

## Energy (in) efficiency: what tenants expect and endure in private rented housing

## Research Summary

**This research sought to afford tenants a voice in the urgent debate about energy (in) efficiency in the private rented sector. This was primarily achieved through 48 in-depth interviews with tenants in Hackney and Rotherham. It was revealed that tenants face considerable barriers to seeking help with cold homes that are unaffordable to heat.**

### Background

The Private Rented Sector (PRS) is the fastest growing tenure in England. It houses a higher proportion of poor and vulnerable households than any other tenure. The sector also contains a higher proportion of the least energy-efficient properties than any other tenure. The need to drive up standards of energy performance in the PRS is therefore urgent.

There is a key voice missing from the debate about energy performance in the PRS: that of the tenant. Tenants are under-researched and underrepresented, lacking a collective voice due to the absence of organised groups representing them. This report is premised on the belief that, if we are to try and foster change from the 'bottom up', then we must seek to understand the tenants' perspective: how they understand energy efficiency; how the absence of it affects them; their relationship with their landlord and the barriers they face in challenging the status quo. Our ability to address these questions is limited by the dearth of previous research seeking to understand the tenants' perspective. This project represents a decisive step towards a stronger voice for tenants in the debate about energy efficiency in the PRS.

### Aims

- To better understand PRS tenants' perspectives on domestic energy efficiency, clarifying their needs, wants, expectations and competing priorities.
- To test assumptions about what tenants want and expect in terms of home energy efficiency.
- To establish how likely tenants are to use the Energy Act (2011) to request energy efficiency improvements from their landlords and what may hold them back.
- To contribute to the development of better-informed approaches to driving up energy performance in the English PRS.

### Methodology

The research was carried out through:

- a literature review
- a survey of 1,800 low income PRS households in the two case study locations of Hackney and Rotherham
- 48 in-depth interviews with PRS tenants in Hackney and Rotherham

## Research findings

### **Finding somewhere to live**

Private renting was no-one's first choice and difficulties accessing social housing or home ownership were common reasons for doing it. High demand for rental properties meant that respondents compromised on location and quality, feeling obliged to accept the first place that they could afford and where the landlord would accept them.

*"The first one I looked at was horrible, it was freezing...but they were the only landlords that I dared go to cos I would have failed a credit check and I hadn't got a bond." (Edie, Rotherham)*

For many it was hard to feel at home in properties that they had not chosen and where living conditions were poor. Moreover, all respondents were acutely aware that—given the high demand for rental properties—they could be moved on at any time with just two months' notice. There was also the constant threat of a rent increase.

The stress of keeping a roof over their heads meant that few respondents considered how easy the home would be to heat when finding somewhere to live. Engagement with Energy Performance Certificates (EPCs) was also limited.

*"Round here you just don't get that much choice... if you had three to choose from you could look at the energy efficiency." (Clive, Hackney).*

### **Keeping warm and coping with the cold**

Respondents in both locations found their homes uncomfortably cold in winter due to energy inefficient properties and fears over high heating bills. However, attitudes towards heating varied between the two case studies. In Rotherham, cold homes were seen as something that could be worked around.

*I: Are you comfortable with this kind of temperature? It's cold in here.*

*R: Yes, if it gets a bit cold I put another cardigan on. (Bill, Rotherham)*

Whereas in Hackney, respondents were more likely to express frustration at the difficulties they faced in keeping warm at home.

*"It's [expletive] cold, this is mild now but it is cold, I put the duvet round me and just lay in bed, it's not productive." (Sonny, Hackney)*

The stoicism of Rotherham tenants is of concern, not least because this attitude may prevent them from lobbying landlords to improve conditions, thus perpetuating landlords' beliefs that the energy performance of properties is unimportant to tenants.

Keeping warm by routinely wearing coats inside the home, keeping blankets in living areas and spending extra time in bed or outside of the home were common practice, as was heating the home for very short periods in order to save money.

*"When I turn the heater on...I have to switch it off cos they charge me too much so after 10 or 20 minutes I have to switch it off because I'm worried that the money's going to go over. It doesn't stay [warm for] long." (Adele, Hackney)*

### **Paying for heating**

Over half of participants used pre-payment methods to pay for their heating and therefore paid higher tariffs. However, many liked paying this way, as it afforded them budgetary control.

*"Yeah I like it, it were like that when I moved in but I didn't change it, I like to see where I am and see when I'm getting down to a few pounds." (Sarah, Rotherham)*

In the PRS it can be difficult to exercise choice over how you pay for your heating, especially when a pre-payment meter is already

installed. In this scenario, the landlord's permission is required to remove the meter and most respondents were reticent to request this for fear of causing aggravation.

*"I'm trying to switch back to the normal meter; unfortunately my house is a private landlord so I can't force them to change. If I did that I don't know if they'd charge me more for the rent." (Benjamin, Hackney)*

The average heating costs reported through the survey suggest that at least a quarter of the sample spends far in excess of the national average household expenditure on heating, despite widespread under-heating. It was revealed that- rather than spurring tenants on to address the root causes of high heating bills- being in financial hardship could militate against seeking help with cold homes. Respondents were therefore more likely to seek support with energy bills than cold homes. Help with high heating bills can be through energy companies or advice agencies, whereas issues with the physical fabric of the property involve the landlord.

