

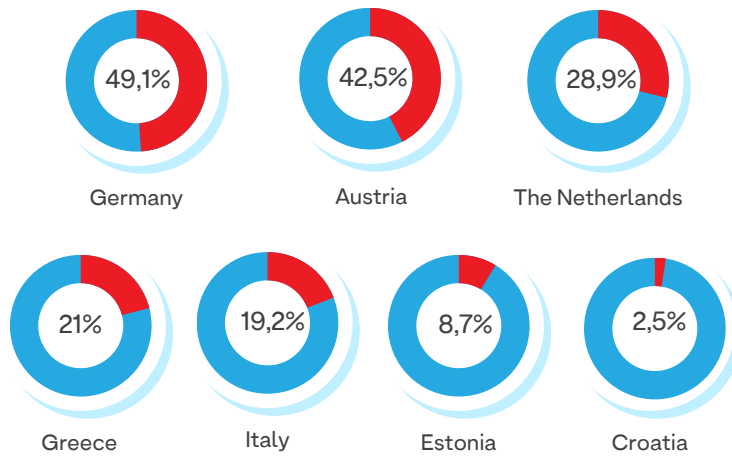
**POLICY FICHE FOR
ALLEVIATING ENERGY POVERTY
IN THE PRIVATE RENTED SECTOR**

The Netherlands



The Rental Sector in the Population (2022)

Source: Energy Poverty Dashboard



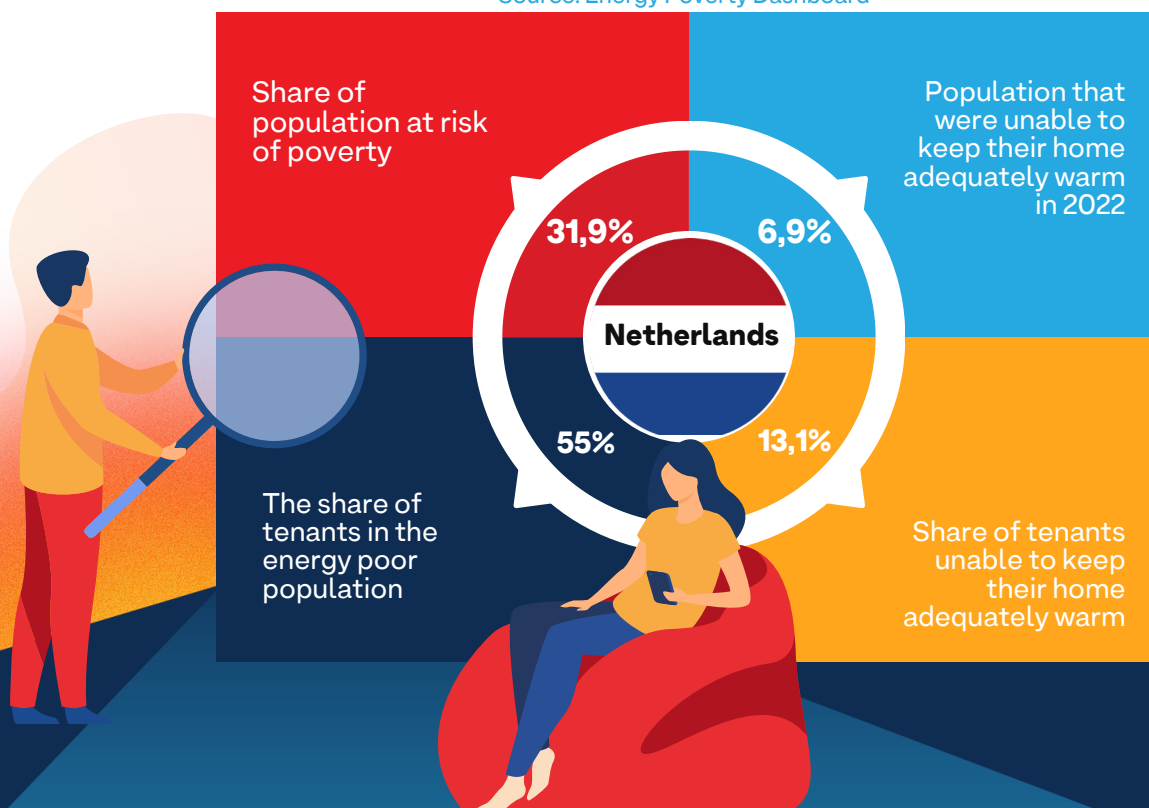
Current Energy Poverty Definition and Strategy

