# London leads surge in energy-efficient home sales as regions make rapid gains



The proportion of energy-efficient properties sold in England has reached a new peak, with 61.3% of homes changing hands over the past year achieving an Energy Performance Certificate (EPC) rating of C or above, according to analysis by Benham and Reeves. This marks a 1.5% increase year-on-year, reflecting a steady rise in the sale of greener homes across the country.

London remains at the forefront of energy-efficient home sales, leading the regions with 64.3% of sold properties meeting the EPC C threshold. While the capital’s year-on-year increase of 0.6% was among the slowest alongside the South East, its overall leadership underscores its strong market for energy-efficient housing options. Outside the capital, the West Midlands demonstrated the most significant improvement, rising 3.3% to reach 58.5%. Other notable advancements were seen in the East Midlands (up 2.9%) and East of England (up 2.3%), with improvements also noted in Yorkshire and The Humber and the North West. Despite these gains, Yorkshire and The Humber remains the lowest-ranking region with just 57.1% of properties sold meeting the minimum EPC C standard.

Industry experts view this trend positively. Marc von Grundherr of Benham and Reeves emphasised that the increase in energy-efficient home transactions signals progress for both buyers and environmental goals. He highlighted London’s continued leadership while pointing to significant improvements in regions like the West Midlands as promising signs of a nationwide shift towards sustainability in housing.

The broader context reveals that energy efficiency is becoming a crucial factor in buyers’ decisions. Data from the Office for National Statistics show that while the median EPC score for homes in England stands at 68—placing most properties in band D—London achieves a higher median at band C. Additionally, new dwellings are setting an example, with median EPC scores reaching 84 (band B) in recent years. A growing percentage of these new builds in London benefit from community heating schemes, which enhance overall energy performance.

This evolving preference for energy-efficient homes extends strongly into buyer sentiment. Surveys indicate that 20% of prospective buyers now prefer new-build properties, a notable increase driven largely by concerns over energy efficiency. More than 60% of these buyers cite lower heating costs and better adaptability to extreme temperatures as key motivators. This shift is mirrored in increased interest in homes with top EPC ratings, including a marked 80% rise in the number of new properties achieving the highest EPC A grade in early 2024. London, in particular, has seen a rise in both viewings and offers on new homes, reflecting a sustained appetite for energy-efficient housing.

Despite this enthusiasm, challenges remain. Industry reports caution that around two-thirds of owner-occupied homes in England and Wales currently fall short of efficient EPC ratings, with many homes rated D or below. Upgrading these properties can incur significant costs—estimates suggest that improving from lower ratings to a more efficient band can run from £6,000 to over £17,000 depending on the starting point. Such financial barriers underline the importance of ongoing government support and incentives to enable homeowners to invest in greener upgrades to housing stock.

Moreover, there is criticism of the property market’s readiness to support consumers’ growing interest in sustainable homes. Leading estate agent and property listing sites do not yet allow filtering properties by energy efficiency, a gap noted even as green energy installations surge and buyers increasingly seek out eco-friendly options. Studies show that a substantial portion of the UK population—up to 69% of adults and higher percentages among younger generations—would consider buying homes equipped with solar panels, further emphasizing the market's latent demand for greener homes.

Looking ahead, proposed reforms to the EPC system could have significant effects on the sector. These include reducing the validity of EPCs and tightening requirements for validity at the point of sale and during tenancies. Such regulatory changes, while potentially increasing costs for property owners, are expected to enhance energy efficiency standards across the board and may drive up the value and desirability of homes with high EPC ratings.

In summary, while London continues to lead the way in energy-efficient home sales, substantial progress is evident nationwide. The growing prioritisation of sustainability by buyers, combined with regulatory reforms and rising new-build standards, paints an optimistic picture for the UK housing market’s green transition. However, the path is not without obstacles, particularly concerning the cost and accessibility of upgrading existing homes, underlining the need for continued policy and industry support to meet the country’s sustainability goals.

### 📌 Reference Map:

* Paragraph 1-3 – [[1]](https://propertyindustryeye.com/london-leads-on-energy-efficient-home-sales-but-regions-close-gap/)
* Paragraph 4 – [[2]](https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/energyefficiencyofhousinginenglandandwales/2024), [[1]](https://propertyindustryeye.com/london-leads-on-energy-efficient-home-sales-but-regions-close-gap/)
* Paragraph 5 – [[3]](https://www.knightfrank.co.uk/research/article/2024/6/-energy-efficiency-sways-more-uk-buyers-towards-newbuilds), [[4]](https://www.estateagenttoday.co.uk/breaking-news/2024/07/demand-for-energy-efficient-homes-on-the-rise/)
* Paragraph 6 – [[5]](https://www.cbre.co.uk/insights/articles/energy-performance-certificate-the-key-to-a-greener-home-but-at-what-cost), [[1]](https://propertyindustryeye.com/london-leads-on-energy-efficient-home-sales-but-regions-close-gap/)
* Paragraph 7 – [[6]](https://www.renewableenergymagazine.com/energy_saving/uk-property-industry-failing-to-keep-pace-20240124)
* Paragraph 8 – [[7]](https://www.propertymark.co.uk/resource/proposed-overhaul-of-energy-performance-certificates-will-impact-the-entire-property-sector.html), [[1]](https://propertyindustryeye.com/london-leads-on-energy-efficient-home-sales-but-regions-close-gap/)

