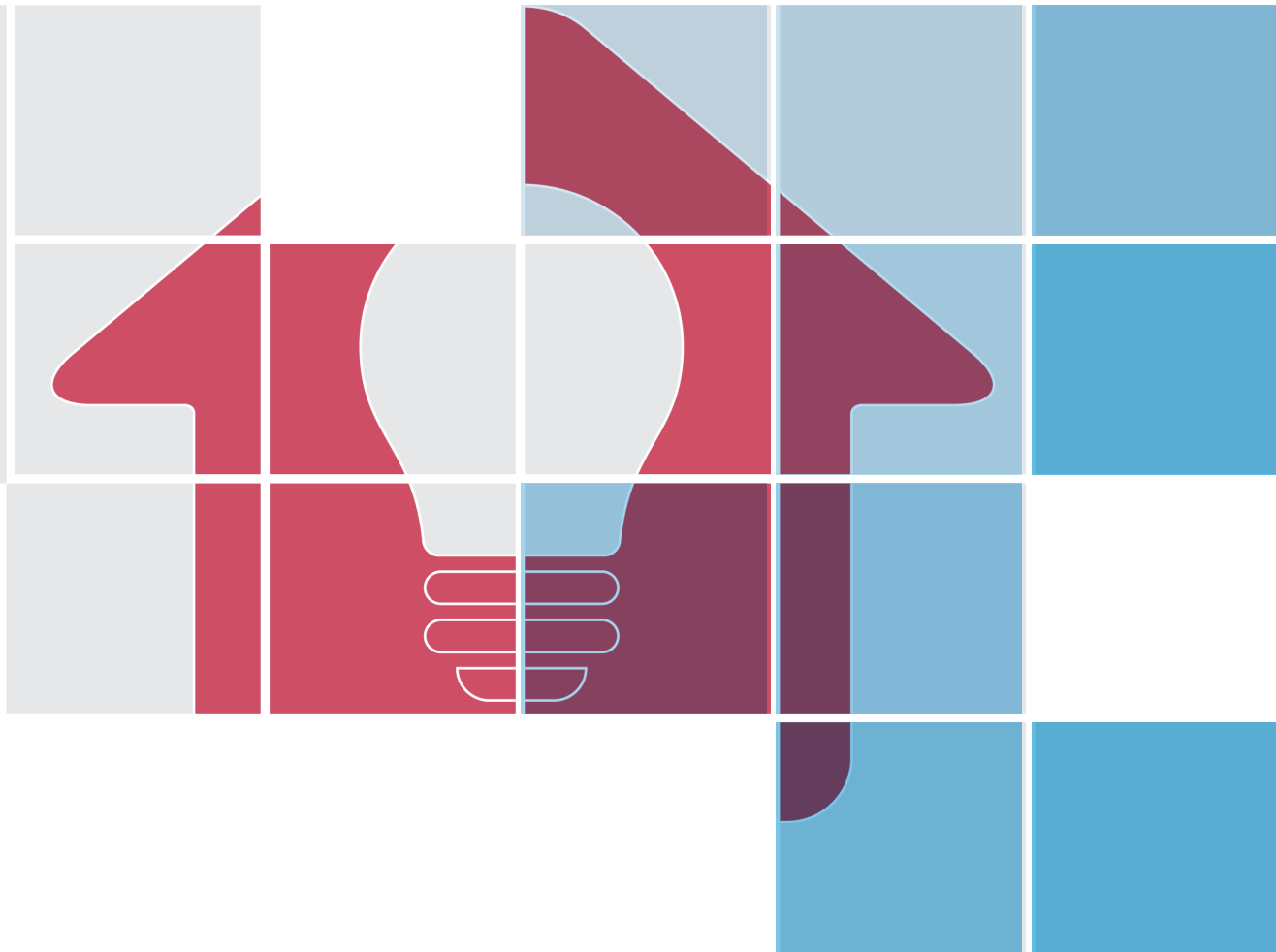


SEPTEMBER 2021



WARM HOUSING FOR ALL?

STRATEGIES FOR IMPROVING ENERGY EFFICIENCY
IN THE PRIVATE RENTED SECTOR



Society of St. Vincent de Paul



Warm Housing for All?

Strategies for Improving Energy Efficiency in the Private Rented Sector

A report prepared by the Society of St Vincent de Paul and Threshold

September 2021

Threshold is a national housing charity, with regional advice centres in Dublin, Cork and Galway, providing frontline advocacy, advice and support services to people with housing problems throughout Ireland.

The Society of St Vincent de Paul (SVP) is the largest voluntary charity in Ireland. SVP members work within their communities to support people experiencing poverty and social exclusion, to promote self-sufficiency and to work for social justice.

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Introduction

Energy poverty and poor-quality accommodation in the private rented sector is a shared concern for Threshold and the Society of St. Vincent de Paul (SVP).

In 2020, Threshold supported over 18,000 households experiencing difficulties in their private rented tenancy. These difficulties include issues with damp/mould, poor or lack of heating, poor or lack of insulation in the rented home, all of which impact on the health and wellbeing of private renters.

Last year, SVP responded to 160,000 calls for assistance from members of the public experiencing financial difficulties. Many people who request support from SVP are dealing with poor housing standards and energy poverty: every year, SVP spends between €4.5 and €5 million to assist those unable to adequately heat their homes. Our members regularly support people in the private rented sector living with poor quality housing who are paying over the odds for energy to heat an inefficient home.

In 2019, Threshold and SVP published a joint report examining the experiences of those living in private rented accommodation and in receipt of the Housing Assistance Payment.¹ As well as the difficulties identified with unsustainable rent “top-ups” and insecurity of tenure, the report shone a light on the poor energy efficiency of rented accommodation with issues of mould and damp commonplace.

To tackle energy poverty, we need policy that tackles energy efficiency in the private rented sector as well as addressing the cost of energy, and overall income adequacy. For these reasons Threshold and SVP have worked collaboratively to draw up this report on improving the energy efficiency of the private rented sector.

Background

The need and the rationale for improving energy efficiency in the private rental sector has already been established. “Housing for All”, Ireland’s new strategy for housing until 2030 launched in September 2021, announced the Government’s commitment to ‘*Implement Minimum BER standards, where feasible, for private rental properties, commencing in 2025*’.² This is an ambitious target which will require significant planning, investment and consultation for it to be realised.

A plan is now required that successfully improves energy efficiency and housing standards in the private rented sector. With one in five households now renting this is a vital long-term investment in the health, wellbeing, and quality of life of a significant

¹ Threshold and SVP (2019) The Housing Assistance Payment (HAP): Making the Right Impact https://www.threshold.ie/assets/files/pdf/00881_hap_survey_report_2019_-_web.pdf

² Department of Housing, Local Government and Heritage (2021) ‘Housing for All – a New housing Plan for Ireland.’ Available at: <https://www.gov.ie/en/publication/ef5ec-housing-for-all-a-new-housing-plan-for-ireland/>

proportion of the population, as well as in the environment. It is part of a sustainable solution to energy poverty: without action now, we will see a growing gap in housing standards and increasing inequality of outcomes for private renters.

The ambitious target of 500,000 retrofits by 2030 has already been set by Government: at Threshold and SVP, we want to make sure that households in the private rented sector benefit from this too.

