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LIST OF ACRONYMS

**BTL** – Buy to Let

**BTR** – Build to Rent

**CME** – Coordinated Market Economies

**EPD** – Energy Poverty Dashboard

**EPOV** – EU Energy Poverty Observatory

**GFC** – Global Financial Crash

**HEI** – Higher Education Institution

**IRS** – Informal Rented Sector

**LME** – Liberal Market Economies

**MOT** – Multiple Occupancy Tenancies

**PRS** – Private Rented Sector

**SPO** – Second Property Ownership
Energy poverty – a situation where a household cannot meet its domestic energy needs – is poorly understood in relation to the Private Rented Sector (PRS). Yet PRS tenants in Europe are more likely to be suffering from this condition than the general population, and PRS housing has generally been found to be the least energy efficient and least well-maintained. Alleviating energy poverty is a key precondition for achieving just transitions towards climate neutrality, and is gaining increasing attention as part of EU-wide and individual member states’ climate ambitions, such as the European Green New Deal.

This updated overview of the current academic and grey literature, and the resultant suggested framework of measures to tackle energy poverty in the PRS was undertaken as part of the ENPOR (Actions to Mitigate Energy Poverty in the Private Rented Sector) project, in order to establish the state-of-the-art in knowledge of PRS-specific energy poverty challenges. Since the first overview was published in 2020, the effects of COVID-19 on energy poverty have been better understood and greater data is available on this topic. Nevertheless, at the time of writing, the energy crisis, exacerbated by the Russian invasion of Ukraine in February 2022, continues to see worsening levels of energy poverty across Europe, and the impacts and consequences of this remain unknown. Nevertheless, energy poverty as a whole has received significant policy attention at the EU level (as evidenced, for example, by the establishment of the European Commission’s Energy Poverty and Vulnerable Consumers Coordination Group, as well as progress on the development of a Social Climate Fund). The term ‘renoviction’ became much more widespread in public discourses, thanks to growing recognition of the socially regressive consequences of energy efficient housing renovations in particular. At the same time, there has also been significant progress on the state of the art regarding the private rented sector as a whole, in both academic and policy terms.

The report consists of three core sections; the first is an in-depth review, which contextualises and highlights specific challenges affecting the PRS in Europe. This includes a historical and geographical overview, highlighting the increasing shift from homeownership and social renting to the PRS for a widening section of society. This part of the report also discusses the varieties of private renting, tenant-landlord relationships, and provides case studies from multiple European countries on the impacts of financialisation as well as de- and re-regulation of the PRS. The second section looks at energy poverty in the PRS, introducing the concept and how it is measured, as well as highlighting some key spatial trends occurring in the sector across Europe. We then review the literature, using the understandings established in the first section, and apply the historical and political shifts we examined to illuminate how energy poverty arises and is experienced in the sector. We scrutinise the impacts of tenant and landlord agency, and the types of tenants most vulnerable to, and affected by energy poverty. We then assess the barriers and drivers for increasing energy efficiency in privately rented homes, where we find that improving the efficiency of the PRS is not just a question of technical efficiency; it also involves complex social, economic and political challenges. The final section is a synthesis of the best practices, policies and solutions which are being carried out around the world to implement energy efficiency improvements in the PRS, culminating in a conceptual framework and recommendations.
We stress that despite addressing this shortcoming from the first review, the available literature coverage remains geographically uneven, concentrated in Western Europe and Anglophone countries, as are the drivers and effects of policies studied – to the extent that it is difficult to formulate universally generalisable findings. In addition, we emphasise that private renting, and energy poverty experiences in the PRS are highly context specific at local, regional and national scales. We conclude by highlighting the multiple pathways for energy poverty alleviation in the PRS, including regulatory, financial, and social measures, and argue in favour of the need for representation of different sector stakeholders involved in these pathways.
1. INTRODUCTION

This literature review aims to survey existing knowledge across a wide range of disciplines, so as to establish the state of art in energy poverty challenges associated with the private rented sector (PRS) in Europe. The PRS is broadly defined in this report as a classification of housing whereby a landlord, who is not a local authority, some types of housing association or registered social landlord, leases a property to a tenant, for a period of more than six months.

For the purposes of the review, over 150 academic articles and policy papers were analysed through two key entry points. First, we searched for broader contributions about the PRS that were then more tightly focused on social inequality issues, challenges and policies. This section of the review covers the context and varieties of private renting across different countries (primarily in Europe, but also drawing on examples from other continents), the role of housing financialisation in the process, the positions of different stakeholders – particularly the attitudes, intentions, experiences, and behaviours of tenants and landlords – as well as extant inequalities in the sector. We then turn to the driving forces and practices of PRS renovation more generally, the reasons for energy efficiency retrofits in the PRS, the economic and regulatory context, associated justice implications and inequalities, as well as the financial and social implications – including contestations, conflicts, and resistance.

Second, we searched for work on energy poverty, energy efficiency and retrofits, and this body of literature was refined for the PRS only. Special attention was given to articles about the social, economic, and political dimensions of energy interventions in the PRS. As with the first section, most of the literature is embedded in the Western context, generally referring to European experiences, although with some examples drawn from non-European countries. This section of the review starts from the premise that energy poverty is a situation in which a household cannot secure a socially- and materially-necessitated level of energy services in the home (Bouzarovski and Thomson, 2018). This conceptualisation locates the drivers of energy poverty across a combination of circumstances: low incomes, high energy prices, low energy efficiency, and energy-related practices more generally. The latter dimension includes household energy needs as well as the technical and regulatory context of the housing stock. As a result, our review both encompasses and extends beyond energy efficiency and energy affordability in conceptualising the key drivers of energy poverty, exploring in particular issues of social participation and representation, as well as the demographic circumstances of rented sector stakeholders.

Since the first overview was published in 2020, the effects of COVID-19 on energy poverty have been better understood and greater data is available on this topic. Nevertheless, at the time of writing, Europe is experiencing an energy and cost-of-living crisis, exacerbated by the Russian invasion of Ukraine in February 2022, which has led to worsening levels of energy poverty and poverty in general across the continent. The long-term impacts and consequences of this remain unknown. Nevertheless, energy poverty as a whole has received significant policy attention at the EU level (as evidenced, for example, by the establishment of the European Commission’s Energy Poverty and Vulnerable Consumers Coordination Group, as well as progress on the development of a Social Climate Fund). The term ‘renoviction’ became much more widespread in public discourses, thanks to
growing recognition of the socially regressive consequences of energy efficient housing renovations in particular, e.g. through the work of the European Federation of National Organisations Working with the Homeless (FEANTSA, 2022; Kurmayer, 2022). At the same time, there has also been significant progress on the state of the art regarding the private rented sector as a whole, in academic and policy terms (Angel, 2021; Kettunen and Ruonavaara, 2021; Lang et al., 2021; MacAskill et al., 2021; Waldron, 2021; Casla, 2022; Desvallées, 2022). To reflect some of these developments, we have added a new sub-section in the review dedicated to the impacts of COVID and the energy crisis on energy poverty in the PRS, which outlines the available academic, policy and grey literature on the topic.

The summative section identifies key trends and framings in the state of the art, and recommendations for onward work.
2. CONTEXTUALISING PRIVATE RENTING IN EUROPE

This first section of the deliverable first examines the development of the PRS in Europe (in geographic and historical terms), subsequently turning to varieties of private renting, the issue of financialisation, as well as general tenant and landlord framings, positions and agencies.

2.1. Historical overview of the private rented sector

In 1945, at the end of the Second World War, around 70% of Western European and other advanced capitalist countries’ households were living in privately rented housing. By the 1970s, the opposite was true, a result of increased home ownership from suburban development and the growth of mortgage finance, alongside the expansion of government social housing programmes in the form of subsidised, secure-tenure rental housing managed by local authorities (Gilbert, 2016). The global recession of 1973-75 saw unemployment and poverty soar across Europe; social housing became increasingly costly to maintain, leading to the living conditions in many estates deteriorating significantly. The 1980s saw a shift in public policy away from social rented housing towards neoliberalism and a preference for private home ownership, supported by tax relief and new banking systems. Home ownership was politically preferred as it was ideologically associated with social benefits such as a lower crime-rate, better educational attainment and increased involvement in the community (Bentzien, Rottke and Zietz, 2012). It was promoted by governments to such an extent that it became a key cultural indicator of social position. The shift from private renting to ownership was most dramatic in Spain – from 51% in 1960 to 91% in 2002 – and Portugal, in part due to subprime mortgages and debt-financed homeownership.

In the UK, by the late 1980s, private renters mainly consisted of low-income, non-family households and the elderly, with housing stock often in disrepair and poorly managed by landlords with a bad reputation (Crook and Kemp, 1996). Rent controls meant that returns were uncompetitive in comparison with other investments, inhibiting new investment in the sector and making it uneconomic for landlords to improve or refurbish properties. Thus, in order to stimulate the PRS, the government provided temporary tax incentives, extending grounds for property repossession, with generous tax relief and deregulating all new private lettings to allow them to be let at market rates. Local authority house building was reduced to its lowest level since 1920, and council house tenants were offered a 50% discount on the price of purchase of their home under the Buy To Let Scheme, reducing the quantity of social housing available. The eligibility criteria for housing benefit were reduced for under 25s, and the rate at which benefit is withdrawn as income rises was increased for all recipients, all of which forced more people into the PRS, which saw growth throughout the 1990s and 2000s. Further exacerbating the situation was the fact that local authority and housing association subsidies were reduced, raising rents and increasing tenants’ dependence on benefits – higher rent and portability of benefits better enabled the deregulated PRS to compete with the social rented sector for tenants. Rent officers vetted the market rents of housing benefit claimants and reimbursed local authorities only on the amount judged to be reasonable – tenants thus had to find the difference, persuade their landlords to reduce rent, or move. As a result, by 2007, 1/3 of private tenants in England lived in income poverty, with the number of families who traditionally relied on social housing accounting for a large share of the PRS’ growth between 2005-10. In 2017, 40% of
state housing benefits went to the private rental sector. Quality of housing is also a serious issue; in the UK, with regards to the number of homes not meeting the Decent Homes Standard, the PRS is the worst performing tenure type. In 2018, 1.35m homes did not meet this standard, with 45% of failed PRS dwellings not meeting thermal comfort standards, and 56% containing a serious hazard to tenants (Rugg and Rhodes, 2018). Belgium is also considered to be a homeownering society, with the PRS considered a ‘fallback’ option for low-income households, and often characterised by substandard housing and low institutional support (Lejeune et al., 2016).

With respect to Eastern Europe and former Soviet states, under Soviet rule, governments built public rental housing on a large scale, with rents set at very low levels and with private renting constrained. Although evictions were extremely rare, the housing was of low standard, constructed from cheap materials and often overcrowded. The high levels of public rental fell dramatically with the breakup of the USSR in the 1980s and 1990s, with public housing sold off and privatised – in Bulgaria, Estonia and others, owner-occupation rose to 80%, whilst in Romania, private owner-occupation was as high as 96%, with only 1% of housing stock remaining as social housing.

In the countries of former Yugoslavia (Bosnia and Herzegovina, Croatia, North Macedonia, Montenegro, Serbia, Kosovo and Slovenia, many of these follow the same development path of housing policy. This historic review could be divided into three periods: first, from the 1900s to till the World War II, second, the Socialist period and, third, the Independence and the transition period (Jakopic et al., 2015). In Croatia for example, in Zagreb from 1918 to 1941, significant changes in housing standards are recorded and housing policy became a recognisable part of social policy. Some forms of protected tenants existed, and social housing was built by civil organisations and co-operatives. The city of Zagreb acted as a partner to housing co-operatives in the construction of extensive settlements with family houses (Bežovan, 2008).

After the end of the World War II, these countries became a part of Yugoslavia: housing was thus affected by the change of the social, legal and political regime, with housing policy deeply linked to ideology. In the beginning, the focus of the newly founded state of Yugoslavia was on the renovation and construction of new housing that was needed as a result of World War II, which left many people homeless and caused large-scale migration from rural to the urban areas. However, due to the lack of finances, the scope of such endeavours, especially the construction of new housing, was small. The state retained the exclusive power to allocate residential units to people with housing needs, which also applied to private property - private owners were forced to accommodate families in up to half of the surface of their dwellings. The accommodated families paid rent to the private owners (Bežovan, 2008; Jakopic et al., 2015).

Once the emergency housing situation was handled, the attention shifted to improving the legal security of tenure. In 1954, the ‘right to an apartment’ was introduced, which gave users a subjective right to the permanent usage of the allocated dwellings, in accordance with the general rules on residential units. This right entitled its holder to permanently use the apartment as long as the housing need existed and while they performed their statutory and contractual obligations (Tumbri, 2005). Until 1953, the construction of residential units was exclusively financed by the state, but the 1956 imposed a compulsory contribution of 10% of the employees’ salary to a newly established
particular fund for housing construction. During the rapid industrialisation and urbanisation period of the 1960s and 1970s, public housing with an attached housing right became prevalent in urban areas. In rural areas, private ownership remained, but was subject to severe restrictions (Jakopic et al., 2015).

After collapse of Yugoslavia, privatisation started in Bosnia and Herzegovina, Croatia, North Macedonia, Montenegro, Serbia, Kosovo and Slovenia. In Croatia, in 1991, public housing with the aforementioned housing right was 25% of the total tenure structure, and was mostly concentrated in bigger cities. For example, in Zagreb it made up 45% of households. By the end of 2004, 317,831 apartments with housing right had been sold. The average sold dwelling had a surface of 59 m² and was purchased at 10% of the market price – as a consequence, the privatisation of housing in Croatia has been termed as ‘give-away privatisation’. Such low prices enabled many to buy their apartments, but on the other hand it leads to problems with legality and maintenance, when some of the owners are unable to maintain the apartment building they co-own (Bežovan, 2008; Jakopic et al., 2015).

According to Eurostat, in 2019, 89.7 % of the Croatian population lived in a household owning their home while the remaining 10.3 % lived in rented housing. At present, around 30% of tenants in Croatia belong to the group most burdened by housing costs, with around 30% of tenants being at risk of poverty. Renting on the private market is characterised by insecurity and informal contractual relations. Practices for renting and signing an agreement in Croatia are not regulated, often protecting the landlord’s property and neglecting the rights of the tenant; hence the contract that is actually signed is dependent on a tenant’s awareness of their rights and ability to negotiate. This could hence place vulnerable groups, such as migrants, at risk of exploitation and insecure tenancies (Marcetic, 2021). In Greece, as in elsewhere in Eastern Europe, the social rental sector is practically non-existent – only 1.6% of Athens residents live in social housing - and the supply of rental housing has classically relatively limited as it is a residual category of housing, with little regulation (Siatitsa et al., 2022). Traditionally, the cohabitation culture seen across other parts of Europe is not as present in Greece, and housing policy has classically been biased in favour of purchasing homes over renting, although this is changing, with as many as 40% of people renting in urban areas (Manalis and Matsaganis, 2022a).

