

Just change for tenants

Some of Australia's draughty rental stock is about to get a much-needed retrofit writes Bonnie Learmonth.

It was the coldest morning recorded this year—still three degrees at 8am. So it seemed appropriate to be sitting in Jonathan Cornford's draughty back room, discussing insulation and the problems he and his family have had installing it in their rental home.

"Insulation is a big need in terms of rental properties, but it is hard because there is no great incentive for landlords to provide it," Jonathan explains.

Jonathan had touched on the problem of 'split incentives' that confronts all renters. Landlords are not responsible for paying the energy costs of the house and only receive a financial return from rental income, not the energy efficiency of the property. The tenants will use cheaper products which use more energy, because they are unlikely to be in the house long term to receive the benefits after the payback period. The savings and responsibility to act are split between the renter and the landlord, creating inaction.

Overcoming these barriers has been the subject of much discussion at all levels of government. The federal government has started to address the issue by offering \$1000 rebates for rental homes that install ceiling insulation, or \$1600 to replace electric hot water systems with solar hot water.

But even before this federal action, Victorian not-for-profit group Just Change had been actively working to overcome the issue of split incentives.

Just Change provides free energy efficiency retrofits for low-income rental homes in metropolitan Melbourne. It was founded in July last year by six graduates of the Centre for Sustainability Leadership with backgrounds in law, public health, govern-



Photo: Rebecca Feiner

Jonathan Cornford, the lucky recipient of a Just Change retrofit.

ment, environmental science and industry.

Passionate about the environment and social equity, Just Change identified a gap in available residential energy efficiency programs that saw renters missing out, especially those on lower incomes. "Low-income renters face significant barriers to installing energy efficiency technology. Even with their landlord's permission, the upfront costs are unaffordable. The continued use of inefficient appliances and the heating and cooling of uninsulated homes creates huge energy bills and financial stress," says Just Change's Dougal McInnes.

Reports from the Australian Council of Social Service, Choice and the Australian Conservation Foundation have found that as a proportion of their income, low-income households spend double the amount on energy bills compared to higher income households. Low-income households

are also more likely to own second-hand and inefficient appliances, live in the least energy efficient houses and spend a greater amount of time at home consuming electricity. These costs are likely to increase under a future emissions trading scheme that will drive up the price of electricity.

With these studies in mind, Just Change is conducting a pilot study involving a small number of low-income households. The aim is to better understand the barriers to energy efficiency for low-income renters, real estate agents and owners—and to identify the policy measures needed.

"The way that Just Change hopes to make a difference," says McInnes, "is to use the payment of rent as a lever for greater energy efficiency." In return for free energy efficiency retrofits, landlords agree to keep the rent unchanged for 12 months. This allows renters to receive the immediate financial benefits of their reduced energy use.

Engaging agents

Real estate agents are the key link between owners and tenants. Throughout their pilot study, Just Change is researching the attitudes and behaviours of real estate agents, owners and tenants via interviews and surveys documenting their experiences during the pilot study.

In the houses retrofitted to date, time has emerged as a major barrier for real estate agents and owners. As Jonathan Cornford, a tenant of a recent Just Change house, remarked: “the major issue has been the time and effort it has taken going through real estate agents and our landlord.” Having Just Change negotiate consent for installations on the tenant’s behalf is one way of mitigating this burden.

Installations

According to the Moreland Energy Foundation, heating and cooling typically accounts for 58% of all household energy use. With this in mind Just Change retrofits homes to reduce heat transfer and energy consumption.

Energy efficiency measures include:

Low-flow shower heads: The average low-flow showerhead saves around 13,500 litres of water per resident per year. Water use averages nine litres per minute, compared with 20 litres per minute for traditional showerheads. Greenhouse gas emissions savings vary depending on the type of hot water service in the house, but are approximately two tonnes per year on electric systems and 600kg per year on gas.

Compact fluorescent light bulbs: Over the lifetime of a CFL (8000 hour globe) half a tonne of CO₂ is saved. They pay for themselves four times over through energy saved.

Draft stoppers: The average home in Victoria has gaps and cracks equivalent to leaving one large window open. This can increase heating costs by about 25%. Just Change estimates it costs up to \$20 for an average house to weather strip all doors and windows.

Exhaust fan cover: Fan covers stop

hot or cold air coming into the house through open exhaust fans and prevent warm air leaking through the roof cavity. Just Change uses the Draft Stoppa which automatically opens when in use and closes when the fan is turned off.

Window treatments: In insulated homes 40% of heat loss and gain is through windows. There are many different types of window treatments. Just Change uses Clear Comfort, a clear membrane that is attached to the window frame with clear double-sided sticky tape. This double glazing effect can reduce heating needs by 17% and cooling needs by 11%.

Ceiling insulation: Ceiling insulation is the highest priced energy efficiency measure Just Change installs, costing up to \$2000 per house. Insulating a home saves 45% to 55% of heating and cooling energy and reduces total energy costs by almost 20%, saving households up to \$314 and 2.2 tonnes of greenhouse gas emissions annually.

“You cannot pick up insulation and take it with you to your next rental property, you have to consider whether or not you can make that financial investment in a house you do not own,” says Just Change participant Nick Ray. Jonathan Cornford had similar problems and considered using mattresses as insulation before he found out about Just Change.

Indeed the benefits of insulation are wide reaching. A recent study for the Building Research Association of New Zealand showed that insulation increases tenancy rates by up to 400%. It also showed that insulation in homes reduces coughs, wheezing and respiratory problems for tenants.

Rebates

When Jonathan first heard about Just Change, he had been investigating the federal government rebate for ceiling insulation. He had found that past rebates were not effective as there were still so many barriers and costs for rental properties. Nick Ray agrees, emphasising that “there is just not enough out

there specifically for renters.”