Source: ENPÖR Policy Fiches

Definition	Strategy
The Dutch government makes use of the definition established by TNO in their knowledge programme on Energy poverty in 2021.	National Performance Agreements (2022) with Social housing organizations: improve housing quality by 2026. No such agreements in the PRS.
Statics Netherlands (CBS) established an annual Energy Poverty Monitor, as commissioned by The Ministry of Economic Affairs and Climate Policy (EZK)	RREW (Regeling Reductie Energiegebruik Woningen), a regulation on reducing energy consumption in homes stimulated local approaches such as Energy Box (ends in 2023)
In their definition of energy poverty TNO and CBS make use of four indicators: household income, the affordability of energy, energetic quality of the house and choice and opportunity to participate in the energy transition.	Following the RREW, municipalities have been given responsibility to tackle energy poverty and received in total 300 million euros to support households with energy saving measures.

Housing and Energy Poverty in Figures

Source: Energy Poverty Dashboard





The Netherlands

Policy background

Context within the residential sector

The Netherlands exhibit significant levels of urbanization, characterized by a notably high urbanization rate. Approximately 74.4% of the population resides in predominantly urban areas, while 25% live in intermediate regions, and a mere 0.6% inhabit predominantly rural areas¹. The concentration of this urbanization is particularly pronounced in the western part of the country. The municipality of Utrecht (one of the main cities of ENPOR) is the fourth biggest city of the Netherlands, with over 360,000 inhabitants living within the city limits. The Netherlands have about 17,6 million inhabitants in total (as of 2022).

In 2022, the housing stock amounted to 8 million. The number of privately rented dwellings increased by 2.5% in 2021, reaching 1.13 million. Private rental homes accounted for over 14% of the housing stock in the Netherlands on January 1, 2022, which is equivalent to about one out of every seven residences. Of the privately rented dwellings, 71% (over 807,000 homes) were multifamily units, while about 327,000 were single-family homes. One-fourth of the multifamily units were smaller than 50 m² (over 207,000), whereas among single-family homes, 83% were at least 90 m² in size. Approximately one third of the privately rented dwellings were located in buildings constructed before 1945, which could include pre-war apartments, upper and lower houses, as well as newer apartments and studios created through the subdivision or transformation of older buildings. Among single-family homes, 27% were situated in older structures. Additionally, 14% of privately rented multifamily units had a construction year of 2011 or later, representing 38% of all multifamily units from this construction period².

¹ https://ec.europa.eu/eurostat/databrowser/view/URT.PJANAGGR3_custom_7047680/default/table?lang=en

² <https://www.cbs.nl/nl-nl/nieuws/2023/11/private-huursector-groeit-sterker-dan-koop-en-corporatiesector>

The initial rental price at the commencement of the lease agreement is crucial in determining whether a rental property falls into the private sector housing category. If the net rent at the start of this contract exceeds the so-called liberalization threshold, it is considered a private sector housing unit. In 2022, this threshold stood at 763.47 euros in net rent. For private sector housing units, the rent increase in 2022 is capped at the average inflation rate from December 2020 to November 2021, plus an additional 1 percentage point. This means that rents for existing tenants can be increased by a maximum of 3.3 percent. When a rental property gets a new tenant, the landlord is not bound by the established maximum annual rent increase. Rental properties that changed occupants between July 1, 2021, and July 1, 2022, had, on average, a rent that was 9.7% higher in July 2022 compared to 2021. Rents for the private rental sector increased on average by 3.8% in July 2022³.

Household energy prices consist of three main components. The first component encompasses the supply costs, which are billed by the energy supplier. The second component includes the network costs incurred by grid operators. The third and final component is various taxes and levies managed by the government. Most consumers receive a consolidated energy bill that covers all these components, with the energy supplier also invoicing the costs on behalf of other involved parties.