Key Considerations

- In 2018, the residential sector accounted for 24% of energy-related CO₂ emissions in Ireland. The residential sector was the second largest source of CO₂ emissions after transport and was ahead of industry³.
- Just over 1 in every 8 people in Ireland are living in fuel poverty⁴. The risk is heightened for those on a low income, who are unemployed, those with ill health, who are one parent households or are tenants⁵. This has long-term implications for people's health, wellbeing and finances.
- Being a tenant increases the risk of being in energy poverty compared to being a homeowner.⁶ Using data from the Growing up in Ireland survey, research by SVP has shown children (five-year-olds) living in the private rented sector were 2.2 times more likely to experience energy poverty than those in owner occupied housing.⁷
- The number of households living in the private rented sector continues to rise, with 1 in 5 households in Ireland renting privately at the time of the last Census⁸. Between 2006 and 2016, the number of primary school aged children living in rented accommodation rose by over 75%⁹.
- Private renters do not have the authority, autonomy or access to grants to make changes to their dwelling to ensure greater energy efficiency, reduce CO₂ emissions or attain an increased level of thermal comfort.
- Those on low incomes are placed under the financial burden of heating often-inefficient homes. As landlords usually don't benefit from lower energy bills, the split incentive (which means benefits are perceived to accrue to tenants, while

³ Data available from the SEAI at: <https://www.seai.ie/data-and-insights/seai-statistics/key-statistics/residential/>

⁴ Tovar Reaños, M.A.,(2021) "Fuel for poverty: A model for the relationship between income and fuel poverty. Evidence from Irish microdata.", Energy Policy, Available online: <https://doi.org/10.1016/j.enpol.2021.112444>

⁵ *ibid.*

⁶ *ibid.*

⁷ SVP (2019) 'Growing up in the Cold: A policy briefing on the nature and extent of energy poverty in households with children' Available at: <https://www.svp.ie/getattachment/2cb10388-e3ca-41ef-9911-a17f252ce09c/Growing-up-in-the-Cold.aspx>

⁸ CSO (2016) 'Census 2016 Profile 3 - An Age Profile of Ireland - CSO - Central Statistics Office'. Available at <https://www.cso.ie/en/csolatestnews/presspages/2017/census2016profile3-anageprofileofireland/>

⁹ *ibid.*

landlords bear costs of investment) needs to be addressed through Government intervention.

- The 2019 Climate Action Plan contains a commitment to upgrade 500,000 existing homes to BER B2 by 2030. In Budget 2021, €221 million was made available for home and community energy efficiency upgrades, including €109 million for low-income homes¹⁰. However, the main grant programme for homeowners on low incomes ‘Better Energy Warmer Homes’, is not available to tenants or landlords in the private rented sector.
- Currently, the revenue from the carbon tax is partially used on investment in energy efficiency for households at risk of energy poverty. For this funding to benefit households in energy poverty in the private rented sector – alleviating the adverse consequences of rising bills - solutions tailored to their needs must be rolled out¹¹. Without this investment, tenants at risk of energy poverty in the private rented sector will increasingly feel the burden of carbon tax, without equivalent access to mitigation measures through retrofitting¹².

This report sets out the steps necessary to improve the energy efficiency of the private rented sector and make progress for tenants.

In April 2021, Threshold and SVP hosted an online roundtable with industry experts, academics, members of civil society and State Body representatives to identify the most appropriate mechanisms and funding solutions to improve the energy efficiency of private rented homes. There were 17 participants, including 6 from academia, 3 from public bodies, 6 from industry, and 2 from civil society. Please see appendix for the discussion notes created during the event and the briefing document and conversation prompts sent to participants.

The recommendations set out in this document are devised by Threshold and SVP. They are informed by the insights provided from the diverse range of stakeholders at the roundtable, international evidence, research of our respective organisations and the experiences of our front-line services in supporting tenants in the private rented sector. The recommendations and conclusions are those of Threshold and SVP and cannot be attributed to participants of the roundtable.

The aims and objectives of the roundtable event

- To share knowledge on the opportunities and challenges of retrofitting the private rented sector

¹⁰ SEAI (2021) ‘SEAI welcomes historic commitment to sustainable energy action in Budget 2021.’ Available at: <https://www.seai.ie/news-and-media/2021-budget/>

¹¹ O’Malley, S., Roantree, B. and Curtis, J. (2020) ‘Carbon taxes, poverty and compensation options’. Available at: https://www.esri.ie/system/files/publications/SUSTAT98_0.pdf

¹² Tovar Reaños, M.A.,(2021) “Fuel for poverty: A model for the relationship between income and fuel poverty. Evidence from Irish microdata.”, Energy Policy, Available online: <https://doi.org/10.1016/j.enpol.2021.112444>

- To build understanding and points of consensus between different stakeholders
- To identify important aspects of the tenant experience and ways to mitigate risks to tenants from the retrofitting process
- To suggest a pathway forward.

The discussion covered the follow areas and are dealt with individually in the next section:

1. Current standards and regulations
2. Opportunities and barriers to progressing retrofitting in the private rented sector
3. Financing retrofitting in the private rented sector
4. Protecting tenants

The remainder of the report will draw on discussions at the roundtable as well as from wider learning about how we can now make progress on energy efficiency in the private rented sector.

1 - ENERGY EFFICIENCY: CURRENT STANDARDS

Housing standards

The minimum standards for private rented housing are set out in “Housing (Standards for Rented Houses) Regulations 2019”. Landlords have a legal duty to ensure their property meets the minimum standards and the Local Authorities have responsibility for enforcing these standards. There are no energy efficiency requirements set out in the standards. Landlords are required to maintain their properties in a proper state of structural repair, ensuring it is free from damp and that all habitable rooms have effective heating, ventilation, and natural light.

“Housing for All”, the new housing strategy for Ireland until 2030, includes a commitment by Government to: ‘*Implement Minimum BER standards, where feasible, for private rental properties, commencing in 2025*’. (Action 2.14)

There are 69,211 properties listed as private letting on SEAI’s BER database, this equates to approximately 23% of the number of tenancies registered with the Residential Tenancies Board (RTB) in 2020. In analysis provided by SEAI, as part of the development of the Strategy to Combat Energy Poverty 2016-2019, it was estimated that 55% of private rented properties had a BER rating of D or less, with 20% rated F or G.¹³

Participants of the roundtable noted that there are significant gaps in data about housing standards, and this should be the subject of increased funding and research as a priority. This includes properties that don’t currently have a BER (which may be towards the lower

¹³ Department of the Environment, Climate and Communications (2016) ‘A Strategy to Combat Energy Poverty 2016-2019’ Available at: <https://www.gov.ie/en/publication/14e2b-strategy-to-combat-energy-poverty/>

end of the scale); the time lag in BERs which haven't been updated; and BER ratings not always accurately reflecting energy requirements or heating costs. This has implications for understanding the scale of retrofitting needed overall. It was added however, that this should not be seen as a reason not to move forward with a retrofitting project for the private rented sector.

To encourage early uptake of energy improvement measures, landlords whose properties may not require extensive work to reach BER level B2 should be encouraged to invest now in some 'easy win' measures. This can be done through a targeted awareness raising campaign. If successful, such a campaign could make significant improvements in the private rented sector, as currently 38% of private rental properties on the SEAI database have a C rating. Upgrading C rated properties to BER of B, for example, may be less costly, require less invasive measures and removes the need for the tenants to vacate. Such a campaign could work through intermediaries and membership organisations and include funding and advice events that emphasise the opportunities and benefits to both landlords and tenants.¹⁴

Scale of Landlord operation

As of February 2021, 86% of landlords owned one or two properties accounting for 53% of registered rental properties¹⁵. The small-scale operation of most landlords has implications for their financial capacity to undertake retrofitting projects, as well as awareness of and ability to navigate changing regulatory environments.

It was noted by participants of the roundtable that some landlords will have outstanding mortgages while others will own the property outright: this impacts their ability to invest in energy efficiency upgrades. Additionally, landlords may be in very different financial circumstances, some being able and willing to take on debt or pay upfront costs while others not.

Smaller landlords may have more limited time, knowledge and awareness of how to access support around retrofitting. These landlords would benefit from a streamlined and "private-rent ready" One Stop Shop approach. To increase awareness of the benefits and opportunities around retrofitting (as well as changing regulatory requirements), an adequately funded awareness campaign should be coordinated with sufficient lead in time.

Apartment owners

How a property is owned and managed has implications for the decision-making required to invest in energy efficiency. There are a number of additional considerations for apartment owners, such as building management, communal decision-making and

¹⁴ See, for example: Energy Action Scotland (2019) 'Energy Efficiency, Fuel Poverty and Sustaining tenancies in the Private Rented Sector' Available at: https://www.eas.org.uk/en/energy-efficiency-fuel-poverty-and-sustaining-tenancies-in-the-private-rented-sector_55997/

¹⁵ Data provided by the RTB on request

funding arrangement, all which must be factored into any energy improvement plans. In these scenarios, the number of stakeholders involved in retrofitting is increased thus limiting the agency of the individual landlord.