Notable exceptions to the trend of homeownership which has characterised much of post-war Europe are Switzerland and Germany, where today, only 34% and 42% respectively of households are homeowners. This is due to tenure-neutral policies, which have reduced incentives for purchasing housing, as well as extremely stable house prices, meaning ownership is not as financially rewarding, with the PRS also supplemented by a large social housing sector. These countries also have a much broader social range of tenants than other countries’ PRS, including middle-aged and older households. Nevertheless, studies such as that carried out by Bentzien et al. (2012) suggest that a lack of affordable housing is a key contributor to the high rates of renting in Germany, whereby owning a home would only be feasible to single income families if they cut back significantly on non-housing consumption.

In the years leading up to and following the Global Financial Crash (GFC) in 2008, real estate became increasingly financialised, a new asset class targeted by financial corporations for trading on the
global stock market, investing in new and existing housing and transforming it into rental properties for multiple occupancy and single-family units. Europe and the Global North have seen the growth of so-called ‘Generation Rent’, characterised by a sharp fall in the share of households owning their home and an increase in the number of private renters. In part, this has been driven by an increase in the proportion of <35s in the general population, the proportion of young people in higher education, and in economic migration. More broadly, it is largely due to the increasing unaffordability of homeownership, wage stagnation and job precarity.

In the UK, the reduction in the rate of first-time buyers among 25-34 year olds is partially due to demographic factors, such as later marriage and parenthood, however, is also a result of the increase in student fees and interest on loans, delaying house purchase by graduates, alongside a boom in house prices causing these to rise much faster than average earnings. Low inflation and slow wage growth mean that mortgage repayments make up a larger share of income than in the 1970-1990 period. Furthermore, post-GFC fiscal austerity led to funding for social housing has been slashed, which corresponding with demand for social housing continuing to exceed current stock, has increased the shift to the PRS among low-income households. In Ireland, a similar trend has taken place, with public funding for new council housing falling by 94% between 2008-2013 (Lima, 2020). In conjunction with this, since 2014, the country has seen an increased level of evictions and weakened protections for tenants, with Unaffordable rents, a shortage of affordable housing and PRS insecurity have been found to be one of the primary causes of homelessness in Ireland.

The Netherlands, in particular Amsterdam, has also seen similar trends in the increase in private renting in the years leading up to and following the GFC. This occurred through active promotion of the PRS through rent liberalisation by municipal and national governments as a response to the increasing demand for and cost of social renting and home ownership (Hochstenbach and Ronald, 2020). Urban house price boom since 2013 and the introduction of stricter mortgage lending practices has meant that ownership has become out of reach for many households, coinciding with spiralling rent costs due to the market liberalisation policies enacted by the Dutch government. This is a particularly salient issue for middle-income groups who earn above the social-rent qualification threshold and have thus increasingly found rent costs untenable, but who are unable to move into homeownership. Spain has also seen significant PRS deregulation following the 2013 Urban Letting Act, shortening eviction notices and tenancy periods, the creation of a punitive register of rent defaulters and the allowing of negotiation of rent between landlord and tenant. There are now few protections for tenants, with a preference for creating more favourable conditions for landlord-investors and thus encouraging growth in the PRS (Byrne, 2020).

Turning to the Global South, the growth of the informal rental sector (IRS) is playing a key role in the provision of housing in many rapidly expanding urban centres. This expansion is a consequence of a critical housing shortage in cities, where formal property markets cannot keep up, with the alternative being squatting, which is fraught with its own issues (Scheba and Turok, 2020). With millions depending on its affordability and flexibility, the variety of accommodation available in the IRS can range from ‘an inner city building to a backyard shack’ and is one of the few housing options open to marginalised groups, female-headed households and informal workers. In South Africa for example, the practice of ‘backyarding’ – the provision of accommodation in shacks in backyards – is widespread, with over 1m households living in such accommodation in 2016. Governments and financial institutions thus far have largely ignored the potential of the IRS to improve the quantity of
affordable housing for these groups. The IRS therefore largely operates outside of formal regulatory frameworks, creating several risks such as health and safety, unfair landlord-tenant relations, and pressure on infrastructure, but is considered by Scheba & Turok (2020) to be ‘a viable and thriving sub-market providing necessary and affordable accommodation for households across the low-income spectrum’. They argue for a ‘developmental approach’, to work with, rather than against informal housing providers and structures to encourage investment in housing and practices, and to improve conditions for renters. The IRS is not constrained to the Global South however; Palomera’s (2014) ethnographic research into Spanish informal housing practices in Barcelona found that low-income households, particularly migrants, who had been able to purchase homes through sub-prime mortgages prior to the GFC, met repayments beyond their incomes through renting rooms to relatives or friends. As such, behind the outward image of a ‘buoyant society of middle-class homeowners, lay a world of informal renting and poverty’.

In summary, in 2016, it was estimated that globally, 1.2bn people lived in rented accommodation, particularly in urban areas, where affordability and quality of housing remains a key issue, with household expenses increasing faster than salaries in many metropoles (Wetzstein, 2017). Once seen in many countries as a sector in ‘terminal decline’, the PRS has seen an era of renewal, in several areas expanding and diversifying, often evolving quickly (Martin, Hulse and Pawson, 2018). However, this growth of the PRS over the past three decades does not necessarily reflect an increasing societal preference for renting. The flexibility of short leases, which is attractive for students and younger households, instead creates insecurity and precarity for low-income families and tenants. The sector is complex; a result of decreasing social housing expenditure, government interventions and changing regulations, with a blend of sub-markets and types of renters, and large geographical nonuniformity across local, regional and national scales. These ideas will be further expanded on in the subsequent sections. The PRS comprises multiple sub-markets which intersect and overlap, catering for an array of social groups, from students, young professionals, elderly tenants, housing benefit recipients, migrants, asylum seekers and refugees, right through to criminal and slum rentals (Rugg and Rhodes, 2018). There are many varieties and contexts of private renting; as Whitehead et al. (2019) state, the PRS is ‘one sector in name only’.

2.2. Varieties of private renting: A UK – Germany Comparison

Housing provision is highly path-contingent and any comparisons of variations between nations must account for past legacies and present conditions. Based on a review of 20 high-income OECD countries, Flynn (2020) found that unitary rental sectors, such as in Sweden, place the PRS in competition with the public or social housing sector, enabling governments to both regulate prices and improve the quality of the PRS through competition with the social sector, as well as making the rental sector a viable alternative to homeowning (Flynn, 2020). This is contrasted with dualistic rental systems – prevalent in Anglophone countries – where social and private housing are separate and do not compete with each other, leading to decline over owner-occupation.

This difference is exemplified by Kemp & Kofner’s 2010 comparison of the UK and German PRS. They posit that in the UK, free market rents and weak tenure security are seen to be necessary for a viable and successful PRS – its revival since the late 1980s is often attributed to such legislation, while Germany’s much larger and more stable PRS has had softer rent regulation and strong tenure security
since the 1970s. Like many coordinated market economies (CME), Germany has low levels of home ownership, whilst the UK, a liberal market economy (LME) has high rates of ownership – 39% and 68% in 2007 respectively. With regards to renting, Kemeny (2006) outlines a dichotomy between the two countries – Germany has what is known as a unitary rental housing market, with social housing not confined to lower-income groups and exposed to competition with private landlords, and with little difference between the quality and cost of rent in the PRS or social housing. Conversely, the UK context has stark quality and rent cost differences between the PRS and the social housing sector, with social housing being ‘highly stigmatised’ (Kemp and Kofner, 2010, p. 382). Other highlighted differences are volatile versus stable house prices, liberalised market finance versus regulated, and home purchase attitudes of ‘property ladder’ versus ‘once in a lifetime’ in the UK and Germany respectively.

With regards to tenant profiles, in Germany, over 90% of those under 30 and 70% of those between 30 and 40 are renters, and there is a clear correlation between renting prevalence and income. 71% of those with a monthly income of less than €2000 are renters, versus only 25% of those earning over €4500 per month (Kofner in Martin, Hulse and Pawson, 2018). In the UK, 70% of 16-24-year-olds and 44% of 25-34-year-olds live in the PRS, whilst the proportion of 35-54-year-olds in the PRS has doubled from 2005-2015. The number of children living in the PRS has also increased, with single parents greatly overrepresented in the sector. Minority-ethnic groups are also over-represented in the sector. As in Germany, those over 65 are the least represented in the PRS. Where the UK deviates in trends from Germany however, is that the proportion of private renters is relatively evenly distributed by income decile – each decile is made up of between 12 and 22% private renters.

Some of the other key features of the UK PRS are the high rate of tenant turnover – half of tenants have lived in their current home for less than 2 years – and the high numbers of small-scale private landlords (around 60%) (Stephens in Martin, Hulse and Pawson, 2018). There has been a sharp increase in BTL investors in the UK since 2000 due to the pre-GFC credit boom, which such investors taking out mortgages at high loan-to-value ratios, focused on capital gains. This has occurred to the extent that BTL is seen as an ‘everyday investment’, with renting enjoying a much more positive image than in the 1980s. In contrast, in Germany, as the sector is not so focused on niche markets, although there are some providers focussed on the luxury and student sectors, it serves a wider gamut of society and is a ‘cornerstone of housing provision for all parts of the population’. Households with subprime credit status are not encouraged to take out mortgages for homeownership, meaning that mortgage borrowers are less vulnerable in recessions, and makes the real estate market more stable. Private individual landlords, although forming the majority of landlords (65%), as in the UK, are less motivated by short-term capital gains or investment, generally having much longer investment horizons than in the UK – instead tax reasons play a larger role in renting out properties due to substantial depreciation allowance. Tenures are much more secure, as landlords have no rights to arbitrarily end contracts unless there is proof of breach of contract for example, and rents cannot be raised by more than 20% in three years, compared with the UK, where no-fault evictions are legal and rent increases are unregulated. In Germany, there is widespread availability of good quality housing, investment in stock by landlords and low residential mobility, in contrast with the UK’s lower end, where poor quality is pervasive.

Comparing rental trends in the UK and Germany thus reveals the contrast in the types, security, regulation, tenant profiles and attractiveness of the PRS, as well as highlighting that considerations
of a country’s housing history must be accounted for when implementing policy across a pan-European context.

2.3. Private renting and financialisation

Byrne (2020) states that the process of financialisation and associated neoliberal policy regimes have been a key mechanism in the decline of homeownership experienced by European countries. Financialisation is defined by Hulse et al. (2020) as a ‘shift in capitalist accumulation from commodity production to financial activity’, the increasing importance of ‘shareholder value above other corporate objectives’, and the ‘extension of financial activity into everyday life’. As economic growth ‘revolves increasingly around financial markets’, financial institutions are gaining greater influence on social and cultural domains (Nethercote, 2020). With respect to the PRS, financialisation is the conversion of housing into financial assets, the dominance of financial activities as the driving force behind changes to national housing systems, and the increasing reach of financial activity into what were previously non- or less-financialised actors and systems. Critics have noted that governments have placed an increasing and ‘excessive’ emphasis on the PRS to solve the affordable housing crisis which places the returns for investors above the needs of tenants. The acquisition of distressed property assets following the GFC have created an environment ripe for financial actors to expand into the PRS market, particularly in liberal Anglophone welfare states. For example, Lima traces a pathway in Ireland whereby investment funds acquire portfolios of distressed Buy-To-Let mortgage loans, allowing them in some circumstances to repossess properties and ultimately evict the tenants who live there so that the property can be sold (Lima, 2020). Institutional investors can range from Real Estate Investment Trusts (REITs), large pension funds and private equity funds, to local firms and actors. It also highlights the PRS’ move from the local to the global and its exposure to broader international trends (Byrne, 2020).

Wijberg et al. split financialisation into two stages – the first occurring from 2000-2007 prior to the GFC, whereby private equity firms acquired rental housing under the mantra of buying low, selling high (Wijburg, Aalbers and Heeg, 2018). However, since the crash, accessing finance for this type of speculative business model has become much more constrained; instead, companies have adopted more long-term investment strategies. Some noted trends of financialisation 2.0 are the development of private equity firms into REITs and real estate companies, which purchase PRS housing in cities to ‘liberate unused value in real estate’, developing the buy low, sell high mantra into a ‘new phase of longer-term rent extraction’, and the increased reliance of non-profit housing providers on private finance (ibid). REITs are a way to attract foreign investment and recapitalise the banking sector, and often have financial models to create large profits in the short term. In light of this, the Irish government has exempted REITs from corporation tax on income gained from property rental (Lima, 2020). Another characteristic is the creation of public-private partnerships with local authorities to redevelop neighbourhoods and modernise existing housing. The coinciding of the post-GFC market with digital innovations, such as optimisation and automation of rent collection and property maintenance, has also made the acquisition and operation of large volumes of housing possible.
The process of financialisation is well reflected in the development of Build-to-Rent (BTR) housing and the conversion of existing housing stock to rental units (Nethercote, 2020). In the UK, BTR pipelines have grown by 478% since 2013, with 52% of units concentrated in London, supported by public subsidies and government capital market financing guarantees. Although a little later than the UK, BTR has since 2018 become more established in Ireland, seeing a strong demand for sites for large BTR developments and a ten year high for volume of land traded in Dublin. BTR in Ireland has been strongly targeted at high-earning millennials and has set objectives of increasing the supply of private rental stock. Even housing associations, which were traditionally set up in the UK to provide not-for-profit housing to low income households at below market rents (Crook and Kemp, 2019), are responsible for 25% of BTR home construction, which are then let for-profit to better-off households than their classical social housing provision. Elsewhere in Europe, such as in the Netherlands, housing associations have also entered the private market and become more market-orientated, following the decline of state funding.

A key driver of issues surrounding affordability is the process of gentrification, whereby well-located and attractive inner-city areas become populated with higher-income households, or property is purchased by Buy-to-Let (BTL) investors (Haffner and Hulse, 2019). As a result, lower-income households are pushed out in favour of increasingly high-income, wealthy residents, and to the profit of existing landowners who benefit from skyrocketing rents. In Ireland, Greece and Spain, in the midst of crisis-stricken property markets, institutional investors bought detached multifamily rental homes in large volumes for conversion into single-family homes, often involving ‘gentrifying-by-upgrading’, as these luxury rentals can fetch higher rents than multi-family occupancies, displacing existing lower-income residents. Nethercote (2020) also describes the process of ‘hotelisation’ of rental homes, offering luxury services and amenities to attract more clients and respond to competition in the upper-end of the rental sector, including fitness, recreation, concierge services and even pet-care.

