

Executive Summary

The Department of Sustainability and Environment (DSE) commissioned Energy Consult Pty Ltd, in a consortium with Moreland Energy Foundation Ltd and the Tenants Union of Victoria, to conduct an analysis of the environmental sustainability of Victorian rental properties. This was commissioned to gain a better understanding of the current condition of these properties. DSE requested an assessment covering such factors as the presence of insulation, type of heating and hot water systems, and the age and type of dwellings.

The work was undertaken in three parts:

- » Analysis of current data sets (*Australian Bureau of Statistics 2008 Environmental Issues: Energy Use and Conservation Survey*; the *Victorian Utility Consumption Household Survey 2007*; and information from Energy and Water Taskforce audits in 2008). These are the only three data sets with substantial information on the condition and sustainability of Victorian rental properties.
- » 61 rental household audits were conducted across Victoria, collecting data on dwelling type, age and orientation, rents, major appliances, and retrofitting opportunities and barriers.
- » Analysis of the audit results and comparison of these to the current data sets.

The rental sector in Victoria

Rental households make up approximately 23 per cent of Victorian households (19.3 per cent private rental and 3.8 per cent public rental) – almost 472,000 properties. Rental properties are predominantly owned by small scale investors with two or three properties each. The current market has historically low vacancy rates and significant annual median rent increases.

Key findings – analysis of data sets

The main findings, primarily derived from the *ABS Environmental Issues Survey*, with some input from the *Victorian Utility Consumption Household Survey*, are:

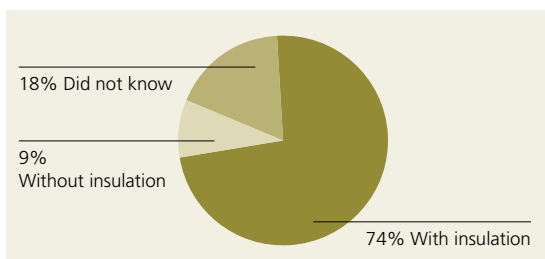
- » Half of rental housing is semi-attached houses or flats/units, while 87 per cent of owner occupied dwellings are separate houses (see Figure 1).
- » Overall rental housing surveyed differs little from owner occupied housing in age or construction type (see Figure 2).
- » The proportion of rental homes with ceiling insulation is probably significantly lower than owner occupied homes, with at least 14 per cent of rental homes reporting they lack insulation. However, many renters don't know if their dwelling has insulation.
- » It is unclear if rental homes differ from owner occupied homes in the type of hot water system installed, 14 per cent of renters are unsure what type they have.
- » A greater proportion of rental dwellings compared to owner occupied homes use peak rate electric space heating, which makes the energy costs of the average rental home surveyed more expensive than owned homes (see Figure 3).
- » 52 per cent of rental households assessed perceived difficulties with heating their home in cooler months, compared to 30 per cent of owner occupied households. Physical causes for these heating problems, such as ineffective or defective heating, no insulation, draughts and poor design, condition or construction of the house are much more prevalent in rental dwellings than in owner occupied dwellings.

Figure 1: ABS – Dwelling type by ownership

Ownership status	Separate house	Semi-detached/ townhouse	Flat/unit/ apartment	Other/don't know
Own/purchasing	87%	7%	6%	
Rental, private	49%	16%	34%	1%
Rental, public	47%	14%	35%	4%
All households	76%	9%	14%	1%

NOTE: Figures are rounded to the nearest whole number.

Figure 2: Reported presence of insulation in Victorian dwellings



Key findings – rental household audits

The small number of households audited means these results are not representative of all rental properties, however they provide a useful snapshot of some rental properties in Victoria.

On-site water and energy audits collected data on:

- type of dwelling, age and orientation
- ceiling insulation
- draughts
- major appliances – type, age, condition and efficiency
- windows – draughts, curtains, pelmets and double glazing
- retrofitting options and barriers
- presence of energy savings measures

The audit survey supported the key energy efficiency issues identified by the data sets:

- » 50 per cent of surveyed households lacked effective levels of ceiling insulation. A further 27 per cent of homes in this study would benefit from topping up existing ceiling insulation.
- » Approximately 70 per cent of homes could be converted to solar hot water, with no physical barriers preventing its installation.
- » 54 per cent of households would benefit from draught proofing, having a medium or high level of draught prevention required.
- » Water efficiency gains through low cost measures, such as installing low-flow shower heads and tap aerators in kitchens, would be possible in around half of the homes audited.
- » There were no special barriers to energy efficiency retrofits for any of the homes audited.

Figure 3: Main space heating fuel by ownership status

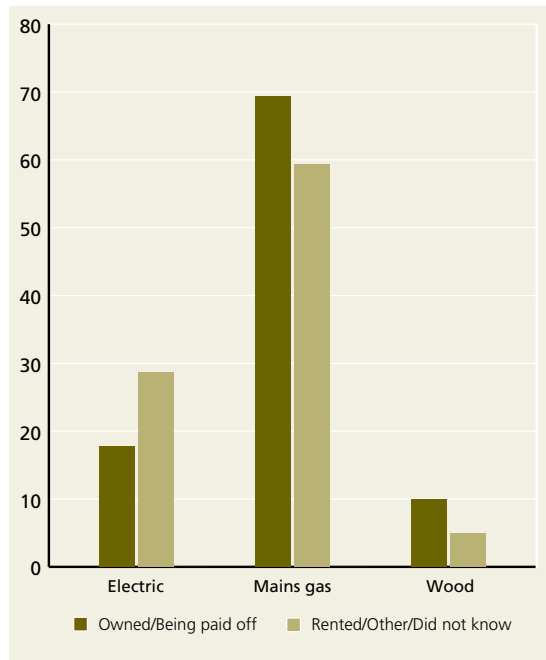


Figure 4: Breakdown of audits by location

Suburb/location type	Number	Per cent
Inner	25	41%
Middle	16	26%
Outer	11	18%
Regional	9	15%

NOTE: Figures are rounded to the nearest whole number.