Improving the energy efficiency of apartments requires a particular response and extends beyond the private rented sector to include owner-occupiers. Apartments are a growing form of housing in Ireland, with 85% growth between 2002 and 2016. Apartments now making up 12% (just over 200,000) of all housing stock.¹⁶

Due to the more complex stakeholder environment of apartment retrofitting, funding is required for further exploration and consultation of the needs of this category of property owners. This needs to be viewed as an opportunity, as a well-designed retrofit programme for apartment blocks could successfully upgrade hundreds of properties under one project.

2 – OPPORTUNITIES AND BARRIERS TO RETROFITTING IN THE PRIVATE RENTED SECTOR

The need to retrofit housing, including the substantial number of private rental properties, is recognised as a significant pillar in plans to mitigate climate breakdown. The importance of the Government leading from the front and providing clear, consistent direction was discussed by participants.

Construction Capacity

Participants of the roundtable stressed the need to increase capacity in the construction sector to achieve retrofit targets. Contributors to the roundtable stated that the number of people employed in retrofitting will need to increase significantly to meet the current targets of 500,000 retrofits by 2030.

This challenge could be tackled as a joint strategy between the Department of Education, Department of Further Education, the Education Training Boards of Ireland, the Commission for the Regulation of Utilities, SOLAS and other relevant stakeholders. Plumbers and Electricians require specialised skills development and certification to ensure quality of works, including the installation of heat pumps and renewable energy. Centres of Excellence could ensure this quality and provide an accreditation pathway for contractors, as well as coordinating apprenticeships.

The need for a bolstered energy efficiency sector is good news for skills and employment. To harness this opportunity, which has the potential to offer regionally distributed skilled work for years to come, the Government should actively pursue progressive procurement

¹⁶ CSO (2016) 'Census of the Population 2016 – Profile 1 Housing in Ireland' Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-cp1hii/cp1hii/od/>

policies. For example, the Preston model of Community Wealth Building movement in the UK, has emphasised the importance of using public sector spending and investment decisions to boost positive outcomes within the local economy¹⁷. TASC have explored the potential of this model for Ireland, advocating for ‘anchor organisations’, or institutions which spend substantial amounts of public money locally, to support fair work, and use resources for the common good¹⁸. In terms of retrofitting, public investment via SEAI (as well as by Local Authorities in the social housing sector) should promote procurement decisions that enhance wider Government goals and shared aims, including payment of a Living Wage and creating high quality local employment opportunities.

Long-term planning

The importance of providing a long-term plan with clear milestones and funding was emphasised by participants. A pipeline of work into coming decades would provide confidence for professions engaged in retrofitting, including young people or career switchers looking to up- and re-skill.

A long-term plan would also enable landlords to plan ahead, learn about changing requirements and arrange finances. Clarity of strategy from Government for the sector into the coming decades, that aligns with other sectors in terms of forecasted construction capacity, would provide the stakeholders with confidence that there is a reliable pipeline of work into coming decades, and would allow owners to plan for continued investment in their properties.

Scheduling works

The challenge of scheduling work between tenancies was discussed. Capacity of the sector and availability of contractors to meet local demand will dictate the timing of works, meaning it may not always be possible for a landlord to schedule work while the property is vacant between tenancies. This is of particular relevance for landlords who have low turnover of tenants.

Where there is no break in tenancy, participants raised the possibility of carrying out works with tenants in situ, working room by room or retrofit measure by retrofit measure in some instances.

While, it was suggested, this may in some instances be less economical way of completing improvements, it can avoid the complexity and challenges of tenants having to find alternate accommodation where there is no break in tenancy. This is of particular importance as there continues to be a shortage of properties available to rent. Such an

¹⁷ Preston City Council ‘Progressive Procurement’ Available at:
<https://www.preston.gov.uk/article/3481/Progressive-procurement>

¹⁸ McCabe, S. (2020) ‘The People’s Transition: Community-led Development for Climate Justice’ Available at:
https://www.tasc.ie/assets/files/pdf/feps-tasc_the_peoples_transition_-_2020f.pdf

approach is dependent on the duration of the works. Best practice should be explored around retrofitting private rented homes with tenants in situ.

There are several examples of rapid retrofits, undertaken with minimal disruption to the occupant, which can serve as best practice in Ireland. Attendees at the roundtable pointed to Energiesprong as such an example. Energiesprong, a company originating in the Netherlands with projects throughout Europe, can retrofit a home in as little as ten days. Not only do they have the technical expertise to achieve this, but they also develop the appropriate funding models to access finance.¹⁹ In 2016, the municipality of Bordeaux retrofitted three blocks of apartments, constituting 530 homes in all. Tenants were not required to vacate, and the work took just 12-16 days per apartment²⁰.

It may be possible for the landlord and tenant to come to an agreement for the tenant to move out for a number of days or weeks to facilitate the works. This may also be in both parties' interest given current legislation. Currently a landlord may only end a tenancy for substantial refurbishment in two instances;

1. Planning permission is required for the work and a copy of this planning permission is supplied with the notice of termination²¹.
2. Where planning permission is not required, the notice of termination must include a certificate from the registered building provider stating that the work would pose a risk to the health and safety of the occupants if they remain in situ and that the risk will exist for no less than three weeks²².

In addition, if the tenancy is terminated for refurbishment, the landlord is obliged to offer the tenant a tenancy if they decide to re-let the property. There is no time limit on this requirement.²³

The Green Finance Institute²⁴ in the UK have identified potential trigger points for landlords to undertake retrofitting: for smaller landlords this includes carrying out maintenance and replacing faulty items during void periods in properties, when there is a change in tenants, and changes in regulation. For corporate landlords this also included risk profile of properties and market indicators. To enable landlords to schedule works

¹⁹ See: Energiesprong Explained, <https://energiesprong.org/about/>

²⁰ Architect Magazine, (2019) 'Transformation of 530 dwellings - Grand Parc Bordeaux' Available at: https://www.architectmagazine.com/project-gallery/transformation-of-530-dwellings-grand-parc-bordeaux_o Grand Parc Apartment Building, Bordeaux – France, Renovate Europe, <https://www.renovate-europe.eu/reday/reday-2019/online-resources/grand-parc-france-e12/>

²¹ Section 34(5) of the Residential Tenancies Act 2004 as amended

²² Section 34(a)(iii) of the Residential Tenancies Act 2004 as amended

²³ Section 34(5)(b) of the Residential Tenancies Act 2004 as amended

²⁴ Green Finance Institute (2020) 'Financing energy efficiency buildings: the path to retrofit at scale' Available at: <https://www.greenfinanceinstitute.co.uk/wp-content/uploads/2020/06/Financing-energy-efficient-buildings-the-path-to-retrofit-at-scale.pdf>

and respond to these triggers the capacity of the construction sector must be able to meet the demand as it arises.

Making the most of One Stop Shops for the Private Rented Sector

One Stop Shops are a service, promoted at EU and national level, that support homeowners through the retrofitting process by providing a single point of contact. They can also enable aggregated retrofitting projects to bring efficiencies to both owners and contractors²⁵. They will be an important part of reaching national retrofitting targets, providing a streamlined service for property owners to access finance as well as removing non-financial barriers around information, expertise and logistics.

One Stop Shop services should be prepared for the need of private residential landlords and tenants. For landlords, this should include knowledge of financial options available, expertise in coordinating work with tenants in situ and during tenancy breaks. Tenants should also be able to receive advice from One Stop Shops to support them to work with their landlord prior to, during and following retrofitting.

Best practice regarding a One Stop Shop approach catering to the private rented sector should be explored and piloted, as the Turnkey project is doing for the home-owner sector currently in three EU countries including Ireland²⁶.