Hotelisation can also refer to the conversion of longer-term rental housing into short-term or tourist lets by platform technologies such as Airbnb, which can lead to housing shortages, house-price inflation and displacement of lower-income groups in tourist-attractive neighbourhoods (Lima, 2019). The potential income from these platforms has led to a large increase in Airbnb landlords, as short-term holiday lets can provide more lucrative returns on investment than longer-term lets, as well as large corporations entering the platform-rental market (Aalbers, 2019). In Croatia, according to AirDNA data, in Zagreb, the annual income from short-term rental platforms increased by 30% to 2020, prior to the COVID-19 pandemic. At the same time, accessibility was drastically reduced long-term rental: according to data available on Njuškalo.hr, rental prices in Croatia of long-term leases are growing at an annual rate of 11%. Furthermore, if looking at the rent burden coefficient, the market rent in Zagreb is unaffordable: with an average rental price of 9.5 euros/m², total rent for a residential unit of 50 m² is 475 euros, equating to 50% of the average monthly income (from a total of 943 euros net), which is a high housing cost burden. In order to tackle the issue, many cities have introduced legislation regulating short-term lets – for example, in Berlin, properties are not allowed to be rented on Airbnb, only single rooms, whilst in Paris, in order to rent on the platform, landlords must register with their local municipality to facilitate tax collection. By contrast, London further deregulated short-term rentals in 2015, allowing owners to
lease a property for 90 days per year without needing to declare the rental (Lima, 2019). Nevertheless, Manalis and Matsaganis observe that countries which rely heavily on tourism can struggle to balance the need to raise tax revenue against providing protections and regulations for domestic tenants (Manalis and Matsaganis, 2022b).

Dewilde’s (2018) research found a general positive correlation trend between the financialisation of homeownership and renting, and the worsening of affordability of housing for low-income private renters across Western European countries. Factors which have undermined homeownership have included the house-price-growth to income-growth ratio prior to the GFC, the growth of BTL mortgages, the decline in social housing, the deregulation of the PRS, increasingly restricted access to mortgage credit since 2008, and declining employment opportunities. In the UK and Ireland, poor sector regulation, rapid capital gains and the availability of finance products for landlords such as BTL mortgages, meant that the sizeable affordability gap created in the home-owner property market, and the demand for the PRS this created could be met by small-scale landlord investment (Byrne, 2020). This has resulted in a narrowing of the proportion of society who are able to access homeownership, concentrating property ownership among the wealthier classes, particularly those who are able to acquire additional properties (Forrest and Hirayama, 2015). Credit for mortgages has become significantly harder to obtain for lower income and first-time buyers, and house prices increases have rapidly outstripped wage and income growth. Dewilde (2018) notes that particularly in Ireland, Spain, Portugal and the Netherlands that declining affordability has been due to increases in the costs of private renting insufficiently compensated for by poor income growth.

The PRS is also increasingly being used as an ‘asset-based welfare strategy’, whereby individuals invest in property to ensure future welfare for themselves in older age as a supplement to pensions, and for their families. This is reflected by the fact that the majority of landlords in many countries are small-scale, one-property private individuals (Martin, Hulse and Pawson, 2018). This phenomenon is particularly acute in corporatist-conservative and liberal-welfare economies, where it is a ‘manifestation of the concentration of housing wealth and limited access to homeownership’ (Wind, Dewilde and Doling, 2020), with Sweden providing an exception to this trend, where housing companies are more common than individual landlords. Second property ownership (SPO) can broadly be separated into two categories: as wealth investments for extracting capital gains, or as rental investments, for second homes, pieds-a-terres and non-commercial purposes. The Nordic countries have the highest share of SPO, with 30% of households owning second properties, with the Netherlands and Slovenia having the lowest rates of around 14.5% median average. The incidence of landlordism in second properties however is highest in Ireland, Belgium, Germany, France and Luxembourg, with more than 50% of SPs being let, and nearly 80% in Germany. This provides a form of protection for middle class households against a backdrop of wage stagnation, privatisation of state services and reduced welfare provision. Popular property investment discourse tracks the investor’s journey, from the ‘mundane world of work to financial freedom’ (Hulse, Reynolds and Martin, 2020).

Many countries’ rental sectors also include large-scale corporate landlords, with recent growth of very large new rental corporations in some areas. In Germany, this growth has been attributed to the privatisation of social housing, whilst in the USA and Ireland, companies have grown in response to government disposal of assets following the GFC (Martin, Hulse and Pawson, 2018). Academic literature has uncovered tensions between renters and shareholder interests in these institutional
investor-owned properties, with landlord accountability being problematic, especially if they are headquartered in different cities or even abroad (Nethercote, 2020). Other issues found include rent hikes tied to property upgrades, sub-metering of utilities including energy, poor property management, ancillary charges, and increased illegal inspections and evictions.

Aigner focuses their research on the growth of the Austrian market of financialised residential investment products, whereby property is treated purely as a financial asset and valued for the capital that can be extracted from it (Aigner, 2020). Vienna, a city with a large social housing sector and high rate of rental tenancy, is experiencing a phenomenon, whereby Vorsorgewohnung, or ‘provision for pension apartments’, are being transformed into a submarket asset class for small-scale private investors. These apartments are usually newly built and are BTL. The phenomenon has been so pervasive, that by 2015, every tenth building project was sold only to investors rather than owner-occupiers. At the macro-level, the rise in PRS investments and subsequent numbers of tenants living in private rentals as a result of Vorsorgewohnung BTL purchases has created a house price boom in Austria unequalled elsewhere in the EU between 2007-19, with a 124% increase in per square metre sales price. However, as elsewhere, this is creating increasing difficulties in purchasing a home among low-middle income groups. At a micro-level, this highlights a growing issue of what is known as a ‘disembedded letting practice’, whereby the owners are distanced from the property from the outset, which is planned ‘solely for the purpose of generating income’. The dwelling is sold prior to completion through the use of photo-realistic images, owners have no input into the furnishings, and no contact with tenants, since dealings are taken over by service providers. This removes the social relations between tenant and landlord, encouraging indifference and disconnect – owning a housing unit is no different to owning any other investment share. Although Austria is used as a case study in this research, it is by no means the only country where such shifts in the BTL and financialisation of housing have occurred in Europe, where acquisition of residential property for capital investment has become ‘an essential part of the self-understanding of Western middle classes’ and where housing has increasingly become intertwined with the global financial market.

2.4 Rental Market Regulation vs Deregulation

Research is now starting to show that the trend towards PRS deregulation, which has featured in the UK and many other European countries, is in some cases starting to reverse, in that the sector is becoming more regulated once more, to provide longer term tenancies for a broader range of household types and more affordable homes, as a result of spiralling rent costs and limited opportunities to get onto the housing ladder. The increasing demand for additional controls on the market is likely due to the increasing political significance of the renting population. Work in this domain has found that market rents are not strongly related to the refurbishment of dwellings in a deregulated sector, and that the worst dwellings are often owned by landlords mostly interested in a significant commercial return on their investments. This means that the deregulated market does not provide the incentives for investment; ergo, government intervention is needed (Crook and Hughes, 2001). Crook and Kemp (1996) add that rent deregulation does not contribute to improving the PRS due to the gap between rental returns and those required by landlords resulting from tax and subsidy regulations. Roberts & Satsangi (2020) have found that there are broadly two arguments in contemporary political debates on the (de/re)regulation of landlordism, which tends to centre on the benefits of the free market versus the social costs of an unregulated sector. The first is an ‘ethical
argument with an economic consequence’, whereby landlords are in a position of power over their tenants, and an assumption can be made that some will abuse this power. Thus, to protect tenants, landlords should be regulated. The other is an ‘economic argument with an ethical consequence’, that regulating landlords imposes costs, which will in turn be imposed on the tenant by increasing rent costs and reduced housing supply, and thus, regulation should be limited.

Some examples from Europe are as follows: Ireland, a country which historically has had one of the most lightly regulated PRS, has seen since the GFC rent costs becoming more politicised, particularly in high demand areas. The government responded by introducing rent cap increases in 2016 at 4% per year for three years in certain ‘pressure zones’, which has now been extended until 2021. In Spain, the government proposed changes to increase tenancy length to five years and to limit deposits to two months’ rent in 2018, but failed to implement rent controls in cities where rents are rapidly increasing, due to a need to ‘study what the factors are that are pushing rent prices up’. With regards to France, lease length is 3 years, and rent cannot rise by more than a national index. In 2019, legislation was brought into force that granted cities the rights to impose rent controls to new tenancies, in order to create more affordable housing and in areas with housing shortages, with local authorities able to set their own rules and caps. On the other hand, regulation that is too strict can backfire. While voluntary accreditation schemes have been successful in Wales, compulsory registration and accreditation of PRS housing as a legal step was not supported in Wales by landlords, and is seen as a collective punishment (Jones, 2015).

Whitehead & Williams (2019) argue that despite these actions, there have been mixed results for the stabilisation of rent, due to a need for better data, more sophisticated enforcements and appeals systems, and a need for greater transparency of rights and responsibilities for both landlords and tenants. A comprehensive study about the regulation of rents in France, England, Germany, Spain, Sweden, and the Netherlands shows that rent regulation tends to protect the tenants, but offers few benefits for landlords and thus remains unpopular among landlord groups (Haffner, Elsinga and Hoekstra, 2008). What remains poorly understood is how these new rent controls impact on new investments, the extent to which tenants actually benefit, and the willingness of landlords to remain in or enter the PRS.

2.5 Tenant and landlord framings, agency, aspirations and experiences

Framings and Stereotypes

A private landlord is defined as someone other than a social landlord, who owns a property which is subject to a lease or occupancy arrangement which someone other than a family member can use as a place of dwelling. As mentioned in Section 2.3, small scale landlords continue to make up the majority of the PRS in many European countries and have been the driver of most recent growth, although since the GFC, many countries have started to see an emergence of global corporate landlords and institutionally backed build to rent sectors, which are becoming an increasingly important component of the PRS (Hulse, Reynolds and Martin, 2020). The rise of small-scale landlords has in some countries led to a reframing of the ‘landlord’, to the ‘Everyman’, or ‘mum and dad rental investors’, so-called normal people who claim to be crucial housing providers which reduces the burden on government housing provision, and thus an important political group (ibid). Private
company, SpareRoom, which provides platforms in the US and the UK for individuals to advertise flat shares and spare rooms, tapped into this sentiment through a London Underground advertising campaign in September 2022, encouraging people to rent out their spare rooms as a mechanism to ‘ease the housing crisis’ and ‘ward off rising living costs’.

Roberts & Satsangi (2020) suggest that a good landlord has the following characteristics;

- They are local authority registered,
- Deposits are paid into an approved scheme and carry out maintenance and repairs when needed,
- Are aware of responsibilities and tenants are aware of their rights,
- Use a registered letting agent,
- Members of an association, and
- Invest profits into improvements and repairs to look after the property and meet standards.

Nonetheless, the stereotype of the ‘Bad Landlord’, one who harasses, charges extortionate rents, evicts or provides substandard housing, is pervasive and enduring in the rental sector and beyond. In the UK, policy has had to ‘rehabilitate’ the image of landlords to encourage investment in the PRS, through the formation of self-regulating government-landlord partnership groups. UK government discourse posits that bad landlords are a ‘small minority’, and that instances of misappropriation are due to ‘amateurism’. Despite certain advances in changing the image of landlords, Rhodes & Rugg (2018) argue that the concept of the bad landlord continues to be ‘too weak to cover the worst levels of criminality in the PRS’.

There are three issues in the PRS on which a plurality of different views between landlords and tenants on what is deemed acceptable with regards to housing can be found. These are: the multiplicity of attributes and the subjectivity of what constitute a ‘good tenancy’, rent levels, security of tenure and housing standards (Whitehead, Williams and London, 2019). The dichotomy of the good/bad tenant stigmatises certain groups, but also ‘valorises certain behaviours and marks others as problematic’ produced in relation to ‘expectations of middle-class homeownership (Power and Gillon, 2020). Some discourses posit renters as ‘failed consumers’ and as risks, locally as a neighbourhood and property quality risk, and nationally, as a fiscal risk, particularly in older age.

Particular groups of renters, as evaluated through lenses of race, class, income, gender and age, are seen as ‘riskier’ than others, particularly those on housing or income benefits. Some stereotypes go so far as to see renters as ‘ethically defective’, having ‘poorer maintenance standards or ‘lacking a sense of pride’ in their homes (Cheshire, Walters and Rosenblatt, 2010). Conversely, renters are a significant dimension of how housing investment gains are achieved, and thus Power & Gillon (2020) see renters within this paradox as ‘generators of risk, reward and value’. Outcomes of their research found that the ‘good’ tenant is primarily classed by their compliance with their rental contract; ability to pay rent in a timely manner, being aware and responsive to landlord needs, taking stewardship of the home, reporting repairs and so forth. However, they also found that elements of the ‘good’ tenant were performative, with some tenants avoiding complaining or not making extra demands for non-essential repairs, thus ensuring a secured tenancy, but at the cost of a decent home.
Power and agency

Security in the context of housing is traditionally a reference to security of tenure, but is has been found to be a ‘multi-dimensional and nuanced set of factors’ (Hulse and Milligan, 2014), including the extent to which tenants can ‘make a home and stay there’, market contexts and cultures, and landlord-tenant relationships. Byrne & McArdle (2020) argue that insecurity and secure occupancy should be understood as a function of power and relationships between the landlord and tenant, as well as social standing of the tenant, rather than a passive characteristic of tenants’ experiences in the PRS, due to the fact that landlords, to a varying degree, are in a position of power and influence over a tenant’s access to their home and condition of a dwelling. For example, based on evidence from the Netherlands, those wishing to move from owner-occupied to rented housing, as well as households with more resources, are characterised by a greater probability to move (de Groot, Mulder and Manting, 2011). Homeowners are more likely to exhibit a stronger intention to move because they face fewer obstacles relative to renters with a preference for another rental dwelling (de Groot, Mulder and Manting, 2011). In another example, some private landlords are reluctant to offer more secure long-term leases because mortgage conditions prohibit them from renting out their properties for more than one year. As such, they are focused more on capital gains, wanting to maximise their freedom to sell with vacant possession (Kemp, 2015).