It appears that schemes with the potential to support those struggling with cold homes and high heating bills- such as Warm Homes Discount or the Energy Company Obligation- are not reaching PRS tenants.

### ***The tenant-landlord relationship***

The relationship between tenant and landlord was often distant and characterised by fear on the part of tenants that any complaint may be countered by retaliatory action.

*"It's better the devil you know though isn't it? At least we can afford this place, for all its faults. You don't want to rock the boat too much, do you?" (Jack, Hackney)*

Most tenants felt reluctant to make contact with their landlord and often found ways to work around problems.

*"I thought there was a leak here, I still think there is, where the gas comes into the house. My landlord wasn't helpful, they said if we send someone and there's not a leak we'll charge you, so in the end I didn't. I used electric heaters instead and my electricity bill trebled." (Edie, Rotherham)*

Overall, there was a dichotomy between the tenants' ability to recognise landlords' responsibilities and their willingness to hold them to their obligations. The power dynamic between tenant and landlord is different to a typical customer-provider relationship especially in the context of high demand for rental properties where the provider holds the greatest power.

*"Our landlord knows we've got a baby and we're good people and we put up with all kinds of horrors here and their priority is making money rather than supplying a good quality product... They should provide a nice home and make the place safe and warm and help their tenants feel secure and comfortable and not living in fear of being evicted. We're just scared and it's really wrong." (David, Hackney)*

### ***Maintaining health and wellbeing in cold homes that are difficult to heat***

It can be difficult to maintain health and wellbeing when living in properties that are difficult and expensive to heat. Issues such as excess cold, condensation, and extensive damp and mould were widely highlighted.

In terms of health and wellbeing issues associated with the home, a number of respondents highlighted increased suffering associated with chronic conditions (i.e. respiratory diseases and arthritis) known to be exacerbated by cold homes. Many also highlighted immediate threats from faulty equipment. They also highlighted less obvious issues such as: the emotional impact of living in a home that makes you unhappy and where

you feel insecure; the stress of meeting heating costs; the restrictions on how much of the home you can afford to keep heated; and the health risks associated with poor diet.

*"Every time I went home, there was always something and I was like 'this bloody house again, I hate it'. I cried every day for nine months." (Peter, Rotherham)*

*"I have to eat a bit less but it doesn't do me any harm, you can buy them noodles in a packet for 15p and have a few slices of bread and you can have your dinner on 25p so I'm not starving." (Chris, Rotherham)*

### **The Energy Act**

Under the Energy Act (2011), from 1st April 2016 tenants are able to request consent from their landlords to carry out energy efficiency improvements to PRS properties. The landlord cannot unreasonably refuse consent. It will, however, be the responsibility of the tenants to arrange funding. Although the majority of respondents were supportive of the Act in principle, the majority felt too afraid to approach their landlord about this.

### **Conclusions and key learning**

Overall, the picture emerging from the accounts of respondents is one characterised by limited housing choice that leads to the acceptance of poor quality properties that would otherwise be unacceptable; to fear of challenging the landlord in case of retaliatory action; to enduring cold conditions and high bills; and to suffering the consequences for health and wellbeing. The following learning points emerge:

- **LP1:** Due to constrained housing options, tenants at the lower end of the PRS are unlikely to consider energy-efficiency when viewing a property.
- **LP2:** Low income PRS tenants find ways to cope with cold homes that are unaffordable to heat by under-heating, wearing additional layers of clothing, spending time

outside the home and extra time in bed, rather than lobbying landlords for improvements.

- **LP3:** Low income tenants are in a weak position in a buoyant rental market and fear rent increases or eviction if they speak out.
- **LP4:** While tenants continue to tolerate cold homes, landlords are not under any pressure to address poor energy performance.
- **LP5:** Pre-payment meters can expose tenants to higher energy costs, particularly where they feel unable to seek removal.
- **LP6:** Pre-payment meters are relied upon by many households to manage fuel costs and avoid fuel debt. Higher tariffs may exacerbate unhealthy practices such as under-heating.
- **LP7:** Subsidised energy efficiency schemes such as the Energy Company Obligation (ECO) appear to be failing to reach PRS tenants.
- **LP8:** The relationship between tenants and their landlords is characterised by fear.
- **LP9:** The apparent power imbalance between landlord and tenants suggests that the provisions of the Energy Act will not strengthen tenants' positions regarding requesting energy efficiency improvements.
- **LP10:** The health and wellbeing consequences of living in energy-inefficient PRS accommodation go beyond health problems commonly associated with cold homes and impact upon tenants' emotional wellbeing and their diets.

### **For more information**

The full research report was published on 3<sup>rd</sup> February 2017 and can be downloaded from the website of the Eaga Charitable Trust:

<http://www.eagacharitabletrust.org/energy-efficiency-in-the-private-rented-sector-what-tenants-really-think/>

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