The new rebate provides rental homes with up to \$1000 for ceiling insulation. Initially the policy stated that the rebate money could go only to the owners of the property. However, Just Change worked closely with the federal government to have this amended so that renters can also be reimbursed if buy insulation themselves (although they need the landlord’s permission to have it installed). These changes will make the process easier for tenants across Australia.

Just Change will finish its pilot study in the coming months and release findings later this year. Just Change hopes to implement the program more widely and help more low-income tenants enjoy the social and economic benefits of living in energy efficient households. ✨

Just Change’s 10 easy steps to installing insulation in a rental home is on the next page.

Just Change has received generous support from Sustainability Victoria, the Real Estate Institute of Victoria (REIV) and Simply Energy, while also drawing on state and federal rebates. For more information on Just Change, or to get involved in their projects visit www.justchangeaustralia.org



Jonathan’s very nifty yellow rainwater barrels that he devised himself.

Photo: Rebecca Feiner

Ten steps to a warm tenant

Think the renters insulation rebate is too much hard work? Not at all! Kati Thompson from Just Change explains how to potentially install insulation for free this winter.

It can be difficult for tenants to make major changes to the houses they live in. Fortunately the federal government has introduced a rebate for renters that covers a lot of the cost of installing roof insulation. Here's details on how to go about getting insulation in your ceiling for free using the Low Emission Assistance Plan for Renters Rebate.

1. Check that you have no existing ceiling insulation.

You cannot get the rebate if you have *any* existing insulation in the roof space, or if your house is a recent new build.

This is important, so stick your head through your manhole and look around for layers of insulation batts or loose fill. If you can't get up into the ceiling to look, check with your owner or agent in step 3.

There is some dispensation allowed for insulation of "negligible effectiveness"—insulation at or below 0.5 R-value, which is generally less than 50 mm thick, and in less than half of the ceiling space. If this applies to you, discuss what you can see with an insulation installer (see step 4) and they will give you advice.

2. Check your savings account or pool together money with your housemates.

You need up to \$1000, which will be paid back in full into your account by the federal government within eight weeks.

If your landlord is more open to making improvements, you could discuss with them in step 3 whether they can cover the upfront costs of the insulation. Once the rebate form is processed, they would be repaid the full amount (up to \$1000) directly into their bank account within eight weeks.

If you can cover the cost for eight



weeks it may be easier to organise and it will make it much less likely the landlord will say no because you're removing any hassle for them.

3. Call or email the agent or owner and ask for their permission to get insulation installed in your roof by qualified installers at no cost to the owner.

If you have a real estate agent they may be able to seek approval from the owner on your behalf.

Explain that you will be using accredited installers approved to install insulation under the federal government rebate for insulation. See *Winning Points* on the Just Change website for facts on the benefits of insulation to back up your request, such as the improved capital value for the property and the attraction of a more comfortable home for future tenants.

4. Get written approval from your owner to install insulation.

All you need to get is the landlord's written approval for you to install insulation. This can be as simple as them writing on a blank piece of paper the following:

"I... (name), owner of... (rental property address), consent to... (your name) arranging for installation of ceiling insulation by a qualified installer as per the technical requirements of the Federal Government Low Emissions Assistance Plan for Renters."

Their written permission will need to be attached to the rebate form in step 9, so ask them to post this to you. If the landlord has a special arrangement with the agent, the agent may be able to sign on their behalf.

5. Call two insulation installers and make times for them to come around and measure and quote on installing insulation in your ceiling. Their measurement should take 30 minutes at most.

Insulation providers are listed in the phone book. When you make an enquiry, make sure the installer is used to working with the technical requirements of the Federal Insulation Rebate.

Once your roof has been inspected and measured, the installer will confirm you have no existing insulation and that you qualify for the rebate. A few days after their visit they should send you a quotation.

6. Choose the cheapest quotation of the two installers.

When you receive the two quotes, choose the cheapest option (this is required under the rebate) and contact this installer to arrange a time for the company to come and install insulation (this should take two to four hours).

Most average sized houses will cost \$700 to \$900. Be aware that if the total cost is more than \$1000 (the maximum amount available under the rebate), you'll need to pay the remaining cost, or discuss with the owner whether they'd be willing to

reimburse you for the remaining amount.

7. Fill in the Low Emissions Assistance Plan for Renters Reimbursement Application Form.

It can be downloaded from www.environment.gov.au/energyefficiency/insulation/renters/index.html#applying—be sure to including your account details.

If you're not sure how to answer any questions, call the rebate hotline on 1800 808 571 and ask for help.

Make sure that the installer fills in questions 3 and 4 on the form when they come to install the insulation, or get them to post their completed sections to you (they have the form on file). Note that they will not complete and sign their section of the form until they have been paid.

8. Pay the installer at the time of the installation or soon after.

They will give you information on how to process the payment with them.

9. Post the completed form.

Attach written permission from your

landlord, the two quotes and the tax invoice for the installed insulation to: Low Emission Assistance Plan for Renters, Department of the Environment, Water, Heritage and the Arts, GPO Box 787, Canberra ACT 2600.

For good measure, keep a copy of all these documents as well as sending a copy to your agent/owner for their records.

10. Get repaid the full cost (up to \$1000) within eight weeks and enjoy the increased comfort in your rental home! *

To read the full version of this article, including *Winning Points* on insulation, go to the Just Change website www.justchangeaustralia.org

Health care card holders with no existing insulation in their rental property can register their interest in receiving a free Just Change energy saving retrofit in Victoria, including insulation, energy saving light globes, low flow shower head, window treatments and draught proofing. Register via the Just Change website.