Utilising the One Stop Shop model to group retrofits to achieve economies of scale, whether that is: a collaboration between landlords; where one landlord owns multiple properties; or where the landlord owns the leasehold of an apartment, could provide landlords with the level of expertise and project management required, as well as potential financial savings from working at scale. The SEAI has increasingly supported retrofits that work on multiple homes, this should be an opportunity explored for the private rented sector²⁷.

3 – FINANCING RETROFITTING IN THE PRIVATE RENTED SECTOR

Financing energy efficiency improvements in the private rental sector is particularly challenging given the split incentive which arises. In the case of rented properties where landlords meet the cost of improvements, it is the tenant who reaps most of the benefits through reduced energy bills. On the other hand, tenants do not control their rental property and so do not have the autonomy to make it more energy efficient, nor do they

²⁵ SEAI National Home Retrofit Scheme 2021 (One Stop Shop Development Call) Available at: https://www.seai.ie/grants/national-home-retrofit/National-Home-Retrofit-Scheme-2021_Guidelines.pdf

²⁶ NUI Galway TURNKEY solution for home RETROFITting. Available at: <https://www.nuigalway.ie/structures/projects/turnkeyretrofit/#>

²⁷ SustainabilityWorks (2020) 'Financing Energy Efficiency in Ireland: A Handbook on the Residential Sector' Available at: <https://www.seai.ie/documents/research-projects/RDD-000503.pdf>

have the security of tenure to incentivise them to invest in energy efficiency measures. This means that neither party is strongly motivated to upgrade the building. The result is poorer energy efficiency outcomes in rented properties – in both residential and commercial sectors²⁸.

To produce a pragmatic policy solution, this split incentive must be tackled through Government leadership and support. In addition, a range of financial measures will be required given the variety of small-scale landlords who require solutions to suit their personal circumstance. This means more than one ‘carrot’ will be required.

Options for financing were discussed during the roundtable event. These included grants, tax incentives, and loan guarantee schemes. These could take the form of direct financial support such as grants where appropriate, or tax incentives that nudge and enable landlords to invest themselves.

As discussed previously, the financial situation of landlords will vary. This could mean potential limitations on a landlord’s ability to take up a grant if they are required to pay upfront costs to be reimbursed at a later date. It may also result in different preferences regarding length of any loan payback.

SustainabilityWorks²⁹ have carried out a comprehensive analysis into how the retrofit ecosystem can meet the needs of the owner-occupier segment of the market. Many of their insights are also pertinent to residential landlords:

To overcome financial barriers, research in Ireland has found that loans should be provided for longer periods (10 years plus) at 5% APR or lower, along with discounted mortgage rates. Grants, including those supported through energy company Energy Efficiency Obligation Scheme funding, are important incentives. On-tax and on-bill repayment may be a good option, but further research is needed from a European perspective (and legislative change is needed for these options). Finance providers should work with One Stop Shops to streamline the experience for customers.

Supporting low-income tenants

Improving energy efficiency in the private rented sector has the potential to reduce the number of tenants experiencing energy poverty. To make the most of this opportunity, it was suggested that particular Government support should be extended to landlords based on the financial circumstances of the tenant, contingent on a long-term lease.

Properties in the private rented sector should be eligible for funding equivalent to the Better Energy Warmer Homes scheme, based on a tenant receiving Housing Assistance Payments. This recommendation was originally outlined in the Strategy to Combat Energy

²⁸ Ibid.

²⁹ SustainabilityWorks (2020) “Financing Energy Efficiency in Ireland: A Handbook on the Residential Sector”, 2020, <https://www.seai.ie/documents/research-projects/RDD-000503.pdf>

Poverty 2016-2019 but has never been progressed³⁰. SVP and Threshold recommend that eligibility should be contingent on the landlord providing a long-term lease, and access to the grants should be conditional on passing an inspection to ensure the property and landlord is compliant with the Housing (Standards for Rented Houses) Regulations 2019.

Current eligibility for support schemes are as follows³¹:

| | <i>Better Energy Warmer Homes Grants</i> | <i>Individual Better Energy Homes Grants</i> | <i>One Stop Shops Service</i> |
|-------------------------|---|--|---|
| <i>What is offered?</i> | Free energy upgrades for homeowners in receipt of certain social welfare payments | Partial funding to support home energy upgrades that are managed by the property owner | Partial funding to support multiple home energy upgrades that are coordinated via a One Stop Shop service |
| <i>Who for?</i> | Qualifying homeowners | Homeowners and Landlords | Homeowners and Landlords |

In the UK, the Energy Company Obligation Scheme (similar to Ireland’s Energy Efficiency Obligation Scheme) obliges energy companies to assist customers in energy poverty to improve the energy efficiency of their home³². Whilst in Ireland the residential part of the scheme is only open to homeowners³³, in the UK it is also open to customers in private rented housing who are in receipt of certain social welfare payments, or who have been referred on by the local authority as requiring support.

Eligible UK private renters living in A,B,C,D, or E rated homes can benefit from any measures³⁴ available, apart from the installation of a new heating system that repairs a broken one. UK private renters living in F or G rated homes can receive solid wall insulation, renewable heating measures, or first-time central heating measures.

Repair and Lease Scheme

A variation of the Repair and Lease Scheme may be a viable finance option where landlords do not have the funds to upgrade their properties and/or whose properties

³⁰ “DCENR will establish a pilot scheme in 2016 to provide energy efficiency grant supports to landlords or approved housing bodies who choose to participate in the new Housing Assistance Payment (HAP)” page 17 of The Strategy to Combat Energy Poverty. Available at: <https://www.gov.ie/en/publication/14e2b-strategy-to-combat-energy-poverty/>

³¹ Information based on SEAI website: <https://www.seai.ie/grants/home-energy-grants/>

³² Ofgem (2018) ‘Energy Company Obligation 2018-22 (ECO3) Guidance: Delivery’ Available at:

<https://www.ofgem.gov.uk/publications/energy-company-obligation-2018-22-eco3-guidance-delivery>

³³ SEAI ‘Energy Efficiency Obligation Scheme (EEOS)’ Available at: <https://www.seai.ie/business-and-public-sector/business-grants-and-supports/energy-efficiency-obligation-scheme/>

³⁴ This includes insulation of cavity walls, loft insulation, other insulation measures, inefficient boiler upgrades. For full details see page 84 <https://www.ofgem.gov.uk/publications/energy-company-obligation-2018-22-eco3-guidance-delivery>

require substantial work. Providing such a scheme as an energy efficiency measure has a number of potential benefits: improvement to the standard of the private rental stock, increase in the energy efficiency of the housing stock and an increase in the social housing stock.

Threshold and SVP recommend a loosening of the qualifying criteria to ensure a broad take up and the success of the scheme. For example, under the current scheme the property must be vacant for a minimum of 12 months. It would be preferable that the landlord be able to avail of the scheme once the property is vacated. A proactive approach is required to target properties and secure landlord buy in. This can be done in a partnership between the SEAI, the Local Authorities and the Local Authority rental inspection units.

4 – PROTECTING TENANTS

Many of the tenants supported by Threshold and SVP live in housing with poor energy efficiency and struggle to pay inflated heating bills. Tenants on a low income or experiencing poverty have no way of funding the additional cost of keeping cold, damp homes heated to a comfortable level, or improve a heating system that is simply not capable of adequately warming the home. This leaves tenants in energy poverty with limited options to remedy the situation.

Research carried out by SVP and the Vincentian Partnership for Social Justice found that for some families in private rented accommodation, houses could be poorly insulated or the heating system was wasteful: “the problem is that we can’t heat it properly, especially in the bad weather”, and “the big range eats up all the fuel, the house is a cold house, so I spend extra money on fuel to keep our home warm.”³⁵

Energy poverty cannot be effectively addressed in the private rented sector without an improvement in standards and the energy efficiency of properties.

The roundtable concluded with a discussion of the impact of retrofitting measures could have on tenants and the wider impact that increasing the energy efficiency of rental stock could have. There was discussion of the need to scope out unintended and negative impacts and how best to safeguard against these. Alongside the importance of raising standards in the private rental sector for the wellbeing of tenants (across financial, health and social dimensions), there is the potential for inadvertent adverse consequences.