Research on the Irish PRS showed that these kinds of power asymmetries between landlord and tenant are present in a number of ways. Firstly, it is expressed through legislative insecurity, particularly security of tenure, where landlords are permitted to terminate tenancies on several grounds, including intentions to refurbish or sell. Second is market security, which amplifies legislative insecurity, due to a dearth of affordable alternative properties and which can lead to a feeling of lack of control for tenants. Thirdly, cultural insecurity also plays a role; rental homes are seen explicitly as the landlord’s property, meaning that landlords are in control of multiple aspects that can establish a secure sense of home for a tenant, including décor, pets, whether they accept children and so on. This can also be expressed as discrimination towards certain social groups, particularly migrants. Since the GFC, Ireland has seen the proportion of households renting double between 2006-16, as well as a notable increase in evictions, overcrowding, rent increases, with the PRS being the key driver of homelessness in the country in the past two decades (Byrne and McArdle, 2020). Average annual rent increases in Dublin have been greater than 7% since 2014. In response, policy has started to shift to reflect an increasing recognition of the importance of secure and affordable PRS housing, particularly following an official acknowledgement that growing numbers of people will never transition to homeownership in Ireland. Nevertheless, policies that have been implemented since 2016 have been largely ineffective, as rents continue to spiral upwards, and that ‘non-compliance persists’, including retaliatory evictions. It is suggested that if tenants are unable or too fearful of confronting landlords, particularly in a challenging and tight market, then legislation may continue to be ineffective. Tenant insecurity then is key to shaping and constraining agency when contesting breaches of rights and legislation. Evictions, particularly from the PRS, are a key trigger for a household becoming homeless in many European countries. The provision of legal advice has been found to have a role in preventing evictions and assisting with landlord-tenant mediation. In Austria and Belgium, local authorities must be informed if an eviction is taking place. In the Belgian context, the Centre for Social Welfare must then investigate possible avenues of support for the household. Short-term emergency funding to help prevent evictions is also available in Spain, Austria, Poland, Finland, France and the Czech Republic. Other long-term mechanisms identified to prevent
homelessness include widespread access to affordable and secure housing as well as welfare support (Mackie, 2022)

Chisholm et al. (2020) argue that tenant-landlord power is manifest in three further ways; ‘visible power’ - who prevails in decision-making and disputes, ‘hidden power’ – conflict does not arise as tenants do not feel able to voice grievances, and ‘invisible/naturalised power’ – where tenants become accustomed to sub-standard housing. With regards to the last two dimensions of power, these are not necessarily intentional, or a result of landlord inaction, but rather signify more subtle behavioural dynamics and the consequence of enduring stereotypes in the PRS. Sanderson’s (2019) research explores what factors are within a landlord’s control to obtain loyal tenants, as it is in a landlord’s interest to have their tenant renew their lease, due to the costs incurred to the landlord of a vacant property, including council tax and search costs. They found that responsiveness to requests, trust, value for money, good communication, professionalism and customer care are key factors that build tenant satisfaction and in turn lead to an increased likelihood in renewing their lease. Research from around Europe further found that residential satisfaction is a function of the home, neighbours and the neighbourhood (Dekker et al., 2011), as well as noise, safety and overcrowding.
3. ENERGY POVERTY IN THE PRIVATE RENTED SECTOR

In this part of the report, we explore energy poverty and energy-related issues in the PRS, starting with an introduction to energy poverty and how it is measured, then move on to a geographical overview of the phenomenon. We subsequently identify the location and challenges of different energy poor households in the PRS, looking at different axes of vulnerability. We present more detailed work on the agencies and capabilities of the landlord and the tenant, specifically with regards to energy efficiency retrofits. Then follows an analysis of the drivers and barriers linked with energy efficiency retrofits and other potential solutions to alleviating energy poverty in the PRS.

3.1. The PRS in the context of energy poverty and energy efficiency debates

Energy poverty is defined as a condition in which a person is unable to secure materially and socially necessitated energy services in their home, encompassing security of supply, affordability and access (Bouzarovski and Petrova, 2015; Bouzarovski, Thomson and Cornelis, 2021). Causes and drivers of energy poverty have classically been attributed to a triad of low incomes, high energy prices and poor household energy efficiency, although deeper academic research has found that energy poverty is an inherently systemic challenge, linked to social, governance and technical structures (Halkos and Gkampoura, 2021). Some of the drivers studied in the literature include individual drivers, such as low energy literacy (Chodkowska-Miszczuk et al., 2021), and increased energy needs due to a variety of health factors, and more structural factors, such as inflexibility of energy supply, limited access to energy services, and climatic conditions (Vondung, Burbidge and Bouzarovski, 2022). Other research has found that ethnicity, gender, class, disability and age, alongside tenure type and dwelling typology all affect vulnerability to energy poverty (Hernández et al., 2016; Bouzarovski and Tirado Herrero, 2017; Petrova and Simcock, 2021).

In 2020, it was estimated by the European Commission that around 36 million people in the EU were unable to keep their homes adequately warm, although this number is likely to be much higher if different indicators and facets of energy poverty are taken into account (Widuto, 2022). Indeed, Halkos & Gkampoura estimate that as many as 150m Europeans could be categorised as fuel poor, with the highest levels measured in Bulgaria and the Balkans, and the lowest levels in Scandinavia. Energy poverty rates increased following the GFC, although European countries overall managed to reduce energy poverty rates in the period 2014-2019, except in Greece, Malta and Slovenia (Halkos and Gkampoura, 2021). A large body of literature has pointed out that across Europe, the PRS is the least energy-efficient among the different housing sectors, as well as having the most elevated levels of energy poverty (Crook and Hughes, 2001; Wilkinson and Goodacre, 2002; Druckman and Jackson, 2008; Roberts, 2008; Burfurd, Gangadharan and Nemes, 2012; Dowson et al., 2012; Hope and Booth, 2014; Ambrose, 2015; Morris and Genovese, 2018; Ambrose and McCarthy, 2019). The importance of this sector is also reflected in its growing market size, and the fact that people are increasingly living in the PRS for long periods of their lives due to the inability to access social housing or homeownership (Hoolachan et al., 2016; McKee, Soaita and Hoolachan, 2020).
A key driver for improving the ‘energy efficiency gap’ in the PRS, as well as buildings in general, stems from its environmental and climate implications; buildings contribute more than 40% of the EU’s final energy budget. Nevertheless, renovation rates across the EU average at about 1% per year (Druckman and Jackson, 2008; Hope and Booth, 2014; März, 2018b; Weber and Wolff, 2018; Naber et al., 2019; Heffernan et al., 2020; Miu and Hawkes, 2020; März, Bierwirth and Schüle, 2020). The European Union’s 2021 Fit-for-55 policy proposal, part of the European Green Deal which seeks to achieve net zero by 2050, contains a package of instruments to decarbonise the EU’s building stock, as well as an earmarked fund to support those living in energy poverty. Nevertheless, this proposal fails to address the specificities of the PRS and lacks a dedicated approach to tackle energy poverty in this sector (Vondung, Burbidge and Bouzarovski, 2022).

3.2. Spatial and temporal geographies of PRS energy poverty

In Europe, there is collated country-level evidence available from the Energy Poverty Advisory Hub (EPAH) – formerly the EU Energy Poverty Observatory (EPOV) - as well as from the ENPOR Energy Poverty Dashboard, which reveals some of the macro-scale variations between different housing tenures across EU Member States, as well as changes over time. Vulnerability to energy poverty however is extremely context dependent and varies across national, regional and local scales, as well as over time (Burbidge and Petrova, 2022).

Energy poverty is measured at a national level using a range of indicators, which are divided into primary and secondary indicator types. The Energy Poverty Atlas (EPAH), in their 2022 update to indicators previously set out by the Energy Poverty Observatory (EPOV), highlight four primary indicators and eighteen secondary indicators (Gouveia et al., 2022).

The primary indicators are:
- Arrears on utility bills – % of the population
- Low absolute energy expenditure (M/2) - % households
- High share of energy expenditure in income (2M) - % households
- Inability to keep the home adequately warm - % households

A selection of secondary indicators:
- Population living in a dwelling with presence of leaks, damp or rot - % population
- Population at risk of poverty or social exclusion - % population
- Household gas/electricity prices – EUR/kWh
- Energy expenses subdivided by income quintile - % population
- Population living in a dwelling that is comfortably cool during summer - % population

Disaggregated evidence is available for the primary indicators by tenure type\(^1\). It should be noted that these indicators refer to ‘market rent’, which may not entirely map onto the private rented sector – as in some countries market rent is also paid in state- and co-operatively-owned dwellings. This potential discrepancy will need to be further contextualised and investigated in the course of the ENPOR project.

\(^1\) Data Obtainable from the EPOV: https://www.energypoverty.eu/indicators-data
As part of the ENPOR project, an Energy Poverty Dashboard has been developed, which disaggregates data for the private rented sector for many indicators, as well as presenting two new rental sector specific indicators, a Rented Private Housing Energy Poverty Indicator (REPI), which is a composite indicator including the inability to keep home warm, faults with housing, arrears on utility bills, adjusted for the size of the rental sector in a given country. The second indicator is the Share of Energy Poor Tenants in the Energy Poor population (STEPP) in a given country. Both of these indicators are detailed further in ENPOR’s User Guide for the Energy Poverty Dashboard (Burbidge, Bouzarovski and Vondung, 2022).

We present data from the EPD for both the general population and for private renters for the latest data available for key indicators to showcase key spatial trends across Europe. Temporal changes 2019-2021, encompassing COVID-19 and the preliminary effects of the energy crisis will be discussed in Section 3.5.

![Figure 1 A](image1)

![Figure 1 B](image2)

Figure 1 A - % share of the general population and B - % share of tenants paying rent at market rates - that are unable to keep their homes adequately warm (2021).

Source – ENPOR EPD
Figure 2 A - % share of the general population and B % share of tenants paying rent at market rates - that are experiencing arrears on their utility bills (2021).

Source – ENPOR EPD

Figure 3 A - % share of the general population and B % share of tenants paying rent at market rates - that are at risk of poverty (2021).

Source - ENPOR EPD
Across the data presented in Figures 1 to 4, a number of key trends are discernible:

1. **Overall, households in the PRS struggle with energy-related problems and are at risk of poverty to a much greater degree than the general population in terms of any energy poverty indicator.**

2. **Inability to keep the home adequately warm (Figure 1) is highest across the Mediterranean region and South-Eastern Europe, however, is particularly pronounced in Bulgaria and Lithuania.**

3. **In terms of arrears on utility bills (Figure 2), the greatest challenges are experienced by households living in South-Eastern Europe, particularly Greece, although when looking specifically at PRS tenants, Mediterranean countries, the Baltics and Ireland are also particularly affected.**

4. **The number of people – both in the general population and private tenants – at risk of poverty is particularly high in the Nordic countries, which is striking as a result of low numbers of people being at risk of the presented energy poverty specific indicators in those countries (Figure 3).**

5. **As for the presence of leaks, damp or rot in a household, there is a pronounced pattern of higher prevalence across Southern and Western Europe and the Baltics, with particularly high rates in the Portuguese and Hungarian private rented sectors.**

**Figure 4**

A - % share of the general population and B % share of tenants paying rent at market rates - that have leak, damp or rot present in their homes (2020).

Source - ENPOR EPD
Overall, as the graphs show, the indicator used to highlight spatial trends in energy poverty needs to be carefully selected, due to the discrepancies revealed between countries depending on the measure that has been chosen. What is more, there is a clear need to provide detailed data beyond the national scale, as Member State-level statistics may conceal significant variations within regions and cities. This has been addressed in the ENPOR Energy Poverty Dashboard, with data available at subnational NUTS1 and NUTS2 scales, where available.

This is exemplified in the case of NUTS1 data for 2019 in Italy, for the Inability to Keep Home Warm Indicator. As Figure 5 shows, the inability to keep the home warm is much higher on the islands of Sicily and Sardinia (36.18%), and in the southern region (32.2%), in comparison with the north-east of the country (9.52%).

![Figure 5 - NUTS1 data for Italy, 2019, for the indicator "Inability to Keep Home Warm"](image)

### 3.3 Inequality, vulnerable groups and energy poverty in the PRS

It is known that the PRS is often associated with households affected by energy poverty, with energy poverty rates being the highest in the rental sector in many countries across Europe (Legendre and Ricci, 2015; Imbert, Nogues and Sevenet, 2016; Aristondo and Onaindia, 2018; Kerr, 2018; Mohan, Longo and Kee, 2018; Romero, Linares and López, 2018; Bosch et al., 2019; Clair et al., 2019; Ince and Marvin, 2019; Robinson, Lindley and Bouzarovski, 2019; Stojilovska et al., 2020). In some cases, living in the PRS is one of the factors contributing to energy poverty (Roberts, Vera-Toscano and Phimister, 2015), as vulnerability to energy poverty can be linked to renting conditions and stipulations, such as tenancy insecurity and quality of housing (Clair et al., 2019).
3.3.1 Housing inequality and energy poverty

As Byrne (2020) posits, if the ‘homeownership’ societies that were so characteristic in Europe and the West represented more than tenure, but also encompassed wider social, political and economic institutions, then the post-homeownership society that we are moving towards is indicative of much greater housing inequality. This relates to not only weaker security and housing quality, but also inequality in potential for wealth accumulation and provision for later life, with the potential to deepen existing intergenerational and class inequalities.

The increasing social diversity and number of people living in the PRS is not occurring in a vacuum; it is set among a backdrop of an increase in casual and insecure work, ongoing austerity measures, and welfare reform measures which have made it increasingly difficult to save towards a mortgage deposit. Rent increases have risen faster for low-income earners, with rent as a proportion of income also rising: across the EU, more than 1 in 10 people on average are spending more than 40% of their income on housing costs, including energy, rent and other utilities (Haffner and Hulse, 2019). As previously discussed, funding for housing benefits and welfare has been slashed across Europe; in 2013, the city of Milan received 22,000 applications from families who were fully entitled to social housing, but due to severe shortages, would never receive one in the near-mid future. Resistance to welfare-orientated housing policies among governments has increased, as they are seen to ‘encourage dependency’ (Roberts and Satsangi, 2020).

