



Actions to mitigate energy poverty
in the private rented sector

Energy Poverty in the Private Rented Sector: An Overview and Framework

Report Summary

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ENERGY POVERTY: THE CONTEXT OF THE PRIVATE RENTED SECTOR

- 🏠 **Fuel/energy poverty and vulnerability are increasing in the European private rented sector.** Private renting is defined as a landlord – one who is not a local authority, housing association or registered social landlord – leasing a property to a tenant for a period of usually more than six months.
- 🏠 **The size of the PRS has increased in many traditionally home-owning societies for a variety of reasons,** with a wider cross-section of society remaining longer in the rented sector. The decline in social housing has also accounted for a large share of PRS growth, coupled with a decrease in housing and social benefits.
- 🏠 **Quality of PRS housing for low-income renters can be poor.** For example, in the UK, the PRS was the worst-performing tenure type in the Decent Homes Standard, with 45% of failed homes not meeting thermal comfort standards.
- 🏠 **Affordability of housing in the sector for low-income renters is worsening.** Across the EU, more than 1 in 10 people on average are spending more than 40% of their income on housing costs, including energy, rent and other utilities. Households in the PRS struggle with energy-related problems to a much greater degree than the general population.
- 🏠 **Race, class, ethnicity, age and gender are recognised factors that lead towards increased discrimination and precarity in the PRS.** Research has found that students are one of the most 'under-reported and under-supported' groups living in fuel poverty in the PRS across Europe.
- 🏠 **Tenant choices regarding energy are limited by the material characteristics of properties.** Tenants may have less control over their energy supply and the operation of their heating system, and can primarily only influence their heating costs through behavioural changes.

ENERGY POVERTY ALLEVIATION IN THE PRIVATE RENTED SECTOR

Dedicated actions are needed that actively contribute to alleviating energy poverty by identifying energy-poor tenants (and respective homeowners) as well as understanding and addressing their needs.

- 🏠 **A key barrier to retrofitting the PRS is the so-called split-incentive – also known as the tenant-landlord dilemma.**
It captures a situation whereby landlords pay for, but do not gain any direct advantage from improvements in energy efficiency in the property, while tenants benefit from improved comfort and lower energy costs.
- 🏠 **Barriers and drivers associated with efficiency retrofits span financial, regulatory, and environmental domains.**
General challenges include high rent-income ratios, poor quality accommodation, overcrowding, and difficult tenant-landlord relations.
- 🏠 Research has found that **energy efficiency policies are often poorly targeted and do not account for the profile and needs of vulnerable households in the PRS.** This means that energy poverty is not only a matter of uneven distribution; it is a wider socio-political injustice, because many energy efficiency policies can reinforce existing social and systematic inequalities, conflicts and injustices.
- 🏠 **Participatory design of measures and thinking about reasons for low take-up are crucial:** these could include disruption associated with the implementation retrofits, lack of interest in the long-term state of rented accommodation, and fear of rent increases.
- 🏠 **Recommendations on how to engage landlords in improving the energy efficiency of their property in the relevant academic literature include:**
 - Private sector landlords' membership of national landlord associations, as a means of establishing a collective voice and form of accreditation;
 - Strengthening institutional capacities of housing management bodies;
 - Feed-in tariffs for landlords to stimulate returns on investment;
 - The establishment of energy efficiency standards
- 🏠 **Tenants can have agency in the process: by demonstrating growing expectations about comfort in the home** and departing from established cultural norms of accepting cold and inefficient homes.

The full report will be soon available for download.

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We are a Consortium of Organisations working together on this project for 3 years.

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