³⁵ SVP (2018) Stories of Struggle: Experiences of Living Below the Minimum Essential Standards of Living Available at : <https://www.svp.ie/social-justice/publications-submissions/publications/stories-of-struggle-2018.aspx>

Awareness of this potential and mitigating actions should therefore be built into policy and regulations.

Risks to tenants include:

Rent increases and ‘renovictions’

The risk of investment in energy efficiency leading to higher rent, displacement, and gentrification, has been described as an ‘eco-social paradox’³⁶. This can happen gradually as the quality of housing stock in a particular area improves, leading to gentrification and the pricing out of low-income households, or as a ‘renoviction’ after works have been completed on a property and the tenant cannot afford a rent increase and is immediately displaced.

The promotion of retrofitting in Germany – and the ability of landlords to pass on a proportion of costs to renters – has led to rising rents and tenant displacement from improved properties³⁷. Property owners are permitted to pass on 8% of renovation costs to tenants for an unlimited period (whether or not the total cost of the works has been repaid)³⁸. There are reports of rent increases of up to 300%, with tenants left to take individual legal action to challenge this.³⁹

There is also a risk that tenants may be evicted to make way for works to be scheduled. Participants suggested that best practice on carrying out work with tenants in situ, as noted above, needs to be shared. This is in addition to the need for One Stop Shops and funding services to promote and support landlords to carry out retrofitting with tenants in situ.

What must be avoided is tenants being forced to move out due to a hike in rent: this would mean lower income tenants are moved into a shrinking pool of lower BER properties. Not only would this not solve the issue of energy poverty among these particular tenants but will contribute to rent inflation among improved properties. Research by ESRI into the willingness of tenants to fund retrofitting found that 85% of tenants who were not willing to pay for energy efficiency improvements stated this was ‘somewhat or strongly’ because they couldn’t afford to pay any more monthly rent⁴⁰. Tenants in Ireland are already paying

³⁶ Bouzarovski, S., Frankowski, J., Tirado Herrero, S., (2018) ‘Low-Carbon Gentrification: When Climate Change Encounters Residential Displacement’. Available at: <https://onlinelibrary.wiley.com/doi/full/10.1111/1468-2427.12634>

³⁷ Grossmann, K. and Huning, S. (2015) ‘Energy-efficient retrofitting and affordable housing: Open questions for urban research and practice’ Available at: <https://www.researchgate.net/publication/288436499>

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Collins, M. and Curtis, J. (2017) ‘Can tenants afford to care? Investigating the willingness-to-pay for improved energy efficiency of rental tenants and return to investment for landlords.’ Available at: <https://www.esri.ie/system/files/publications/WP565.pdf>

on average 36% of their net income on rent⁴¹. For tenants who receive Housing Assistance Payment, 48% of respondents to a survey in 2019 paid additional ‘top ups’ directly to their landlord, leading to some respondents paying over 40% of their net income on rent.⁴² It is clear that tenants - and particularly low-income tenants - cannot afford rent increases, including increases that may arise from retrofitting.

Monitoring and enforcement of Rent Pressure Zone (RPZ) legislation will be necessary to ensure that retrofitting and improved standards in the private rented sector does not lead to increasing unaffordability. The Residential Tenancies Board (RTB) have a role to play in ensuring exemptions from RPZ rules based on refurbishment are in line with the legislation. While RPZ measures have been effective in stabilising rent increases additional measures are required to ensure long-term affordability in the private rental sector⁴³. Commitments in “Housing for All” to increased social housing provision, the ramping up of cost-rental and additional affordable homes are all steps in the right direction.

Selling of private rented properties

Concerns were also raised by participants that landlords may leave the market as costs and regulatory requirements increase.

The risk of a reduced supply of private rented properties must be robustly researched, monitored and mitigated. It is essential that changes are made in close consultation with all stakeholders including landlords. Participants identified mitigating measures including providing appropriate notice and lead in time; adequately designed, tested and tailored financial supports; and comprehensive guidance from the introduction of regulations through to the completion of works.

Overall, changing regulations must be accompanied by a significant communication and engagement campaign that supports landlords through the vital transformation of their properties.

Divergence in standards

Participants raised concerns of the risk of increasing divergence in standards within the private rented sector. This could arise where retrofitting measures are not undertaken due to exemption or failure by landlord to engage and carry out works. There is a risk that a divergence in standards within the sector means the lowest income and most vulnerable tenants, with the least market power, will remain or be forced to move into the poorest quality housing that is exempted or non-compliant. This would lead to further inequality

⁴¹ RTB (2021) ‘The RTB publish findings from their Rental Sector Survey 2020 reports’ Available at: <https://www.rtb.ie/news/the-rtb-publish-findings-from-their-rental-sector-survey-2020-reports>

⁴² Threshold and SVP (2019) ‘The Housing Assistance Payment: making the right impact?’ Available at: https://www.threshold.ie/assets/files/pdf/00881_hap_survey_report_2019_-_web.pdf

⁴³ Ahrens, A., Martinez-Cillero, M., and O’Toole, C. (2019) ‘Trends in Rental Price Inflation and the Introduction of Rent Pressure Zones in Ireland.’ Available at: https://www.rtb.ie/images/uploads/Comms%20and%20Research/Trends_in_Rental_Price_Inflation_and_the_Introduction_of_RPZs_in_Ireland.pdf

of experience and outcomes for tenants, including the physical and mental health impacts and financial implications of ongoing energy poverty.

The Irish Human Rights and Equality Commission highlight that “a number of groups stand out as disadvantaged across multiple housing dimensions These are one parent families, ethnic minorities/non-EU nationals, people with a disability, young people and members of the Traveller Community. These groups emerge as disadvantaged in terms of high levels of discrimination, deficits across multiple measures of housing quality and higher risks of homelessness.”⁴⁴

To ensure that improved energy efficiency in the private rented sector supports a reduction in energy poverty amongst the groups currently most at risk, there must be specific funding available, equivalent to Better Energy Warmer Homes grants, to encourage landlord action. There must also be proactive inspection and enforcement of property standards, including minimum energy standards in the private rented sector.

Quality of works

Once a retrofit has been carried out, tenants will be the ones directly experiencing the end result. While the intent is for increased comfort, warmth, and affordability, in instances of poor-quality works, tenants may experience adverse impacts. These can range from increased running costs, for example a poorly installed heat pump resulting in higher electricity costs, inadequate ventilation, or poor quality or finish of other elements of retrofitting.

While preventative measures include specialist skills development and accreditation pathways, a clear framework is needed for consumer protection for property owners, including landlords, embarking on retrofitting. Research commissioned in Scotland suggested a comprehensive framework of consumer protection was needed from pre- to post-contractual and encompassing advice organisation, guarantee and warranty organisations, and ombudsman services⁴⁵. An equivalent mapping exercise could be useful in Ireland. Ensuring this is in place and awareness is raised as early as possible, will increase confidence among property owners engaging in contracting retrofitting measures.

Communication and enforcement of standards

The use of minimum energy efficiency standards for the private rented sector will only lead to a successful transformation of standards and outcomes (for tenants as well as the environment) if there is adequate communication, support, lead-in time and enforcement.

⁴⁴ Grotti, R. et al (2018) ‘Discrimination and Inequality in Housing in Ireland’ Available at: <https://www.ihrec.ie/app/uploads/2018/06/Discrimination-and-Inequality-in-Housing-in-Ireland..pdf>

⁴⁵ Changeworks (2020) ‘Consumer protection in the domestic energy efficiency and renewable retrofit market’ Available at: https://www.changeworks.org.uk/sites/default/files/CAS_Consumer%20protection_Final%20report.pdf

For landlords to adequately meet energy efficiency standards they need to be aware of them, with sufficient time and support to act. Tenants need to be aware of the minimum standards in place and be empowered to respond should a lapse occur. There should be a clear communication strategy coordinated with landlord representatives, SEAI, RTB and Local Authorities to engage with both landlords and tenants around what is expected, the actions they can take and the implications of not meeting standards.

Research in the UK suggests that the scale of ambition of retrofitting the private rented sector will not be successful if there is a perceived – or actual – lack of enforcement of standards⁴⁶.

