)? Please provide any evidence you may have.

43. Propertymark does not have the explicit experience or expertise to answer this question.

Question 32: Is there an adequate amount of heat pump installers within NI to cope with demand for installations as well as aftercare and repairs/maintenance should demand for heat pumps increase in the short – medium term? Please give reasons for your answer.

44. Propertymark does not have the explicit experience or expertise to answer this question.

Question 33: What actions can be taken to support the scaling and growth of the low carbon industry, particularly installers, to meet future demand projections of heat pump deployment targets? Please give reasons for your answer.

45. Propertymark does not have the explicit experience or expertise to answer this question.