



Energy label for houses

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Report on the audit of budget chapter XVIII

A new energy label scheme was introduced for owner-occupied dwellings in 2015. The label shows how energy efficient a dwelling is. Home owners must hand it to the new buyers when they sell their property. The idea is that it will encourage energy efficient housing. Does the scheme work? And is the energy label reliable?

Conclusions

There are inadequate assurances that the new energy label is reliable or effective. We drew this conclusion from the following findings of our audit.

Inadequate assurances regarding the reliability of energy labels

The assessment system used for the previous energy label, which had been introduced in 2008, worked as follows. A home owner applied for an energy label and an authorised expert carried out 150 physical checks in the dwelling. A label was then awarded, rating the dwelling from A (most energy efficient) to G (least energy efficient).

In the new energy label scheme, dwellings are assessed remotely on just ten points. Home owners must declare what measures they have taken and submit evidence such as photos and invoices for certain energy saving measures. The file is emailed to an authorised expert who checks the evidence. In practice, this remote assessment is not always satisfactory. Unreliable evidence is approved in no fewer than 14% of the cases and there is no supervision of the assessments. This means that the accuracy of the label depends largely on the honesty of the home owner. There are therefore practical risks concerning the reliability of the energy label. The label that is issued may be better or worse than the label that a dwelling actually deserves.

Limited impact so far of energy labels

A survey we held of home owners found that the new energy label had so far had only a limited impact: the label provides home owners with little insight into a dwelling's energy efficiency. Moreover, it does not encourage home owners to take additional energy saving measures.

Recommendations

We recommend that the Minister for Housing and the Central Government Sector (W&R) take measures to strengthen the reliability of the energy label. He could do so by, for example:

- selecting more than ten assessment points;
- increasing the number of measures for which home owners must provide evidence; and
- improving supervision of the energy labels issued and the underlying evidence.

Response of the Minister for W&R

The Minister for W&R agreed with our finding that the reliability of the energy label was open to improvement. He noted, though, that increasing the number of assessment points or the amount of evidence that had to be submitted by home owners would increase the administrative burden and costs. In our afterword, we wrote that we considered the level of the burden and the reliability of the energy label as a matter for the Minister and parliament.

Regarding supervision, the Minister replied that the Human Environment and Transport Executive (ILT) was expected to start supervising authorised experts in May 2016.

The Minister recognised the importance of monitoring the impact of the energy label and undertook to have a follow-up audit carried out of the effects and their underlying causes in 2017.

See also

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