The concept of housing exclusion and inequality has garnered significant research interest in the UK, where it is estimated that 1 in 7 people live in unaffordable, insecure, non-suitable or overcrowded housing. A 2001 English Housing Condition survey found that 50% of PRS dwellings were considered to be ‘non-decent’, with damp, overcrowding, inadequate heating facilities and high tenant dissatisfaction being widespread in comparison with owner-occupied dwellings (Lister, 2006). Exclusion is created by a number of structural, institutional and individual factors, and is viewed to be worsening as a result of welfare reform and affordability in the PRS. Groups likely to impacted by housing exclusion are also likely to be impacted by other forms of inequality, such as BAME (Black, Asian and Minority Ethnic) communities, with increased exposure to poor quality housing and homelessness, whilst housing benefit reforms were found to particularly impact low-income, younger people (Preece et al., 2019). There has also been an increase in stringency of financial assessment for potential tenants, looking at credit history to determine a tenant’s suitability, and an abandonment of policies that promote equality and tackle housing discrimination. Streimikeine and Balezentis find that in former Soviet countries, the urban areas with the lowest building and insulation quality overlaps with the areas with the lowest incomes and high numbers of elderly people (Streimikiene and Balezentis, 2019).

Suggested solutions from Preece et al.’s (2019) research is for PRS regulation and reform, alongside increasing social housing provision and re-reforming welfare, in the face of increasing financialisation and privatisation in the English housing market. Due to the devolved status of housing decisions to national governments, Scotland and Wales have begun implementing some such strategies, including indefinite tenancies in Scotland, which is a welcome positive step for increasing tenant security. On the other hand, this will exacerbate existing geographic spatial housing inequalities across the UK. Policy implementation with regards to the PRS must be context specific, as experiences (of the PRS) are framed by gender and mediated by ethnicity and class (Heath, 2008). Gender is recognised to be
a salient factor in access to and experiences of the PRS. In the UK, 63% of adults claiming housing benefits are women (Tunstall, 2018). Since the GFC, the government has encouraged home-building and homeownership for middle-income earners, moving support and expenditure away from social housing and housing benefits, which is likely to disproportionately affect women due to their overrepresentation in the social rented sector and homeless families. Research by McKee et al. (2020) found that financial stresses and challenges of creating a home are exacerbated among families with children, who are becoming increasingly represented in the PRS. Indeed, renter families in London with children increased by 86% between 2006-11 (Nethercote, 2020). Families with children face additional discrimination in the PRS, and thus low-income parents may face ‘double disadvantages’. As Sunikka-Blank and Galvin’s research shows, a high proportion of single parents in the UK and the EU cannot afford their homes due to the intersection of parenthood, being single and being female, something which is driven by income inequality and determined politically (Sunikka-Blank and Galvin, 2021).

3.3.2 Wellbeing, Health and Inequality

It is well reported in the literature that housing is a key social determinant of health. The cost of inadequate housing has been estimated to create an annual public health bill in the EU of EUR190bn, and cause around 100,000 premature deaths each year (Eurofound, 2016). With regards to the physical impacts of energy poverty, the presence of damp and mould in the home can cause, and exacerbate, cases of respiratory and circulatory illnesses, such as asthma, flu, heart attacks and strokes. Interestingly, research has found that the differences between wellbeing and poor health between energy poor and non-energy poor populations is the greatest in relatively more equal societies, with the highest differences found in Slovenia, Sweden and the Netherlands (Thomson, Snell and Bouzarovski, 2017). Research from the USA has found that 12% of childhood asthma cases are linked to the use of gas stoves in the home, with children living in homes with gas cookers more likely to have asthma by 42% (Lin, Brunekreef and Gehring, 2013). Thus, a delay in the transition to clean, renewable cooking fuels for households will continue to have impacts on health into the future. Old or faulty appliances can lead to increased risks of fire or electric shocks in the home; in a survey by FEEDS, 95% of respondents considered that energy poor households were at an increased fire risk, although little research has been carried out in this area to date (FEEDS Europe, 2022). Taking into account that the PRS is on average the worst maintained and poorest-quality housing stock of all housing tenures, considering physical health impacts of inadequately thermally regulated homes on private rented tenants is critical.

With regards to mental health impacts, as discussed in Section 2.5, insecurity is a core component in the agency of tenants in the PRS. McKee et al. (2020) argue that it also has emotional wellbeing consequences, particularly among low-income groups, who are experiencing housing pressures ‘most acutely, yet whose voices have been less prominent in the literature’. They contend that the current housing system creates an ‘alienated psychological experience’, one of ‘fear, stress, anxiety and disempowerment’. PRS insecurity was found by Warnes et al. (2013) to be key in the loss of tenancy among rehomed homeless people in London and three other provincial cities. Private renters in this study were the most likely to be unsettled and quoted unaffordable rent and bills as a key reason for leaving, with average weekly rents being twice of those placed in social housing. Property
maintenance was also most poor for the private renters in the study. This may be due to the lack of attachment of renters to a property that they do not own, in that they are not motivated, financially or emotionally to input labour into a home that they are only in temporarily (Bouzarovski, 2022).

Highlighting another form of PRS insecurity is the phenomenon of ‘forced sharing’ with strangers due to financial reasons. This is likely to become more common, particularly amongst under 35s in the UK due to cuts to young people’s housing benefits. Sharing a housing space with unknown people can have significant wellbeing impacts; many respondents in McKee et al.’s (2020) study reported a lack of privacy and feeling confined to their bedrooms. Peer-peer housing shares are also becoming increasingly common in Italy, also as a result of cuts to youth welfare support and wider social trends such as longer education paths and labour market precarity (Bricocoli and Sabatinelli, 2016). They term shares with strangers as ‘cold shares’, whereby there is little social interaction or meaningful relationships between flatmates, little emotional connection and only exchanges made to use common spaces or for expenses.

### 3.3.3 Ethnic Minorities, Refugees and Migrants

Race and ethnicity are also recognised to be contributors to discrimination and precarity in multiple forms of housing tenures including the PRS. In the UK, in 2019, an estimated 17.7% of non-white ethnic minorities suffered from fuel poverty, against a national average of 10.3%. (Bouzarovski et al., 2022). In addition, data analysed from the UK’s Citizens Advice service found that 50% of Asian and Black ethnic groups had been disconnected from their pre-payment meters due to running out of credit, in comparison with 30% of White households, placing these ethnic minority groups at higher risk of energy spikes.

Furthermore, recent migrants are recognised in the UK to overwhelmingly rely on the PRS for housing, with approximately 75% of those who have been in the country for under five years in private lets. However, in part due to income and housing cost disparity, they are often concentrated in cheaper, poorer quality, and less professionally managed housing, the same part of the sector which is increasingly under pressure as more people come to rely on the bottom end of the PRS (Bouzarovski and Cauvain, 2016). This can place migrant communities in certain neighbourhoods in competition with other low-income groups, increasing tensions, and/or see a rise in multi-occupation dwellings to deal with housing pressure, which have their own physical, mental and environmental health problems. With regards to the UK Traveller community, Forster et al.’s research found that many schemes offering support on energy poverty and energy-related issues do not adequately account for the specific needs of that community, as well as relationships between Travellers and local authorities being laden with distrust and miscommunication (Forster, Hodgson and Bailey, 2019).

Ethnic minorities in both Europe and the USA were found to be particularly unsuccessful in realising a desire to move neighbourhoods, which can be partially explained by racial discrimination, whereby landlords prefer to let to native renters over ethnic minorities or foreign-born renters, as well as limited language proficiency and understanding of rental markets can limit opportunities to move (Boschman, Kleinhans and van Ham, 2017). Elsewhere, this discrimination is exemplified by Lancione’s (2019) research on the experiences of Roma people in Bucharest. In the 1950s-1980s, a large number of Roma people were moved into what was considered ‘second-class’ housing in the
centre of Bucharest, paying rent to the state for dwellings which were demarcated for demolition and had largely been vacated by wealthier non-Roma groups (Lancione, 2019). When the financialisation of the housing sector became a core part of Romania’s acceptance to the EU, city centres became a prime area for redevelopment. The 2001 ‘Legia Retrocedarilor’ law allowed former owners of nationalised buildings to request their properties to be returned and re-privatised for private rental purposes. This led to marginalised and vulnerable Roma tenants being forced out of the city centre and subsequently made homeless or forced into the PRS. Within a largely unregulated PRS and also reflective of wider social issues, Roma people continue to be faced with distrust and racial stereotyping (Zamfirescu, 2015). Indeed, Roma people have the highest levels of self-reported housing discrimination, making up 12% of responses, with people of North African origin making up another 9%. Other documented forms of discrimination in the EU, as recorded by surveys by the EU Agency for Fundamental Rights, reported that 44% of respondents were discriminated against by their names on housing applications (Silver and Danielowski, 2019).

Recent migrants are recognised in the UK to overwhelmingly rely on the PRS for housing, with approximately 75% of those who have been in the country for under five years in private lets. However, in part due to income and housing cost disparity, they are often concentrated in cheaper, poorer quality, and less professionally managed housing, the same part of the sector which is increasingly under pressure as more people come to rely on the bottom end of the PRS. This can place migrant communities in certain neighbourhoods in competition with other low-income groups, increasing tensions, and/or see a rise in multi-occupation dwellings to deal with housing pressure, which have their own physical, mental and environmental health problems. Ethnic minorities in both Europe and the USA were found to be particularly unsuccessful in realising a desire to move neighbourhoods, which can be partially explained by racial discrimination, whereby landlords prefer to let to native renters over ethnic minorities or foreign-born renters, as well as limited language proficiency and understanding of rental markets can limit opportunities to move (Boschman, Kleinhans and van Ham, 2017).

With regards to refugees, in the UK, once refugee status is granted, a person has 28 days to find housing, apply for jobs and social security, after which point, they must move out of state provided accommodation, and asylum payments are terminated. As UK social housing provision is already severely constrained, only the most vulnerable – such as young families and people with disabilities – can access this market; the remainder of people must find housing in the private rented sector, or become homeless. As the rental sector requires, in many cases, a large deposit, this option is closed off to a large majority of refugees who cannot afford it; in addition, government funded integration support, which included loans for rent deposits, was ended in 2012. These factors place already vulnerable groups in precarious renting situations in unsuitable homes, exposed to damp, cold, overcrowding and often unsanitary conditions (Perry, 2012).

3.3.4 Students

Students make up a key proportion of PRS demand in many areas, and comprise a ‘niche market’, defined as a supply that ‘has become adapted to meet the needs of a specific, specialised group’ (Rugg, Rhodes and Jones, 2002, p. 292). UK university reform in the 1990s saw an increase in demand for the student PRS, with a corresponding increase in landlords investing in student properties. In 2011, 1.1m full-time students utilised the PRS for housing in the UK, with the student market now
comprising an asset class trading on the global market (Rugg and Rhodes, 2018). Affordability of student housing is becoming an increasing concern, with rents rising above the rate of inflation. In 2015, only 19% of units were available at 50% of the maximum student maintenance loan.

Student demand on the PRS can be intensely localised, generally close to the higher education institution (HEI) and in favoured ‘student’ parts of the urban area. Where student pressure exists on the PRS, it is more likely that properties that come onto the market will be BTL by student market landlords. A key factor in landlords renting to students, despite negative stereotypes associated with students and young people, is the high rental yields that can be obtained from multiple occupancy tenancies (MOTs), over single occupancy lets, in addition to the characterisation of student households as flexible and adaptable to almost all property types and limited specialist requirements. HEIs also often provide assistance for students through the student union or accommodation officers, such as approved landlord and letting agent lists and tenancy advice, giving students a market advantage over other tenant types. Agreements might also take the long student holidays into account, for example paying less rent over the summer months. London provides an exception to this rule, due to the general rental market also being under intense pressure, and thus student populations tend to be more dispersed, living in cheaper accommodation in neighbouring boroughs further afield from their place of study. In general, landlords do not charge rents favourable to low student incomes and often require high deposits and advance rent (Rugg, Rhodes and Jones, 2002).

In Croatia, where the tourism sector is one of the most important branches of the economy, short-term rental properties bring large profits to landlords leading to many leases being cancelled during the summer. This creates severe problems for tenants, particularly for students studying in the Adriatic region of Croatia. On the whole, research on the local impacts of student PRS demand is limited, although student demand can lead to a monopolisation of the rental sector, significant changes to localities, driving up local house prices and crowding out low-income households.

Europe is home to a dual combination of 19.6m HEI students and a high proportion of thermally inefficient buildings. Recent research by Kousis et al. (2020) has revealed that students are one of the most ‘under-reported and under-supported’ groups living in fuel poverty in the PRS across Europe, a result of a lack of recognition as a vulnerable group, lack of knowledge of energy efficiency and students themselves not realising that they may live in fuel poverty (Bouzarovski et al., 2013). In addition, there is often a normalised acceptability for students to live in cold, sub-standard conditions (Petrova, 2018). Despite this, the physical and mental effects of living in fuel poverty on students can be considerable, related to low temperatures and high humidity. The results from Kousis et al.’s (2020) investigation showed that many students turn heating down or off to save money, notably 82% of respondents in the UK and 70% in Ireland, with many reporting that they felt cold in their homes. Over 30% of students in Ireland, Greece and Cyprus reported high energy bills despite efforts to reduce usage, and in Bulgaria, 27% were in arrears on energy bills. Although the sample size was fairly small and not representative of all students in the studied countries, this study gives an insight into fuel poverty faced by students in Europe as a starting point for further research. Petrova’s 2018 study in Birmingham, UK, found that in addition to the cold, the quality of student housing was poor and thermally inefficient, with 30% reporting the presence of mould and condensation, and 60% of respondents only having single glazing (Petrova, 2018) Another study carried out in Dunedin, New Zealand, found that approximately 1/3 of students felt thermally comfortable in their student halls in the winter time, with 90% of homes underheated below WHO recommended temperatures (Howden-Chapman et al., 2012).
3.3.5 Class and “Generation Rent”

Whilst race, gender and other forms of social inequality are present and even commonplace in the PRS, class is argued by Heath (2008) as the most salient of inequality issues in Europe with regards to housing prospects. For example, families on income support often face prejudice and barriers to appropriate housing due to rents exceeding the support received, or landlords refusing to lease properties to tenants on housing benefits. Low-income renters in the private market in the UK and Ireland are placed in competition with higher income renters and often lose out due to background checks on income, declaration of housing benefit receipt required, and the high deposits required to secure a tenancy (Lima, 2020). In Poland, it has been evidenced that low-income tenants and long-term rental debtors have been displaced in municipally-owned housing stock, leading to dynamics of gentrification (Bouzarovski, Frankowski and Herrer, 2018). Evidence from Germany shows that refurbishment projects can conflict injustices on tenants in the PRS, pointing to a wider distributional conflict around affordable housing and unjust distributions of cost burdens of energy transitions (Grossmann, 2019). Stojilovska et al. (2020) state that although the links between housing and energy poverty have been understudied, energy retrofitting projects lead to an increase in rents, displacement, and segregation.