Local Authorities have responsibility for carrying out inspections and enforcement of housing standards under the Housing Miscellaneous Provision Act 1992. The 2019 NOAC report shows that only one in ten of rental properties were inspected by Local Authorities and 93% of these failed to meet the minimum standards⁴⁷. Of those that failed, only 31% were brought into compliance that year.

To improve the capacity of local authorities to enforce standards, Threshold has recommended an ‘NCT for housing’ which would be based on certification from approved professionals and allow the integration of fire safety, energy regulations, tax obligations and RTB registration⁴⁸. As well as improving the experience of tenants in the private rented sector, the benefits of this system includes ensuring that state funding (via Housing Assistance Payments) are not subsidising substandard accommodation.

Conclusion: A pathway forward for Energy Efficiency in the Private Rented Sector

Ireland’s retrofitting targets are ambitious, and the needs of private renters must be part of them. For tenants experiencing energy poverty, the Government must step in to address the split incentive that is limiting improvements in energy efficiency. This can be done by extending full grant funding to low-income households living in private rented properties. Without this, tenants will be left to live with the consequences of inefficient housing and an increasing divergence in housing standards as other properties are retrofitted.

⁴⁶ Sayce, S. and Hossain, S. M. (2020) ‘Minimum Energy Efficiency Standards: one year on, a progress report.’ Available at: <https://assets.henley.ac.uk/defaultUploads/MEES-RREF-Report.pdf>

⁴⁷ NOAC (2018) Local Authority Performance Indicator Report 2018’. Available at: <https://noac.ie/wp-content/uploads/2019/10/NOAC-Performance-Indicator-Report-2018-1.pdf>

⁴⁸ Threshold, (2019) ‘Saving Homes, Pre-Budget Submission 2020’, pp34-38, https://www.threshold.ie/assets/files/pdf/threshold_pre_budget_submission_2020_saving_homes_web_version.pdf

Without adequate information, resourcing of and increased capacity in the sector, Threshold and SVP are concerned that retrofitting targets will not be met, that landlords will opt to exit the market and private renters, particularly low-income renters, will continue to live in cold, damp and inefficient homes. Schemes to support the retrofitting of the private rented sector must be tailored to the sector as it poses unique opportunities and challenges. If, however, the opportunity to improve energy efficiency standards in the private rented sector is adequately planned, funded, and communicated, it will result in a transformation of the lives of many tenants who will benefit from warmer homes, better health, and improved finances.

Participants of the roundtable event discussed improving the energy efficiency of the private rented sector and put forward a number of considerations, suggestions and strategies in response to the challenge. These have been considered by the staff of Threshold and SVP and formulated into the below set of recommendations.

There can now be no delay in making progress, not just for private renters, but also for Ireland to meet its 2030 carbon emission targets.

Recommendations

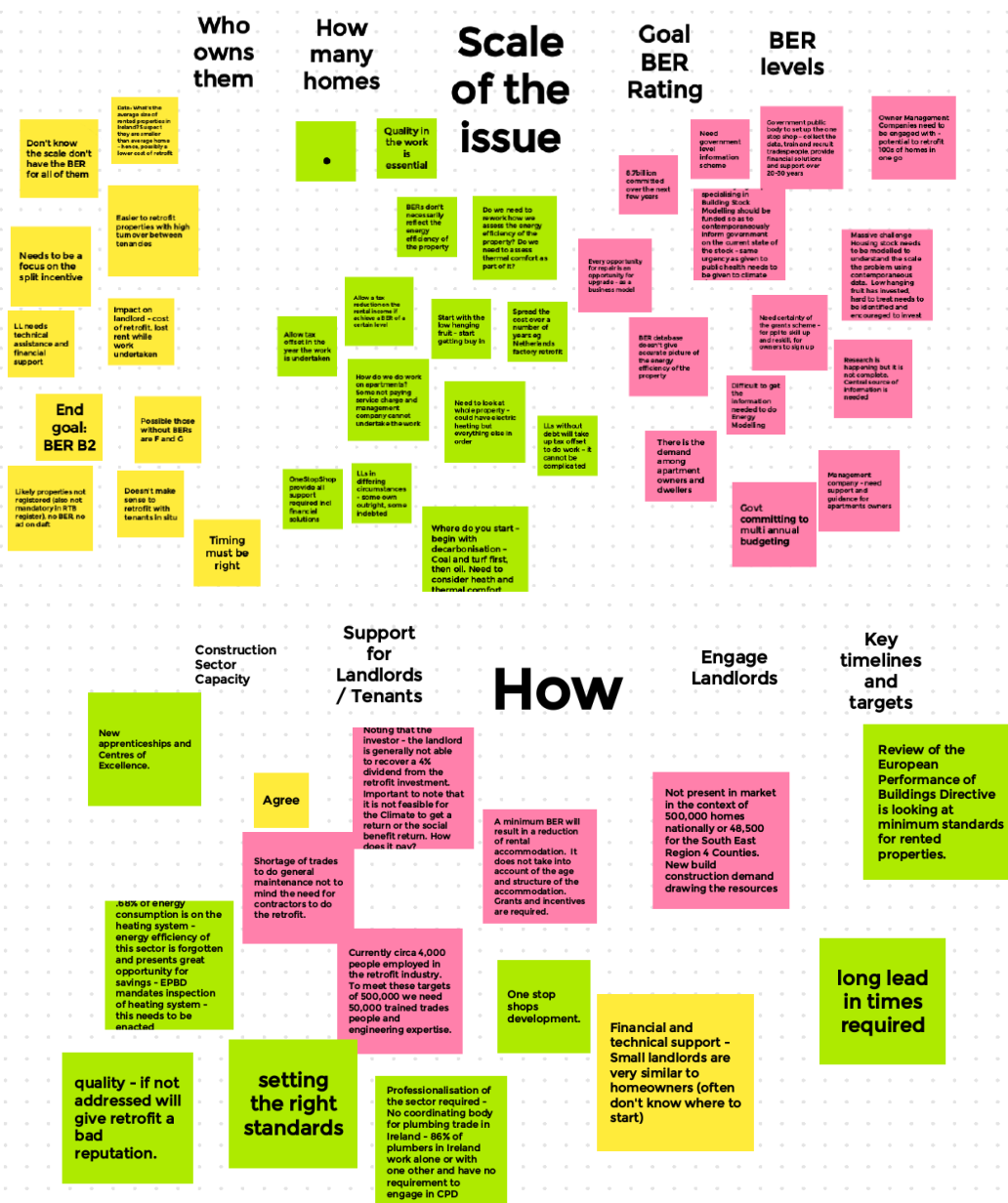
| ENERGY EFFICIENCY STANDARDS: CURRENT STANDARDS | |
|---|---|
| 1 | Further information is needed on the BER of properties. Research should be funded to establish and map the energy efficiency of the properties currently in the private rental sector as part of a National Housing Survey. This would be similar to the annual Scottish House Condition Survey and English Housing Survey. |
| 2 | Ensure existing legislation on Building Energy Rating (BER) is fully implemented so that properties provide rating when advertising a property. Various options could be explored to improve compliance, including better resourcing, building control units within Local Authorities, or transferring this competence to SEAI. |
| 3 | Working with intermediaries and membership organisations, Government should fund a campaign to encourage landlords to invest now in 'easy win' measures. It could include funding and advice events that emphasise the opportunities and benefits to both landlords and tenants. |
| 4 | Consultation should be carried out with apartment owners via membership organisations and community networks to identify specific needs of this cohort to undertake retrofitting. |