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://propertyindustryeye.com/london-leads-on-energy-efficient-home-sales-but-regions-close-gap/> - Please view link - unable to able to access data
2. <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/energyefficiencyofhousinginenglandandwales/2024> - This article from the Office for National Statistics provides insights into the energy efficiency of housing in England and Wales up to March 2024. It reports that homes in England had a median Energy Performance Certificate (EPC) score of 68, placing them in band D, while homes in Wales had a median score of 67, also in band D. London had the highest median score among English regions at 70 (band C), while the West Midlands and Yorkshire and The Humber had the lowest at 67 (band D). The article also highlights that new dwellings are becoming more efficient, with a median EPC score of 84 (band B) in the five years to 2024, compared to 82 in England and 81 in Wales (both band B) in the five years to 2013. Additionally, it notes that 73% of new dwellings in London created in the five years to 2024 had community heating schemes as their main fuel type, compared to 45% in the five years to 2013.
3. <https://www.knightfrank.co.uk/research/article/2024/6/-energy-efficiency-sways-more-uk-buyers-towards-newbuilds> - Knight Frank's article discusses how energy efficiency is influencing UK homebuyers' preferences towards new-build properties. A survey revealed that 20% of respondents were looking for a new-build home, up from 13% in the previous three years. Over 60% of those interested in new builds cited energy efficiency as the primary reason, driven by the desire to reduce winter heating costs and mitigate summer heatwaves. The article also highlights a significant increase in the number of new homes awarded the top EPC A grade, with 3,944 achieving this rating in Q1 2024, an 80% increase from the previous year. In London, demand for new-build homes is rising, with offers on new homes up 9% and viewings up 17% compared to the previous year.
4. <https://www.estateagenttoday.co.uk/breaking-news/2024/07/demand-for-energy-efficient-homes-on-the-rise/> - This article reports on the increasing demand for energy-efficient new homes in the UK, citing data from Knight Frank. A recent buyer sentiment survey revealed that 20% of respondents were interested in purchasing a new home, up from 13% in the previous three years. Over 60% of those interested in new builds cited energy efficiency as the primary reason, aiming to reduce winter heating costs and mitigate summer heatwaves. The article also notes that 69% of British adults would consider buying a property with solar panels, with 74% of Gen Z and Millennials expressing the same interest.
5. <https://www.cbre.co.uk/insights/articles/energy-performance-certificate-the-key-to-a-greener-home-but-at-what-cost> - CBRE UK's article examines the role of Energy Performance Certificates (EPCs) in promoting greener homes and the associated costs. It highlights that around two-thirds of owner-occupied homes in England and Wales are classified as inefficient, with an EPC rating of D or lower, amounting to nearly seven million homes. The article discusses the benefits of upgrading to higher EPC ratings, including significant energy cost savings and carbon emission reductions. However, it also points out the substantial costs involved in upgrading properties, with estimates ranging from £6,000 for an EPC D-rated home to over £17,000 for homes rated F or G. The article emphasizes the need for government support to encourage homeowners to invest in energy efficiency improvements.
6. <https://www.renewableenergymagazine.com/energy_saving/uk-property-industry-failing-to-keep-pace-20240124> - This article highlights the UK's property industry's lag in meeting the growing demand for energy-efficient homes. Analysis by iChoosr reveals that none of the UK's top 10 estate agent sites or leading property aggregator sites offer options to filter properties by energy efficiency. Despite a record year for green energy installations in 2023 and a housing market uptick due to reduced mortgage rates, prospective buyers lack support in identifying eco-friendly options. The article also notes that 69% of British adults would consider buying a property with solar panels, with 74% of Gen Z and Millennials expressing the same interest.
7. <https://www.propertymark.co.uk/resource/proposed-overhaul-of-energy-performance-certificates-will-impact-the-entire-property-sector.html> - Propertymark's article discusses proposed reforms to Energy Performance Certificates (EPCs) and their potential impact on the property sector. The reforms suggest reducing the validity period of EPCs from 10 years to between two and seven years, leading to higher costs for property owners. For homeowners, a key change would require properties to have a valid EPC before being marketed for sale or rent, removing the current 28-day grace period. For landlords, additional proposals include requiring new EPCs even during an ongoing tenancy when the existing one expires and extending EPC requirements to short-term rental properties and individual rooms in Houses in Multiple Occupation. Exemptions for heritage buildings could also be removed, although existing protections under Minimum Energy Efficiency Standards (MEES) would still apply. The article also highlights the growing importance of energy efficiency in property valuation and mortgage eligibility, with homes with high EPC ratings (A or B) expected to see increased desirability and value.