In addition, inequality trends are being played out both intra and inter-generationally with growing and more pronounced divides between households within and between age-groups. Changes to the economy have made it increasingly difficult for young people to enter and progress in employment, and as such, financial support from families is becoming crucial to access costlier and more constrained housing (Rugg and Quilgars, 2015). In many OECD countries, class and income are more important factors when it comes to homeownership than in previous generations, with analysis of housing pre- and post-GFC showing that the highest increases in the PRS are among young people in disadvantaged class positions (Flynn, 2020). Meanwhile, housing wealth is becoming increasingly concentrated with those who already have higher housing wealth and incomes (Arundel, 2017). Today’s younger generations are poorer on average than those of previous generations, meaning that increasing rates of wealth and income inequality, leading to greater ranges of purchasing power within this generation, will exacerbate inequality in generations to come, alongside deepening of current inter-generational inequalities between ‘housing poor young’ and ‘housing rich elders’ (Rugg and Quilgars, 2015). The experiences of young people and “Generation Rent” will be addressed in this section.

The tendency for young people to utilise the PRS for housing has been, and continues to be, a commonplace practice across the UK and other northern European countries (Lister, 2006). What has changed however, is the length of stay in the PRS, as housing dynamics, economic changes and financialisation of the market have ‘destabilised traditional adulthood transitions’ (Fuster, Arundel and Susino, 2019). As mentioned in Section 2.1, ‘Generation Rent’ refers to young people who live in the PRS for long periods due to the increased inaccessibility of homeownership and social housing (Hoolachan et al., 2016). In the UK, 46% of the PRS is made up of 16–34-year-olds. Many of these are students, but a growing proportion are young people, professionals, and families more broadly. Research suggests that many in this situation view the PRS as a ‘transitional tenure’, until they are able to purchase their own home. However, some researchers have questioned whether this will actually materialise, due to the current political and economic situation surrounding homeownership; Rugg and Quilgars (2015) calculate that a young couple on a middle-income salary
in the UK would need to save on average for 6.5 years for a deposit for a home, rising to twelve if they have children.

Successive governments have been unable to ‘offer a coherent housing policy for young people’, instead assuming that the parental home is available to fall back on if young people are unable to afford to rent or buy. In the UK, 26.9% of men and 13.3% of women aged 25-29 lived with their parents, with only 23% of those wanting to be there, the lack of affordable housing the primary reason why they still did (Berrington and Stone, 2014). In Germany, Italy and Denmark, the share of young people who had exited the parental home, formed traditional households and entered into homeownership fell by half between the 1980s and mid-2010s (Flynn, 2020), whilst the average exit age from the family home was above 29 in all Southern European Countries (Briccolli and Sabatinelli, 2016). A study conducted in the Balkans found that over 50% of 18–35-year-olds live in their parental home. Many young people in Serbia are forced to rely on the quasi-wholly unregulated private rented sector to acquire residential independence, with social housing having a residual function, catering to only certain groups, such as war refugees (Milić and Zhou, 2018). In addition to an extension in time taken to leave home, the phenomenon of ‘boomeranging’ or ‘yoyo kids’, whereby young people move in and out of the family home, and between dependence and semi-independence, has also seen a rise; in the EU, young people move on average four times as often as their parents did. Numbers of young people following this so-called ‘chaotic housing pathway’ is expected to rise over the coming years.

In the Spanish context, prior to the GFC, a majority of young people directly entered homeownership on leaving the family home (Fuster, Arundel and Susino, 2019). Spain, classed along with Italy, Portugal and Greece as part of the ‘Southern-European welfare regime group’ has classically been characterised by the role of the family in provision of welfare, high rates of homeownership and parental co-residence. Since the GFC, homeownership among the 18-29 age group has declined from 52% to 29%, following similar patterns across the rest of Europe of stagnating wages, precarious job markets and high buying costs. Many of Fuster et al.’s (2019) interviewees enjoyed the flexibility of renting whilst they were young but did not see it as a desirable option for raising a family or for long-term stability, though admitting it might be the ‘only possible one’.

As discussed in previous sections, the idea of ‘home’ can provide security, constancy and familiarity, create a sense of autonomy and control and can be reflective of identity, status and conduct. Nevertheless, in the PRS, the inability to make changes to a property, alongside privacy invasions, such as compromising landlord inspections, can have implications for wellbeing and establishing such a sense of home (Power and Gillon, 2020). Thus, research finds that the PRS is the least equipped tenure type able to provide the above forms of security, particularly where short lease tenancies are prominent, and rents are unregulated. Research by Lister (2006) has found that a combination of factors led to ‘awful and unlawful’ living conditions for young people living in the PRS; firstly that tenants were often unaware of their rights or of certain safety aspects, that landlords were unwilling to carry out repairs, lack of agreement between parties, and that in the ‘absence of direct enforcement mechanisms’, young people had little power with which to assert their rights.

In addition, austerity cuts to benefits have been reduced for young people at a greater rate than any other social group. In the UK, young, single people are considered ‘non-priority’ cases for social housing, due to perceived ‘lower level of need’, and for those on benefits, the barriers to accessing
quality housing in the PRS can be even greater, due to negative stereotyping and being considered ‘risky’ due to income. Following the Localism Act of 2011, which allows local authorities to offer homeless households a twelve-month PRS assured tenancy, young low-income people are exposed to increasing competition from households who would traditionally have been offered social housing. The cost of housing means that low-income groups must prioritise rent above other needs, including energy and food, with some relying on foodbanks or even payday loans to survive. As a result of the above, Hoolachan et al., (2016) conclude that the PRS does not sufficiently provide ‘material security’ for young people, and that some are forced to remain, as an amalgamation of cost, access and employment, in the PRS for extended periods of time.

Based on the above, as well as work on multiple vulnerabilities (Simcock et al., 2020) we are able to formulate a tentative identification of some of the most vulnerable groups in the European PRS (see Table 1). This classification is based on three axes of vulnerability – socio-demographic (involving factors such as income, ethnicity, gender etc), housing (involving the regulation and structure of the housing stock in particular), and energy (concerning the efficiency and type of energy supply). The classification highlights intersections among the different types of vulnerability, and households that are more likely to be vulnerable based on one of the axes (as listed in the vertical column).
Table 1: An overview of vulnerable groups in the European PRS, based on existing literature on the topic. Rows indicate the primary axis of vulnerability, columns indicate the secondary axis of vulnerability.

<table>
<thead>
<tr>
<th>Primary axis of vulnerability</th>
<th>Secondary Axis of Vulnerability</th>
<th>Socio-demographic</th>
<th>Housing</th>
<th>Energy supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socio-demographic</td>
<td></td>
<td>- Single parent tenants&lt;br&gt;- Ethnic minority tenants&lt;br&gt;- Tenants with unemployed or older family members&lt;br&gt;- Tenants with small children&lt;br&gt;- Elderly tenants</td>
<td></td>
<td>Tenants suffering from other vulnerabilities beyond the home (e.g. high transport costs)</td>
</tr>
<tr>
<td>Housing</td>
<td>Households in short-term lets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy supply</td>
<td>Tenants living in energy inefficient homes&lt;br&gt;Tenants in homes with an expensive energy supply (e.g. electric only)</td>
<td></td>
<td>September 2023</td>
<td></td>
</tr>
</tbody>
</table>
3.4 Energy poverty alleviation in the PRS

3.4.1 Drivers and barriers

There is a rich body of scholarship about the reasons for (non-)investment in PRS-focused retrofits. The barriers and drivers associated with efficiency retrofits in private housing span financial, regulatory, and environmental domains (Table 2). Some of the general challenges associated with the rental sector include high rent-income ratios, poor quality accommodation, overcrowding, exploitative landlords, and problematic tenants (Gilbert, 2016). As Ambrose and McCarthy (2019) explain, referring to the literature studying the situation in the UK, the high turnover in the rental market means that landlords see tenants not committing to the property for a long-term period is a barrier to investment. The same study mentions that landlords have little trust in the government to support them in this regard (Ambrose and McCarthy, 2019). Itard et al. 2008 cite a lack of necessary information and knowledge, adequate funding and cost-effective solutions as a key barrier to landlord take-up of policies and measures. Another issue (also shown in Table 2) is the lack of a representative body of which all landlords are members, although these Unions or Membership bodies do exist in most European countries. (Kerr, 2018), by studying the case of Scotland, concludes that landlords are small-scale, disaggregated, and a non-professional body, which makes it difficult to be targeted as a group by a measure, which highlights the importance of belonging to a union or body, which can push for better standards, good conduct and professionalisation of their members. Although focussed on homeowners, Bolton et al.’s work stipulates that motivations to renovate and retrofit also are dependent on social interactions with friends and family – information acquired through such networks is four times more likely to influence uptake compared with professional advice – as well as relationships with and trust in tradespeople, energy companies and government organisations. Their study also states that age, gender, disability and class can also affect decisions to renovate (Bolton et al., 2023).

A key barrier to retrofittting the PRS (as also shown in Table 2) is the so-called split-incentive – also known as the tenant-landlord dilemma - covered widely in the literature. It captures a situation whereby landlords do not gain any direct advantage from improvements in energy efficiency in the property, while the tenants benefit from improved comfort and lower energy costs (Shove, 1998; Wilkinson and Goodacre, 2002; Druckman and Jackson, 2008; Roberts, 2008; Bird and Hernández, 2012; Dowson et al., 2012; Golubchikov and Deda, 2012; Pelenur and Cruickshank, 2012; Reames, 2016; Kerr, 2018; Weber and Wolff, 2018; Fuerst, Haddad and Adan, 2020). Shove (1998) claims that this dilemma can hinder technical potential. Improving the energy efficiency in the PRS is also of interest to the EU, as the Energy Efficiency Directive recognises the need to stimulate landlords to invest in energy efficiency (European Commission, 2012).
### Table 2 Overview of barriers and drivers for investment in energy efficiency in PRS

<table>
<thead>
<tr>
<th>Categories</th>
<th>Barriers to investment in energy efficiency in PRS</th>
<th>Drivers for investment in energy efficiency in PRS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial</strong></td>
<td>- Split-incentive/ lack of direct financial incentive to landlords</td>
<td>- Upfront cost reduction</td>
</tr>
<tr>
<td></td>
<td>- High upfront costs</td>
<td>- Incentives</td>
</tr>
<tr>
<td></td>
<td>- Return on investment</td>
<td>- Improving the marketability of the dwelling</td>
</tr>
<tr>
<td></td>
<td>- Increased rent (which exceeds the overall energy savings)</td>
<td></td>
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<tr>
<td></td>
<td>- Utility costs included in the rent</td>
<td></td>
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<tr>
<td></td>
<td>- Energy efficiency does not increase the value of the property</td>
<td></td>
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<tr>
<td></td>
<td>- Lack of funding schemes</td>
<td></td>
</tr>
<tr>
<td><strong>Regulation</strong></td>
<td>- Disincentivising regulation</td>
<td>- Supportive regulation</td>
</tr>
<tr>
<td></td>
<td>- Difficulty in implementation</td>
<td></td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td>- Lack of knowledge/ awareness</td>
<td>- Education</td>
</tr>
<tr>
<td></td>
<td>- High turnover in the rental market</td>
<td></td>
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<tr>
<td></td>
<td>- Low-income tenants</td>
<td></td>
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<tr>
<td></td>
<td>- Lack of membership in industry-wide body of landlords</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Unacceptable levels of disruption to households during renovation</td>
<td></td>
</tr>
<tr>
<td><strong>Environmental</strong></td>
<td>- Low income energy poor households tend to underheat their homes – rebound effect</td>
<td>- Environmental concerns</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Increased thermal comfort of tenants</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Lower energy costs</td>
</tr>
</tbody>
</table>

*Sources: Authors’ analyses based on a variety of readings* (European Parliament, 2010; Kemp and Kofner, 2010; European Commission, 2012; Tuominen et al., 2012; Gee and Chiappetta, 2014; Hope and Booth, 2014; Reames, 2016; Kerr, 2018; Weber and Wolff, 2018; Ambrose and McCarthy, 2019; Heffernan et al., 2020)
3.4.2 Agency and energy efficiency

Understanding the motivations behind landlords’ retrofit and energy efficiency behaviour is critical for improving the sector, as a result of landlords being ‘primary decision-makers’ in rental properties (Lang et al., 2021). By studying their behaviour of landlords with regards to energy efficiency retrofits, different typologies based on attitudes and motivations have been developed. According to Ambrose and McCarthy (2019), based on a study in New Zealand, landlords can be non-joiners, passive actors, active, or pro-active, the latter being very interested in accepting the benefits of energy efficiency measures. Non-joiners have little or no interest in energy efficiency, however, it is so since they are providing accommodation for students and low-income groups that need cheap rent (Ambrose and McCarthy, 2019). Lang et al.’s study found, after a systematic review of the literature on landlord motivations, that factors increasing willingness to retrofit could be grouped under the following categories: financial (e.g. increasing property value or available subsidies), tenant (e.g. tenant request, concern for wellbeing, tenant relationship), values and beliefs (e.g. emotional attachment to property), government (e.g. presence of regulation), and sociodemographic (Lang et al., 2021).

Phillips’ research in New Zealand also found that landlords and tenants have asymmetrical interests (Phillips, 2012). The landlords, for instance, are willing to pay more for a new heating appliance, while tenants would prefer under-floor insulation – a situation attributed to an increased likelihood (compared to landlords) that tenants would report that ‘their homes are cold, damp, and expensive to heat compared with property owners’. A study undertaken in Victoria, Australia found that it was rare for landlords to undertake retrofitting proactively, with most projects requiring government subsidies or appliance breakdowns prior to action (Lang et al., 2022). In addition, it was found that reasons for retrofitting was not related to environmental concerns, instead being correlated with financial motivations, and a desire to be seen to be responsive to tenants. Another significant finding from this study was that those landlords who used professional property companies to manage their properties had less knowledge of their tenants’ experiences of residing in their property, and thus a more limited capacity to act on energy efficiency or other retrofitting needs.