| OPPORTUNITIES AND BARRIERS TO PROGRESSING RETROFITTING IN THE PRIVATE RENTED SECTOR | |
|--|--|
| 5 | In light of the commitment in Housing for All to implement minimum energy efficiency standards in the private rented sector, the Government should now publish a long term retrofit plan for the private rented sector with clear milestones, targets and funding, that incorporates realistic forecasted capacity of the construction sector. |
| 6 | There needs to be increased capacity in the construction sector in accordance with a long term retrofit plan, including support for specialist skills development and certification, and Centres of Excellence. Public investment in retrofitting should be used to promote good work opportunities in local economies. |
| 7 | Ensure One Stop Shops are prepared to support retrofitting in the private rented sector, including providing advice, information and support to both tenants and landlords. |
| 8 | Set up a demonstration project through a One Stop Shop to coordinate aggregated retrofits for multiple landlords or landlords who own multiple properties. |
| FINANCING RETROFITTING IN THE PRIVATE RENTED SECTOR | |
| 9 | To overcome the split incentive there is a need to create a framework, including financial incentives, to encourage landlords to upgrade their properties. This should be informed by consultation with landlords to understand the needs and financial circumstances of private landlords. |
| 10 | Revise the Repair and Lease scheme to make it more attractive and accessible, as well as the adoption of a more proactive approach to its promotion. |
| 11 | <p>Properties in the private rented sector should be eligible for funding equivalent to the Better Energy Warmer Homes scheme, based on a tenant receiving the Housing Assistance Payment. However, eligibility should be contingent on the landlord providing a long-term lease or indefinite lease to the tenant.</p> <p>Any landlord availing of such an allowance will have to keep the property in the rental market for a set period of time after claiming for the works. Access to the grants must be conditional on passing an inspection to ensure the property and landlord is compliant with the Housing (Standards for Rented Houses) Regulations 2019.</p> |
| | |

| PROTECTING TENANTS | |
|---------------------------|--|
| 12 | Best practice on carrying out work with tenants in situ needs to be shared. One Stop Shops and funding services should promote and be prepared to support landlords to carry out retrofitting with tenants in situ. |
| 13 | Any exemptions from Rent Pressure Zone cap on rent increases based on refurbishment should be closely monitored by the RTB to ensure they are in line with legislation. |
| 14 | Review current consumer protection mechanisms for property owners procuring retrofitting work, and ensure there is a comprehensive framework in place, and that consumers are aware of their rights. |
| 14 | Minimum energy standards need to be communicated clearly to property owners and tenants: awareness raising of landlord obligation and tenant rights and options should begin as early as possible and be properly funded. |
| 15 | Improve enforcement of standards in the private rented sector, including energy efficiency standards through adequate ringfenced resources for an 'NCT model' so that local authorities can not only conduct inspections but also improve the standards of the country's rental stock. |

Appendix

The following images are from the online roundtable event hosted by Threshold and SVP in 2021. They illustrate some of the conversation points discussed by participants.



Cost Per Retrofit

Cost can be expensive, depends on starting point of the property.

energy-efficiency improvements in Ireland contribute significantly to household energy usage per square metre being 9% below the EU 27 average in 2010, and the average energy efficiency of Irish

Owner Management Companies need to be engaged to manage retrofitting of apartment blocks - individual owners cannot act alone

Energy Cloud - diverting renewable energy to heat homes at risk of fuel poverty

Contemporaneous data required to support policy makers - be careful of default use in BER database giving an overly pessimistic picture of the dwelling stock - 34% of BER database is comprised of overly pessimistic BER values

Grants, tax refunds

Grants targeting deeper renovation to avoid lock in effects and support retrofit of heat pumps

tax incentives

loan guarantee scheme

Cost and Who Pays?

Landlord, Tenant or Government?

Collecting responsibility

Split between?

eg. french climate law and limiting rent increase of properties with a low BERs after a certain date

tenancy contracts/registration

carbon tax

Either a grant or incentive. Money spent on energy efficiency should be allowable as an expense in the year it is spent. Long-term should be an additional tax credit for energy efficient rental properties.

Lack of tradespeople to conduct retrofits

Very difficult to get contractors into social tenures to conduct retrofits

carrot: mix between grants versus tax incentives

Open warmer homes scheme to tenant with a long-term lease

Appetite, Affordability, Accessibility

Enforcement of law to advertise rented properties with a BER (e.g. Dalt, but also RTB) => gather data

More data required: who pays the bills within the property, enforcing registering BERs, what are the distribution of rights within tenancy contracts

Who owns the asset? Tenants want flexible accommodation, no incentive to make long term investments in a tenancy. Necessary to engage asset owner. Tenant may not be able to alter property due to contracts.

| Year of Study | Wall | | Roof | | Decorative elements | | Floor | | Source |
|---------------|---------|---------|---------|---------|---------------------|---------|---------|---------|--|
| | Min (%) | Max (%) | Min (%) | Max (%) | Min (%) | Max (%) | Min (%) | Max (%) | |
| 1981 | 56 | 106 | 37 | 111 | 61 | - | 19 | 34 | Table 4 of 2011 (2011 and 2012) and 2012 (2012 and 2013) |
| 2014 | 18 | 304 | 61 | 221 | 87 | 222 | 31 | 839 | Table 4 of 2011 (2011 and 2012) and 2012 (2012 and 2013) |

retrofit measures, such as roof and cavity wall insulation, dry-lining and external but particularly floor insulation to a lesser extent. Housing stock needs to be analysed to identify and target 'hard to treat'

Solid fuel use in Ireland - 1 in 3 dwellings constructed up until 1966 to be heated by solid fuel, this reduces to circa 3 in 4 between 1967 and 1993 and reduces to 1 in 5 between 2000 and 2006.

Solid-fuel use in Ireland - 1 in 3 dwellings constructed up until 1966 to be heated by solid fuel, this reduces to circa 1 in 4 between 1967 and 1993 and reduces to 1 in 5 between 2000 and 2006.

Will tenants need to move out

Cluster houses for retrofit - make it more attractive for tradespeople

.no body for plumbers as with electricians - Need CPD

.poor indoor air quality

.sub-optimal retrofits

Unintended consequences/considerations

Yes, and ensure support in place / available at the right time (financial & technical support)

Has the low hanging fruit already been retrofitted? Need to understand the what needs retrofitting before deciding how

SEAI experience - ppl often only have to leave for hours

Correct design for heat pump installation vital to ensure it works correctly - insulate the house first

Need inspections to ensure the quality of works to ensure working efficiently

If brining in a min BER - link to when someone is moving out anyway

Changes to Section prevented LLs upgrading properties

If tenant moves out there is usually not enough notice to arrange the contractor, finance etc

will it push up rents

What can incentivise tenants to buy into the process? If the tenant buys in, knows the health benefits, has security of tenure as a result could result in greater buy in

Tenant will be scared to leave in as they won't get back in the home or another home

Relying on the private market solely to do this makes it haphazard

To do the retrofit right the tenant needs to move out - doesn't pay the contractor to stop start

Design is vital to ensure cost effective, makes sense for the property, the owner and the tenant

Superhomes 60% of retrofits still have tenant in situ - does have cost implications. Internal insulation and digging up floor tenant moves out

.heat pump running costs due to installation

The following pages were circulated to roundtable participants by Threshold and SVP prior to the event to prompt discussion.

Energy Efficiency Roundtable

13th April 2021

Threshold and the Society of Saint Vincent de Paul thank you for signing up to our roundtable on “Improving Energy Efficiency in the Private Rented Sector”.

The purpose of this roundtable event is to identify the most appropriate mechanisms and funding solutions to improve the energy efficiency of private rented homes.

The need and the rationale for improving the energy efficiency in the private rental sector has already been established. **We now need action to improve energy efficiency and housing standards in the private rented sector.** Improving energy efficiency is a vital long-term investment in the health, wellbeing, and quality of life of tenants, as well as in the environment. It is part of a sustainable solution to energy poverty, and without action now, we will see a growing gap in housing standards and increasing inequality of outcomes for households.

You have been invited to this event because of the unique knowledge and expertise you hold and your role as a key stakeholder. Through your combined knowledge, skills and expertise in your respective areas, we will be in a position to devise a robust and feasible proposal to begin the work involved in upgrading private rental homes.

You will be divided into groups to work collectively on different elements involved in this issue:

- how many properties and what is the scale of retrofitting required
- how much will this cost
- who pays and where will the money come from
- what are the most appropriate mechanisms to provide financial support to property owners
- what are the key dates in reaching targets
- what are the methods to bring stakeholders on board
- what are the unintended consequences.

