Ministry for Housing, Communities & Local Government
The Future Homes Standard: changes to Part L and Part F of the Building Regulations for new dwellings

Response from AXA UK

1. AXA UK (AXA) is part of the AXA Group, a worldwide leader in financial services, operating in 61 countries with over 170,000 employees and 105 million customers. AXA has around 11 million customers in the UK and operates through specific operating companies – AXA Insurance and AXA PPP healthcare.

Summary response:

2. AXA welcome the opportunity to submit to this consultation, and the Government's commitment to identify and implement improvements to building safety requirements in the UK. In June 2019, AXA released a *Future Homes* report with the cross-party thinktank Demos which discussed how the UK can improve the suitability and sustainability of its housing stock in light of societal challenges such as climate change, an ageing population and the rise of technology. AXA has also previously engaged with government on a number of housing issues including fire safety. Although AXA, as an insurer does not have the expertise to respond to the specific questions outlined in this consultation, AXA would like to submit the following summary on the outlined government proposals.

3. AXA has recently called for the Government to ensure that its Future Homes Standard revives the scrapped Zero Carbon Homes standard. Therefore, AXA consider the consultation on government's proposals to update Parts L and F of the Building Regulations for new dwellings a positive step towards uplifting energy efficiency in new housing stock. AXA believe that a robust standard is necessary because the housing market currently fails to deliver enough energy efficient homes, primarily due to low prioritisation by consumers and developers. Regulation that enforces energy efficiency removes the need for a 'market signal' to ensure developers increase the number of energy efficient homes.

4. AXA agree with the Government that Option 2 is preferable to Option 1 as a 2020 measure for reaching the Future Homes Standard. Fabric plus technology provides an 11% higher reduction in carbon emissions through the utilisation of new technology. It is pleasing that government recognises that the installation of heat pumps in the UK is at a level much lower than that is necessary to meet the ambitions of the 2025 Future Homes Standard. Moreover, the option delivers lower fuel bills for homeowners, a vital element of ensuring that an energy efficient future is attractive and sustainable for consumers.

5. The reduction of carbon emissions in the UK's housing stock is an important objective in order to tackle the societal challenge of climate change. However, AXA believe that the Government should always consider changes to building regulations holistically, including assessing the impact of any changes on fire risk and building safety.

6. AXA further welcome the inclusion of a Householder Affordability Rating to ensure that the new Part L standards do not result in developers taking a lower capital cost route to compliance that results in unacceptably high energy bills for the end user. This proposal will need further operational consideration, but the measure is likely to incentivise the use of sustainable technologies such as heat pumps.

7. However, AXA believe that government must also provide measures to ensure that developers do not significantly suffer from these resulting changes and supply chains are sufficiently prepared to deliver on more stringent regulations by 2025. The UK market is currently limited and specialist in nature, therefore there will need to be particular support from government to ensure the skills and resources are present in the supply chain to move towards a mass market solution for low carbon heating. It is apparent that the changes outlined by the Government represent a radical change to the Building Regulations landscape, the proposals will need to be considered holistically to minimise technical, financial and operational impacts on the construction of new homes.

8. AXA believe that potential negative impacts on housing supply from energy efficiency improvements could be mitigated by measures to boost consumer demand for these changes. This may include improving the transparency of energy efficiency advertisements by estate agents to enable buyers to make easier comparisons. AXA would welcome further analysis on potential measures that would support the needed increases in housing supply, whilst maintaining a commitment to sustainable energy efficient new homes.

9. Going forward, AXA would welcome further detail on the government's proposals for the Future Homes Standard. Beyond this, AXA believe that a natural next step to further the decarbonisation of UK housing stock is for government to place emphasis on improving the emergency efficiency of current housing stock. A measure AXA has previously called for in this policy area is for government to require any home sold from 2025 to hold at least an E-rated Energy Performance Certificate.

10. More widely, AXA has identified seven requirements for homes that should be contained within the Future Homes Standard.

    a. Fit for multigenerational living either through their adaptability or space for expansion

    b. Built with the 'home-worker' in mind, providing space for home offices.

    c. Designed where possible with innovative energy storage and energy generation facilities.

    d. Fit to withstand extreme weather conditions seen as a result of climate change.

    e. Built with climate change-mitigating features such as green roofs.

    f. Built with 'mindful' spaces to enable a 'digital switch off'.

    g. Designed with internal control centres to ensure that 'smart' home devices can collectively be taken 'off grid' if necessary.

11. AXA believe that there is a multiplicity of societal challenges that the UK housing stock needs to be ready for in the next thirty years, including the impacts of climate change, a rapidly ageing population and the rise of new technology. AXA believe the aforementioned requirements for homes represent a holistic approach that would facilitate a future-proof housing stock. AXA would urge government to consider the seven requirements as they move forward with the Future Homes Standard.

If you need to get in touch regarding the information in this submission, please get in touch with Public Affairs Executive, Jonathon Murphy, at jonathon.murphy@axa-uk.co.uk or on 07866032309.