In many cases, unlike the landlord who might or might not be interested in retrofitting measures, the tenant has little choice but to depend on the will of the landlord for structural and meaningful energy efficiency measures. As Middlemiss and Gillard (2015) point out, ‘residents do not feel like they have the capacity for action and as a result, they do not have the power to act’. The choices of tenants regarding energy efficiency are limited by the material characteristics of a property, as in many cases only the landlord can alter the home, usually enshrined in rental contracts (Ambrose, 2015). In a number of instances, tenants have limited control over their energy supply and the operation of their heating system (Kearns, Whitley and Curl, 2019) and can influence their heating costs only through behaviour change or the implementation of small efficiency measures, such as LED lightbulbs (März, 2018a). The literature also shows that renters are unwilling to invest in energy efficiency measures in a property that they do not own (Emmel et al., 2010; Pelenur and Cruickshank, 2012). They might also not have funds even to make small energy-related improvements to the home (Emmel et al., 2010). In Slovenia, Zoric et al. 2012 find that the likelihood of a household accepting and implementing retrofits decreases with the age of the tenant or homeowner, with inconvenience and disruption cited as the key barriers. Weber and Wollf (2018) have found that households can experience higher costs after renovation, mostly due to increased rents, even if energy costs are reduced, whilst Kemp and Kofner (2010) similarly found that rent increases could be higher than the
savings in heating costs. A similar barrier has been identified in the case of some low-income tenants who pay utility costs included in the rent, resulting in a reduced incentive for tenants to save on energy costs (Gee and Chiappetta, 2014). By drawing lessons from the Australian context, Heffernan et al (2020) explain that some of the barriers are regulatory, such as no standards for energy efficiency or no incentives on tax rebates for sustainable retrofits. Some examples of enabling energy efficiency retrofits include feed-in tariffs for landlords to stimulate their return of investment, setting up mandatory energy efficiency standards, as well as educating tenants about the benefits from energy efficiency investments (Heffernan et al., 2020).

Evidence from Germany about the retrofit-related decision-making practices by small private landlords shows the that lack of information is not the only constraint. Some of the other reasons include the low level of esteem among tenants, fear of mould due to insufficient ventilation, time constraints, conservative habits and a negative perception of energy efficiency within a landlord’s social circle (März, 2018b). Another German study in Karlsruhe shows that the main drivers are the regulation and conservation of the property value (Naber et al., 2019). A study in the UK focusing on the behaviour of British private landlords shows that if they invest in energy efficiency it is mostly with their own saving rather than external financing, and most common measures include loft insulation, window glazing, and efficient boilers (Miu and Hawkes, 2020). Evidence from Birmingham about young adults living in the PRS and suffering from energy poverty shows that efforts to deal with domestic energy challenges principally take place via informal collective arrangements (Petrova, 2018). This ignores the core of the problem, by increasing the power of landlords while decreasing incentives for improving energy efficiency (Petrova, 2018). Some studies point out that the relationship between landlords’ role as market players, on the one hand, and the PRS as a market, on the other, should be studied in more detail (Rugg, Rhodes and Jones, 2002; Hope and Booth, 2014; Miu and Hawkes, 2020). Streimikeine and Balezentis 2019 note that in former Soviet countries, limited access to capital, the high cost of borrowing, low and uncertain property values, particularly in multi-apartment buildings can be a key barrier to implementing energy retrofits. The complexity for landlords who wish to implement energy improvements in this context is also compounded by the fact that households are unintentionally dependent on each other with regards to energy savings and can have opposing interests, making it harder to agree on renovations. Indeed, in most EU states, there is a need for assent of more than 50% of property owners before renovations can be conducted. It is important to think of the participatory design of the measure, and thinking about reasons for low take-up: these could include disruption associated with the implementation of the retrofit, lack of interest in the long-term state of rented accommodation, and a fear of rent increases (Heyman et al., 2005).

Tenants are, however, not without any power. In Dunedin, New Zealand, tenants as consumers can play a key role in changing landlords’ behaviours by demonstrating growing expectations about comfort in the home (Ambrose and McCarthy, 2019). This is interpreted in the context of tenants departing from established cultural roles of accepting cold and inefficient homes (Ambrose and McCarthy, 2019). An article aimed at understanding the agency of tenants finds that their satisfaction depends on the relationship with their landlord, how the landlord compares with tenants’ previous landlords, and the property management service that they receive (Sanderson, 2019). A rare contribution describing the situation in the Global South via the case of Ghana shows that homeownership behaviours are shaped by renters’ experiences with landlords (Adu-Gyamfi, Poku-Boansi and Cobbinah, 2020). That means that the landlords’ poor treatment of tenants – including
sudden rent increases – coupled with the unfair allocation of utility bills, motivates renters to build their own home (Adu-Gyamfi, Poku-Boansi and Cobbinah, 2020).

As previously mentioned, the split incentive is a key obstacle to improving the efficiency of the PRS. At the core lies an imbalanced relationship of two parties with asymmetrical interests, an issue which a limited number of studies have explored. In the case of Ireland, Byrne and McArdle (2020) argue that the tenant-landlord relationship is a power relationship, but also a social one. This imbalance of power between the two parties needs to be built into policy design and regulations (Byrne and McArdle, 2020). Mckee et al. (2020) explain the changing roles of landlords and tenants after the UK Immigration Act of 2016, according to which landlords need to conduct mandatory immigration document checks on potential tenants, potentially leading to racial profiling and forcing vulnerable and undocumented migrants into bad housing situations.

In the context of energy efficiency, and as noted above, the landlord-tenant relationship also has an ethical dimension. Some authors have explored the positive and negative stereotypes of tenants and landlords in this context, as explored in Section 2.4 (Power and Gillon, 2020; Roberts and Satsangi, 2020). Based on a study in Australia, a good tenant was deemed as one who pays the rent on time, which the tenant does to secure its tenancy; however, this might mean limitation of the needs of the tenant and fear of rent increase in case some property repairs are needed (Power and Gillon, 2020). In Scotland, Roberts and Satsangi (2020) claim that the ethical and discursive notion of a ‘bad landlord’ was used by politicians to influence the political debate and to create policies on the regulation of landlords. In the context of the global South, in South Africa, where informal renting housing is on the rise, mechanisms to oversee the relationship between landlords and tenants have been identified as one way of protecting tenants from exploitation, while facilitating the regularisation of informal rental housing (Scheba and Turok, 2020).

3.5 The changing landscape of energy poverty in the PRS

The COVID-19 pandemic beginning in 2020, and the dual energy and cost of living crises, exacerbated by the Russian invasion of Ukraine in 2022 have changed the landscape of energy poverty and the PRS across Europe. Annual inflation in Europe reached 10.1%, with energy prices on average 40% higher in 2022 than in 2021 (Menyhert, 2022), which will have wide-reaching impacts on welfare and have deep-seated social costs. Low-income households spend more on housing costs and food relative to their income compared to higher-income groups, and thus are particularly affected by cost-of-living increases. Newly released data from Eurostat showed that 21.7% of EU inhabitants were at risk of poverty or social exclusion, rising to 22.5% for households with dependent children. Women, young people and unemployed groups were most likely to be at risk than other risk categories (Eurostat, 2022).

3.5.1 Housing and Affordability

Housing across the EU is experiencing worsening affordability: house prices increased on average in the EU by 48% and rents by 18% between 2010 and 2022, with house prices only showing a decrease compared with 2010 levels in Greece, Cyprus and Italy. The stagnation of wages explains why those in Greece still struggle to meet housing costs despite house prices and rents still being below 2010
levels, with over 1/3 of people spending 40% of their income on housing costs, the highest in Europe, followed by Bulgaria, Denmark and Germany (Papalexatou and Matsaganis, 2022).

Renters in the UK have faced increased problems post-COVID and amidst the ongoing cost-of-living crisis. In London, in September 2022, one in five renters were struggling to pay, or were behind on their rent payments amid spirally rent costs, which have reached their highest ever levels. An average of 30 people are competing for each property which comes onto the rental market, allegedly sparking questionable practices amongst landlords and agents, such as bidding wars and asking for a year’s rent up front (Talora, 2022). A 2022 survey of renters in Greece, conducted by Eteron (the Institute for Research and Social Change), found that 47.8% of renters are struggling or unable to make their rent, and after covering housing costs, only 4% are able to save money. The top 5 issues faced by renters were high energy costs, high rents, the lack of availability of rental housing, poor quality housing and a lack of heating or cooling systems in apartments (Eteron Research, 2022).

3.5.2 Energy Poverty

The combined impacts of COVID-19 and the energy crisis have exacerbated the breadth and depth of energy poverty in many European countries. Calculations carried out have suggested that the impacts of the energy crisis will increase the EU poverty rate from 3.6% to 8.6%, with the largest increases in energy poverty modelled in the Baltic states, Greece and CEE countries (Menyhert, 2022).

In 2022, the Dutch Tenants’ Union, representing both housing association and private tenants carried out a survey, which reported that an increasing level of tenants are getting into difficulties paying their energy bills. Nearly all respondents stated that they were cutting back on heating to reduce their energy bills. 84% said their homes were cold or draughty, 83% said their homes were poorly insulated, and 75% said they paid a lot of heating. Those households (2 in 3 tenants) in receipt of rent allowance were spending on average 40% of their income on housing costs. Of the 50% of tenants that had asked their landlords to improve the dwelling – for example better insulation and installation of double glazing - more than 80% said they had not received this (van der Zanden, 2022).

In the UK, those households getting into energy arrears are being forced by their suppliers onto prepayment meters, which have the highest cost compared with direct debit plans. Thus, low-income households already struggling with energy debts are being penalised by being forced onto even more unaffordable tariffs. This is leading to some figures stating that a household on prepayment meter is disconnecting every 10 seconds, going without vital heating and necessities to save money. 2022 saw more people disconnecting due to being unable to top up their meters than the previous decade combined (Citizens Advice, 2023). According to the National Energy Action charity, 13% of people have reduced the use of their medical equipment, 55% have reduced hot water usage, and 41% of people have said they will not turn their heating on in the winter. This is predicted to get even worse as the energy price cap in the UK is set to rise to £3000 (EUR3,382) a year in April 2023.

A French news report found that as many as 7 million people in France are accessing food aid, that is to say, 10% of the population. The report states that many foodbanks report that people’s mental
health, living conditions and social relationships have deteriorated, in part due to the pandemic, and partly due to the rising costs of energy (RadioFrance, 2022).

We present data from the Energy Poverty Dashboard (EPD) for the PRS in ENPOR countries as examples – Netherlands, Germany, Croatia, Italy, Austria and Greece – for Inability to Keep Home Warm (IKW), Arrears on Utility Bills (AUB) and Poverty Risk (PR) for 2019, 2020 and 2021 to see if there are any changes or patterns arising that may be attributed to the COVID-19 pandemic or the energy crisis.

The data is colour-coded as follows – if 2019 is taken as the base year:

- **Red** – The figure has increased (worsened) since 2019
- **Green** – The figure has decreased (improved) since 2019
- **Blue** – The figure increased (worsened) in 2020, decreased (improved) in 2021, but 2021 figure is still higher than 2019
- **Yellow** – The figure decreased (improved) in 2020, then increased (worsened) 2021, but 2021 figure is still lower than baseline 2019 level
- **Purple** – The figure increased (worsened) in 2020, then decreased (improved) in 2021 to below the 2019 baseline

Table 3 Data from the ENPOR EPD showing changes in indicator data between 2019 and 2021 for Inability to Keep Home Warm (IKW), Arrears on Utility Bills (AUB) and Poverty Risk (PR).

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IKW</td>
<td>AUB</td>
</tr>
<tr>
<td>Germany</td>
<td>4.32%</td>
<td>2.79%</td>
</tr>
<tr>
<td>Austria</td>
<td>4.26%</td>
<td>3.77%</td>
</tr>
<tr>
<td>Italy</td>
<td>19.76%</td>
<td>6.77%</td>
</tr>
<tr>
<td>Greece</td>
<td>22.4%</td>
<td>35.66%</td>
</tr>
<tr>
<td>Croatia</td>
<td>15.37%</td>
<td>18.56%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7.06%</td>
<td>3.18%</td>
</tr>
</tbody>
</table>
The overall descriptive trends we can see are as follows:

1. That in all countries other than Germany, the risk of poverty among PRS tenants has worsened between 2019 and 2021.

2. The number of households with arrears on their utility bills continued to worsen over time in Germany and Italy, but improved in Austria, Greece and the Netherlands over the time period.

3. The inability to keep home warm indicator shows the most variation, with all countries except Germany showing an improvement (decrease in rate) between 2019 and 2021, and only Croatia and Germany experiencing a worsening of the rate of households unable to keep their homes warm during the COVID-19 pandemic in 2020.
In this section, we put forwards an overall framework of recommendations and best practice for alleviating energy poverty in the PRS, based on the findings of this report. It brings together potential policies, solutions, and best practices associated with energy efficiency improvements in the PRS, summarising the evidence presented in the first two sections, providing an updated framework and suggestions for areas where further work is needed.

A distinctive line of work in the PRS and energy fields has offered a problem-solving focus on solutions to existing challenges. One key recommendation for increasing energy efficiency in the PRS is the provision of a link between rents and measures, so that landlords have a monetary incentive to invest in energy efficiency (Fuerst, Haddad and Adan, 2020) – see Table 1 for reference. There have also been arguments in favour of support measures directed towards landlords, so as to provide them with incentives, relevant information, as well as access to finance and technology (Wilkinson and Goodacre, 2002).

Recommendations about how to engage landlords in improving the energy efficiency of their property also include private sector landlords' membership of national landlord associations, as a means of establishing a collective voice and form of accreditation, and the consideration of clearer powers for tenants to demand energy efficiency retrofits, accompanied by mechanisms to ensure that request is followed through (Hope and Booth, 2014). Golubchikov and Deday (2012) argue that the institutional capacities of housing management bodies should be strengthened, possibly through legislation. Some authors have also found labelling to be a helpful solution. Enabling landlords to post public information about the energy efficiency of their properties increases investment in energy efficiency (Burfurd, Gangadharan and Nemes, 2012). Franke and Nadler (2019) recommend that Energy Performance Certificates should communicate economic incentives, such as estimates of heating costs.

Some papers emphasise the need for governmental intervention and regulation to improve the efficiency of PRS. One idea is to impose the licensing or certification of private housing, so as to ensure its quality as a requirement for being rented out (Rugg and Rhodes, 2018). Evidence from Germany indicates that grants for incremental investment – rather than only comprehensive renovations – can be given, and tax reductions can also be introduced (März, 2018b). Regarding the challenging area of vulnerable tenants in the PRS, recommendations are directed towards improving the standard of PRS properties, including mandatory inspections for these properties on an annual or bi-annual basis (McAuley, 2020). A similar suggestion is landlord licensing, which has been shown to drive up property standards in the UK in areas where it is in force (McAuley, 2020). Various good examples of retrofitting the PRS can be found in Germany, where the PRS is large. In renovated dwellings, the rent can only be increased by 11 percent of the retrofit costs per dwelling per year; this is seen as a generous arrangement from a landlord’s perspective (Kemp and Kofner, 2010). Yet in some cases it is not possible to raise rents by that amount due to weak demand (Kemp and Kofner, 2010). Based on research in Zagreb, Grdenić et al. (2020) argue in favour of banning poor quality rented accommodation.
There is a developed body of literature aimed at studying and resolving the tenant-landlord dilemma. To support the UK’s Green Deal and overcome the split incentive barrier, (Pelenur and Cruickshank, 2012) suggest interventions to target particular demographic groups and housing sectors, such as single persons, individuals with a degree, flats and terraced homes. In the Netherlands, there is a policy which attempts to overcome this dilemma by stipulating that total housing costs – including rent and energy – cannot be increased following a renovation (EU Energy Poverty Observatory, 2020).

