

A black and white photograph of a single-story house with a person walking in front of it. The house has a corrugated metal roof and a white door. There are several windows with curtains. A person is walking from left to right in front of the house. The background shows trees and a utility pole.

Improving the Energy Efficiency of private rented housing: Evidence From the UK and New Zealand

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Why then?

Affecting
more and
more of us

What's the problem?

F-E-A-R!

**Reliance on the sector to
provide housing**

Remember....

**Solutions must be embedded in
a thorough understanding of
context**

What did I do?



What did I do?

- Understanding how landlords approach decisions about EE investment

- **30 in-depth interviews with many different landlords, letting agents and local stakeholders**
- Together they help us appreciate the importance of context and culture...

Why did I do it?

- The need to improve conditions in UK and NZ's PRSs is **URGENT**
- ...as it becomes a long term destination
- To solve it, we need to **understand landlords better...**

Why did I do it, there?

- High levels of **fuel poverty**
- **Old, cold, costly** housing
- **Low expectations** of warmth

Aims

1. **add depth and detail** to our understanding of the problem
2. **better understand** business models
3. **test** the **principal-agent** thesis

What did I expect to find?

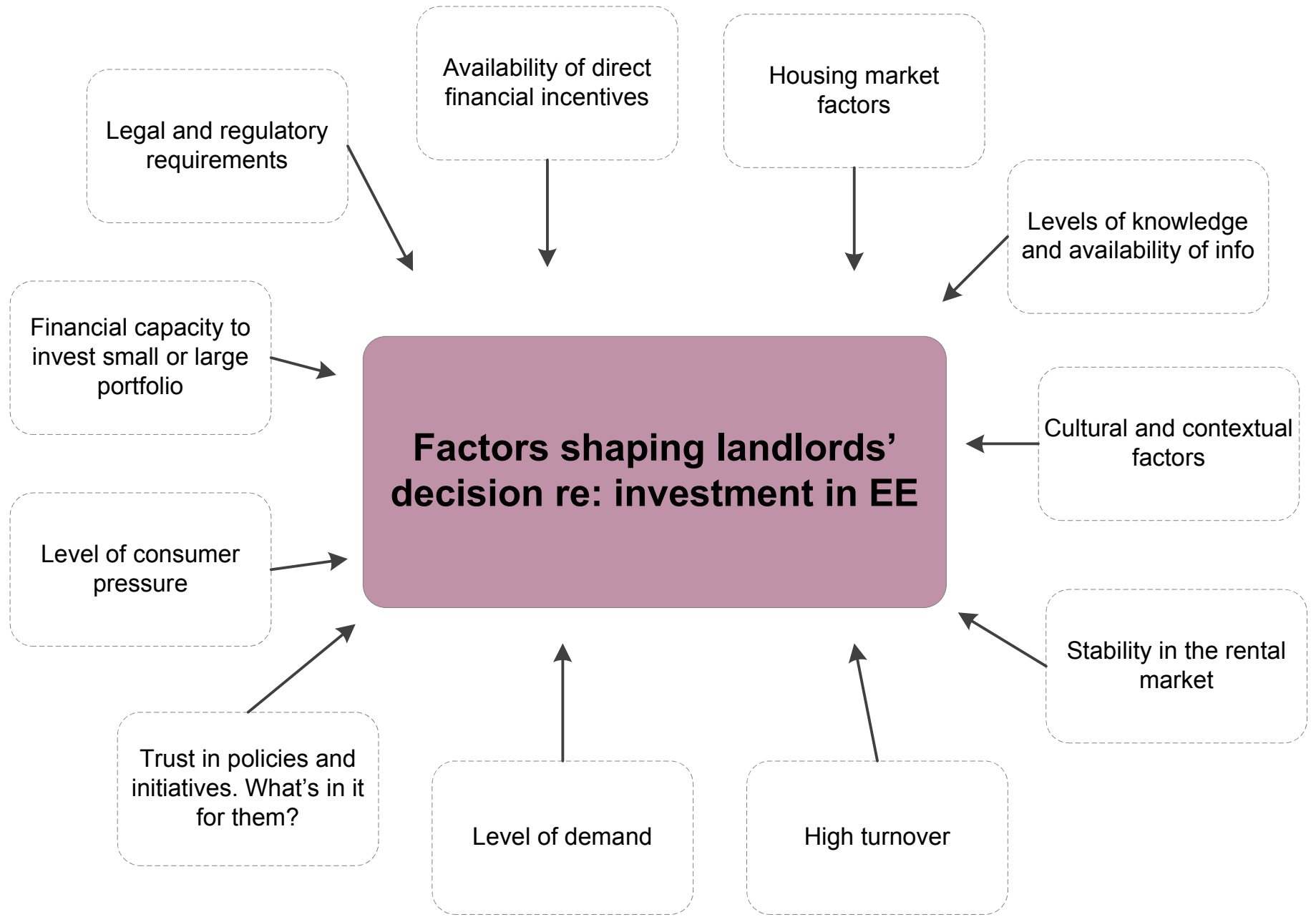
- Used to explain landlords' aversion to investment in thermal and energy performance

Principal-agent.....

Tenants (principals) are poorly informed about EE and unlikely to pay a premium for it. Knowing this, the landlord (agent) is unwilling to invest in EE as they will not recoup the cost.

Principal-agent: a brief critique

- **Oversimplifies** and
- ...assumes **economic rationality** (IEA, 2007)
- Paints **tenants as ignorant and impotent** despite heterogeneity
- Valid across **different contexts**?



What did I find?

- Much **less so in Dunedin**, where:
- most **landlords positive about improving thermal performance and EE**



Types of landlord

Pro-active

- Avoid low income groups and younger students.
- Accept benefits of wide range of measures and install them

Why are landlords more active?



Consumer
pressure



Changing
expectations



Tolerance
waning

Myths and misunderstandings

- **'Tick box' approach** unlikely to yield substantial gains...and cost more
- **Cosmetic improvements** will not improve energy performance...

Why are tenants more aware?



Media



Activism



Price

Winners and losers

BUT...

- consumer pressure not as strong at low-end
- stand to gain the most from warmer homes
- but can't afford them?
- preserve of non-joiners/passive actors



Beyond principal-agent?

- **Not universally applicable...**
- needs to **recognise heterogeneity...**
- **Principals are powerful**
- ...even when market conditions weaken their position

What do we now know?

There is no **'one size fits all'.....**
The PRS has to be understood
and responded to **in context**

What next?