Zoom breakout rooms and Google Jamboards will be used.

Below is some information, questions and suggestions for your consideration to prompt and inform discussion at the roundtable.

1. What is the Goal?

A minimum B2

By when 2030, 2035, 2050?

What is achievable?

What is required under NZEB building regulations?

What properties are exempt? What do we do with exempt properties?

What is required under our EU commitments?

2. Number of homes involved

297,837 private rented tenancies registered with the RTB (Q4 2020)

3. The Landlords

166,736 landlords registered with the RTB (Q4 2020)

86.5% landlords own 1 or 2 properties. This accounts for 53.5% of registered tenancies, according to RTB 2019 annual report.

4% of landlords are registered as companies.

The below table is from 2018.

| No. of Properties Owned | Cumulative % Registered Tenancies | No. of Properties Owned | % Registered Tenancies |
|-------------------------|-----------------------------------|-------------------------|------------------------|
| Up to 1 | 39.5% | 1 | 39.5% |
| Up to 2 | 57.4% | 2 | 17.9% |
| Up to 3 | 66.8% | 3 | 9.4% |
| Up to 4 | 72.7% | 4 | 5.9% |
| Up to 5 | 76.9% | 5 | 4.2% |
| Up to 6 | 80.1% | 6 | 3.2% |
| Up to 7 | 82.6% | 7 | 2.5% |
| Up to 8 | 84.3% | 8 | 1.7% |
| Up to 9 | 85.9% | 9 | 1.6% |
| 10 + | 14.1% | 10 | 14.1% |

4. BERs of private rental properties

The below are estimates based on the Strategy to Combat Energy Poverty 2016-2019 and SEAI BER Database¹. Note, only 33,805 BERs on the SEAI database are listed for purposes of rental.

- F and G – 59,528 (20%)
- D and E – 104,173 (35%)
- C2 and C3 – 77,386 (26%)

View SEAI BER database [HERE](#). This file contains all listings but not all columns of data. Please download it if you wish to edit.

5. What type of properties are we talking about?

The below estimates based on the SEAI database and the RTB Rent Index².

| Type of Property | F or G | D or E | C2 or C3 | Total |
|------------------|--------|--------|----------|--------|
| Total | 59,528 | 104173 | 77386 | 241087 |
| Apartment/Flat | | 55212 | 41015 | 96226 |
| Semi-Detached | | 22918 | 17025 | 39943 |
| Terrace | | 14584 | 10834 | 25418 |
| Detached | | 11459 | 8512 | 19972 |

6. What is the timeline for delivery?

Do we use a staggered approach starting with properties with the poorest BERs? For example:

- Stage 1 2021 to 2025 – Upgrade homes with a BER of F or G
- Stage 2 2026 to 2030 – E and D - Upgrade homes with a BER of E or D
- Stage 3 C2 and C3 2030 to 2034 – Upgrade homes with a BER of C2 or C3

Do we target the low hanging fruit and start with the properties with higher BERs then tackle the lower BERs?

What are the considerations for cost, capacity in the retrofit sector and tenants?

¹ <https://ndber.seai.ie/BERResearchTool/Register/Register.aspx>

² https://www.rtb.ie/images/uploads/general/RTB_Rent_Index_Report_Q4_2020_3.pdf

7. Estimated Costs

What is the cost to retrofit the private rented sector?

Below are estimates using data from a number of different sources. These are not definitive and are open for correction, discussion, updating.

Deep Retrofit of F and G properties

Average cost carry out deep-retrofit €40,000³. This level of works will be required for properties with BERs of F and G.

Total Cost - €2.38 billion

Upgrade of remaining properties

Upgrade to include attic insulation (€1,200), external wall insulation (varies)⁴ and heat pump (€12,000)

Apartment/mid-terrace - €18,500

Total €1.78 billion

Semi-d/End of Terrace - €21,500

Total €1.40 billion

Detached - €22,000

Total €439.4 million

Overall Total Cost €6 billion

8. Who pays?

Does the Government cover the full cost? Is Carbon Tax used?

Potential EU finding streams?

How are these delivered?

Do landlords pay part of it or all of it?

- if so cash back post works is preferred method⁵
- depending on cost they may need partial upfront payment

³ Spending Review 2020 Grant Schemes for Energy Efficiency: Better Energy Homes and Better Energy Communities

⁴ Estimates only based on figures in ESRI Working Paper No. 565 June 2017
<https://www.esri.ie/system/files/publications/WP565.pdf>

⁵ <https://www.esri.ie/system/files/media/file-uploads/2018-06/JA201837.pdf>
<https://www.esri.ie/system/files/media/file-uploads/2018-07/RB201819.pdf>

- are Green Loans an option for LL
- SEAI scheme targeting landlords?
- Should there be a clawback?

Do tenants pay?

9. Considerations and Unintended Consequences

How do we ensure tenants are not left without a home? Is it necessary for the tenant to move out for retrofit works to be undertaken? A landlord is permitted to issue a NOT for substantial refurbishment if the *“in a way which requires the dwelling to be vacated for that purpose (and, where planning permission is required for the carrying out of that refurbishment or renovation, that permission has been obtained)”* (Residential Tenancies Act).

How to incentivise landlords? The Home Renovation Scheme, which ran from 2013 to 2018, was available to landlords. Only 2.6% of properties, which benefited from the scheme were registered as rental properties

Is their capacity in the building sector?

What are the savings for the State?

Will it lead to reduced need for fuel allowance?

Contribution to Carbon Targets

Benefit to tenants – (Financial, health, comfort)

Who leads on this?

Private Renters Experience of Poor Energy efficiency in the Private Rented Sector

We need to future proof the private rented sector by improving energy efficiency and the standard of accommodation. The number of households living in the private rented sector continues to rise, with 1 in 5 households in Ireland now renting privately ([CSO – Census 2016](#)). Between 2006 and 2016, the number of primary school aged children living in rented accommodation rose by over 75%, and 42% of children in the PRS experience energy poverty ([CSO – Census 2016](#), [SVP 2019 - Growing up in the Cold](#)).

SVP and Threshold support households living in the PRS who live in poor standard accommodation and struggle to meet their energy costs. This leads to financial pressure, debt, and cutting back on essentials, as well as the negative impact of energy poverty on mental and physical health.

In 2018 interviews with families living below a Minimum Essential Standard of Living illustrated the challenges for some families of living in the private rented sector with low energy efficiency. Houses were poorly insulated or the method of heating the home was wasteful:

“The problem is that we can’t heat it properly, especially in the bad weather”

“The big range eats up all the fuel, the house is a cold house so I spend extra money on fuel to keep our home warm.”

“There are six of us with two bedrooms, living room, kitchen and bathroom. We have one small heater and we move it from room to room.”

Above quotes from [Stories of Struggle, VPSJ and SVP 2018](#).

‘Mother and child living in a two bed roomed house. 10-year-old child has special needs. No access to back garden. Two bedrooms in dreadful state of dampness, wallpaper peeling. Child constantly missing school as suffering from recurring chest infections’ (SVP Member 2019) (HAP Tenant)

Above quote from SVP Member.

Energy poverty is caused by a combination of income inadequacy, the cost of energy, and the energy efficiency of the home. Currently, private renters are experiencing pressure on all three fronts: recent research on behalf of SVP has shown that 29% of private renters have cut back on heating and electricity due to cost, and 24% had fallen behind on bills as a result of the financial strain of the pandemic ([SVP 2021 – Cutting Back and Falling Behind](#)). Renters’ options to reduce or manage their energy spend can also be more limited, eg. Choice of use of prepayment meters.



- National Free phone Helpline:** 1800 454 454 9am to 9pm
- Dublin Advice Centre (Head Office)** 21 Stoneybatter, Dublin 7
- Cork Advice Centre** 22 South Mall, Cork
- Galway Advice Centre** Prospect Hill, Galway

- National Office** SVP House, Sean McDermott St, Dublin 1
- +353 1 884 8200
- info@svp.ie
- SVPIreland
- @svp_ireland
- www.svp.ie



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