In the case of Sweden, a specific policy aims to address the split incentive by offering financial support to the landlord so as to improve the energy efficiency of the property, with a portion being allocated to a rent reduction for the tenants (EU Energy Poverty Observatory, 2020). Future policies should ensure that funding mechanisms do not inadvertently place the burden on vulnerable tenants or social security programmes, such as through the introduction of rent caps, energy retrofit one-stop shops at the local level, mediation between landlords and tenants, and guidance for landlords before renovications or coercive actions take place (Refabert, 2020). Research from Germany promises a win-win scenario to overcome the split incentive, thanks to a tenants’ electricity law that allows landlords to profit from selling electricity to tenants (Braeuer, Kleinebrahm and Naber, 2019). At the same time, tenants can save on electricity costs, thus balancing the relationship between tenants and landlords (Braeuer, Kleinebrahm and Naber, 2019).

Several authors refer to combinations of measures. Bird and Hernández (2012) call for incentives for landlords and a utility-managed on-bill financing mechanism. Drawing from the Australian experience, Wood et al. (2012) suggest tax preferences and the establishment of a rent premium. Ástmarsson et al (2013) bring the experience from Denmark to recommend a package of legislative changes, financial incentives, and the improved dissemination of information. Márz et al (2020) discuss a comprehensive policy approach that would require better energy efficiency-related landlord targeting through networking, fostering a sense of responsibility neighbourhoods, and improving local framework conditions.

Investing in energy retrofitting in the PRS is a particular challenge when it comes to low-income households. Reames (2016) has studied low-income, majority African-American neighbourhoods in Kansas City, Missouri to propose a community-based energy programme as a good example of overcoming different barriers and increasing participation in the adoption of energy technologies. A key ingredient here is the spatial targeting of the programme, which considers the particularities of the local context and the community’s needs, creating relations of trust (Reames, 2016). Liu et al. (2017) refer to the adoption of minimum rented property standards and ‘negative gearing’ – a taxation incentive specific to Australia, whereby investors are attracted to invest in PRS housing while rental returns are expected, at least in the short term, to be lower than the cost of owning and maintaining the property. MacAskill et al. (2019) advocate in favour of supporting the operational performance of the rented stock provided to low- and middle-income households, while meeting investor expectations on return.

As various authors have found that students living in the PRS are particularly vulnerable to energy poverty, it follows that addressing their needs – and investing in retrofits – also calls for a comprehensive set of measures. One approach is to raise awareness among students about choosing an energy-efficient and a slightly more expensive property, but with lower energy costs (Kousis et al., 2020). The role of government intervention is seen in the form of establishing non-profit social rental organisations managed by national social services or non-governmental organisations, so as to target
tenants with low incomes and a high demand for accommodation, such as students; these bodies can potentially act as a mediator between property owners and renters (SAVES2 Project, 2018). Similarly, Morris and Genovese (2018) call for greater cooperation among relevant stakeholders – energy providers, landlords, and local authorities – to support students in finding cheap energy suppliers and address the inefficiency of the PRS.

Energy poverty scholarship has analysed the targeting and effectiveness of existing energy efficiency policies in the PRS. Gillard et al. (2017) have found that energy efficiency policies do not account for the profile and needs of vulnerable households in this sector. This means that energy poverty is not only a matter of uneven distribution; it is a wider socio-political injustice, because many energy efficiency policies can reinforce existing social and systematic inequalities (Gillard, Snell and Bevan, 2017). Many energy poverty policies are also poorly targeted, as evidenced by the Northern Irish example (Walker et al., 2013, 2014). For example, the Warm Homes scheme – a programme for improving energy efficiency in vulnerable households in the PRS – does not reach those in greatest need (Walker et al., 2013). Energy efficiency policies are extended only those in living in a moderate level of energy poverty (Walker et al., 2014). Even when retrofit measures help households living in energy poverty, in some cases this support might be insufficient to bring them out of the condition, because each household requires a unique set of measures (Walker et al., 2014). On the other hand, others have called for systematic, continuous and well-funded public support policies that address the broader population, not just emergency measures that are only available to particular groups, in light of the cost of living and energy crises and the associated stagnation of wages in the face of inflation, increases in costs of basic goods and spiralling housing and energy costs, affecting greater numbers of people (Siatitsa et al., 2022).

In response to these trends, we have developed a matrix (Table 3) to highlight the multiple pathways for energy poverty alleviation in the PRS, including regulatory, financial, and social measures (Bird and Hernández, 2012; Wood, Ong and McMurray, 2012; Ástmarsson, Jensen and Maslesa, 2013; März, Bierwirth and Schüle, 2020). Of key importance to our proposed framework is the representation of different stakeholders involved in the sector (Hope and Booth, 2014; Kerr, 2018; SAVES2 Project, 2018), cooperation (Morris and Genovese, 2018), and the need for considering the specific challenges faced by low-income households (Walker et al., 2013, 2014). At the core of our proposed approach lies the proposition that energy efficiency retrofitting should be considered as more than a technical exercise. It is a process that intercepts human lives and stories (Reames, 2016; Gillard, Snell and Bevan, 2017). The overall conceptual framing to understand the PRS in Europe, therefore, needs to consider multiple dimensions (Figure 6).
Table 3 Evaluation of general approaches for investment in energy efficiency in the PRS

<table>
<thead>
<tr>
<th>Type of policies</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentivising landlords</td>
<td>Finances, technology, and information to invest in energy efficiency, profiling of non-interested landlords, better targeting of landlords, rent increases, networking, “One-Stop Shops”</td>
</tr>
<tr>
<td>Representation of landlords</td>
<td>Landlords joining an association, clearer responsibilities for housing management</td>
</tr>
<tr>
<td>Energy labelling of properties</td>
<td>Displaying energy performance certificates, including the effect on heating costs</td>
</tr>
<tr>
<td>Licencing</td>
<td>Quality of the property is licensed, ban for properties with poor quality, an inspection of properties for their quality</td>
</tr>
<tr>
<td>Tax reductions</td>
<td>Reducing the risk of investment and balancing the impacts for tenants</td>
</tr>
<tr>
<td>Rent regulation</td>
<td>Preventing rent increases due to energy retrofits, balancing the PRS with interest in homeownership and social housing</td>
</tr>
<tr>
<td>Participation and awareness-raising</td>
<td>Engagement of, and cooperation with, various stakeholders, community-based approaches, raising awareness about the choice of properties, energy efficiency and energy poverty policies explicitly targeting vulnerable households, identifying the needs of energy-poor households</td>
</tr>
</tbody>
</table>

Sources: Authors’ analyses based on a variety of readings (Crook and Hughes, 2001; Wilkinson and Goodacre, 2002; Haffner, Elsinga and Hoekstra, 2008; Kemp and Kofner, 2010; Burfurd, Gangadharan and Nemes, 2012; Golubchikov and Deda, 2012; Penelur and Cruickshank, 2012; Walker et al., 2013, 2014; Hope and Booth, 2014; Gilbert, 2016; Reames, 2016; Gillard, Snell and Bevan, 2017; Moore, 2017; Morris and Genovese, 2018; März, 2018b; Rugg and Rhodes, 2018; SAVES2 Project, 2018; Franke and Nadler, 2019; MacAskill et al., 2019; EU Energy Poverty Observatory, 2020; Flynn, 2020; Fuerst, Haddad and Adan, 2020; Grdenić, Delimar and Robić, 2020; Kousis et al., 2020; McAuley, 2020; März, Bierwirth and Schüle, 2020).

Policies on energy poverty amelioration in the PRS can be summarised across several categories (Table 3). While it is clear that unitary and simple solutions do not exist, it is possible to identify good practices and examples from several policies. Many studies point to the importance of wider social and political measures – rather than technical approaches only – to improving the quality of the PRS, particularly in terms of applying a wider understanding of the human and social complexities surrounding tenants, landlords, vulnerable households, the market, and the government (Reames, 2016; Gillard, Snell and Bevan, 2017). Many papers suggest a combination of measures (Bird and Hernández, 2012; Wood, Ong and McMurray, 2012; Åstmarsson, Jensen and Maslesa, 2013; März, Bierwirth and Schüle, 2020) to overcome the split incentive and improve the relationship between tenants and landlords (Byrne and McArdle, 2020).
Figure 6: A conceptual framework to study energy poverty in the PRS – key components.
CONCLUSIONS AND NEXT STEPS

This literature review has analysed the state of art in understanding the historical, geographical and regulatory context for energy poverty alleviation in the PRS. We have highlighted the structural driving forces and contingencies of PRS energy efficiency improvements in particular, as well as the wider conceptual framing and implications of socio-technical retrofits as they relate to the sector. Much of the review has been devoted to the discussion of ongoing challenges in the sector – as well as efforts to resolve them – in addition to the positions and experiences of key stakeholders: landlords and tenants. Our work has been mostly based on research in the Western context, although we have drawn on examples from across the world, to the greatest extent possible.

Overall, we can conclude that the evolution of PRS housing is relatively well understood, and a spate of contributions are starting to highlight the roles of stakeholders involved, the social vulnerabilities that it underpins and creates, as well as the wider regulatory context in which it functions. Coverage is geographically uneven, however, as are the drivers and effects of policies studied – to the extent that it is difficult to formulate universally generalizable findings. At the same time, there is a growing body of literature on energy efficiency retrofits in the PRS. From this knowledge corpus, it is clear that the PRS generally has the poorest energy performance relative to the rest of the housing stock (Crook and Hughes, 2001; Wilkinson and Goodacre, 2002; Druckman and Jackson, 2008; Roberts, 2008; Burford, Gangadharan and Nemes, 2012; Dowson et al., 2012; Hope and Booth, 2014; Ambrose, 2015; Morris and Genovese, 2018; Ambrose and McCarthy, 2019). The low energy efficiency of the PRS, coupled with its complex environmental implications, are one of the key motives to study the sector, as well as the challenges and possibilities for improving its energy performance (Druckman and Jackson, 2008; Hope and Booth, 2014; März, 2018b; Weber and Wolff, 2018; Naber et al., 2019; Heffernan et al., 2020; Miu and Hawkes, 2020; März, Bierwirth and Schüle, 2020).

The PRS tends to concentrate households and groups affected by energy poverty, rendering efforts to increase its efficiency an even greater challenge (Legendre and Ricci, 2015; Imbert, Nogues and Sevenet, 2016; Aristondo and Onaindia, 2018; Kerr, 2018; Mohan, Longo and Kee, 2018; Romero, Linares and López, 2018; Bosch et al., 2019; Clair et al., 2019; Ince and Marvin, 2019; Robinson, Lindley and Bouzarovski, 2019; Stojilovska et al., 2020). Landlords can be reluctant to improve these aspects (Kemp, 2015) and have emerged as crucial stakeholders to be targeted for policy measures and raising awareness campaigns (Wilkinson and Goodacre, 2002; Fuerst, Haddad and Adan, 2020). At the same time, tenants face complex structural challenges, with limited opportunities to tackle the inefficiency of their homes, although this varies depending on regulatory and governance contexts (Ambrose, 2015; Middlemiss and Gillard, 2015).

The literature identifies many challenges towards the implementation of energy efficiency improvements in the PRS, some of which are related to the lack of interest and the lack of opportunities to be engaged in energy retrofits; while others refer to the financial and social implications that follow renovation, leading to conflict, displacement and segregation (Smith and Hubbard, 2014; Bouzarovski, Frankowski and Herrero, 2018; Grossmann, 2019; Stojilovska et al., 2020). A key barrier regarding energy poverty alleviation is the tenant-landlord dilemma, which has
received much academic interest in terms of finding solutions (Shove, 1998; Wilkinson and Goodacre, 2002; Druckman and Jackson, 2008; Roberts, 2008; Bird and Hernández, 2012; Dowson et al., 2012; Golubchikov and Deda, 2012; Pelenur and Cruickshank, 2012; Reames, 2016; Kerr, 2018; Weber and Wolff, 2018; Fuerst, Haddad and Adan, 2020). The dilemma is also of concern to the EU Energy Efficiency Directive (European Commission, 2012). Beyond this quandary, however, we have analysed multiple models and systems focusing on the maintenance, regulation, and improvement of the PRS. These include regulation, the stimulation of the PRS in general, governmental subsidies, taxation models, and campaigns.

Although the knowledge base on energy interventions in the PRS is growing, there are many gaps and unanswered questions. While the split incentive has received a lot of academic attention, there have been limited ex-post evaluations of measures aimed at improving the energy efficiency of this housing stock. At the same time, there is much work on the initiation of energy efficiency policies, while less analysis has been undertaken on the implications of such strategies. Much work remains to be done in terms of exploring energy efficiency interventions from the tenants’ perspective, the effectiveness of different socio-technical types of interventions, as well as the identification of good practices to demonstrate proactive involvement and tenant-led initiatives. While current interest is principally focused on market, regulatory and technological solutions to the tenant-landlord dilemma, less work has been done on the everyday lived experience of living in such housing, and the social relations among relevant stakeholders.

Geographically, current knowledge is dominated by evidence from Western Europe. There is limited understanding of trends in Southern and Eastern European countries (even if they have a smaller PRS); and more widely the Global South and Pacific Rim. We even struggled to identify relevant research in North America – possibly due to different scientific and policy vocabularies. In addition, some vulnerable groups living in the PRS – especially migrants and pensioners – are comparatively less studied. Future research and policy, therefore, needs to consider underexplored regions and vulnerable groups, while also examining the topic through more systemic perspectives, such as energy and spatial justice. While the starting points of the existing engagements are the energy and climate implications of the PRS, there are significant opportunities to address the social and economic interests that drive PRS retrofits from a political economy standpoint. Finally, the PRS sector has been under-explored as a space where energy vulnerability is generated and persists in multiple and complex ways. A useful first step would be to link trends in the sector to wider energy poverty indicators, such as those developed by the EU Energy Poverty Observatory and the Energy Poverty Advisory Hub.
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