Within the first component, the electricity and natural gas supply costs, there are two subcomponents: fixed charges and supply costs. The supply costs are variable and are contingent on the amount of energy consumed. The rates for electricity and gas delivery are determined by energy suppliers. The ACM (Authority for Consumers & Markets) oversees these rates for small consumers to ensure they remain reasonable and do not become excessively high.

As part of the third component, which involves taxes and levies, there exists an energy tax refund (heffingskorting). The government recognizes a portion of energy consumption as a fundamental necessity. Consequently, consumers receive a fixed energy tax refund for each electricity connection they have.⁴ The energy price for electricity in 2021 was 14 ct/kWh (no data available in 2022) and for natural gas 19 ct/kWh in 2022.⁵

³ <https://www.cbs.nl/nl-nl/nieuws/2022/35/huren-gemiddeld-met-3-procent-gestegen>

⁴ <https://www.cbs.nl/nl-nl/dossier/energieprijzen/aardgas-en-elektriciteit>

⁵ https://energy-poverty.ec.europa.eu/observing-energy-poverty/national-indicators_en

Energy poverty definition and strategy

In the Netherlands, energy poverty has gradually gained attention on the political agenda. However, policymakers have frequently overlooked the vulnerability of individuals facing energy poverty. The issue of energy poverty has primarily been tackled through the general poverty welfare system, focusing mainly on preventing disconnections. One of the challenges lies in the fact that poverty welfare measures are typically implemented at the municipal level, while decision-making and resource allocation for the energy transition are primarily governed by national laws and policies.

To gain an insight into the width of the problem, TNO–The Netherlands Organisation for Applied Scientific Research – conducted a quantitative study in 2021 on energy poverty in the Netherlands. The research was based on numbers from Statistics Netherlands (CBS) from 2019. TNO produced a map, showing the nature, extent and regional distribution of energy poverty in the country. This was the first time that energy poverty was mapped in the Netherlands, making use of a multi-layered definition with different indicators that considered three components:

- The affordability of energy;
- The energetic quality of the house;
- The choice and opportunity to participate in the energy transition.

This can be closely related to the definition that the ENPOR project is using, considering a) low incomes, b) high energy needs and c) high energy prices. The map that TNO created, can be compared to a national version of the EPD. The only indicator that has not been considered by TNO is the indicator “the ability to keep home warm”, most probably because the CBS data did not provide any data that was relatable. According to the Energy Poverty Dashboard, 3.3% of the Dutch population were unable to keep their home adequately warm in 2021 with the energy poverty rate among tenants according to this indicator being almost twice as high (6.3%). The share of tenants in the energy poor population is 56.4%, which underlines the relevance of targeting the PRS in the fight against energy poverty.

The TNO report is an integral part of the long-term TNO knowledge program on energy poverty, carried out in collaboration with the Dutch government. Following this report, in 2022 the Ministry of Economic Affairs and Climate Policy (EZK) commissioned Statistics Netherlands (CBS) to develop an annual Energy Poverty Monitor. The definition of TNO is thus now a nation-wide accepted definition.

Policy Framework for the Integration of Tenant Protection

As mentioned before the TNO research has shown that energy poverty rates would have most probably been much higher in 2022, if the Dutch government had not taken several measures to compensate households for the increasing energy prices. The list⁶ below gives an overview of measures being taken in the Netherlands since 2021 which aim to reduce energy bills. Many of the measures have since 2021 been prolonged or expanded. They are however in principle all temporary measures, that are planned to be diminished as soon as energy prices go down again.

- Total of €300 million for municipalities to support energy poor households (first €150 million was announced in 2021). Definition for energy poor households defined in TNO study with Low Income High Costs and Low Income Low Energy Efficiency (Mulder et al., 2021)
- Lowering of the energy tax on electricity
- Energy tax refund increased from €560 to €785
- Increase of the energy surcharge to €1,300 for welfare recipients and people earning less than 120% of the social minimum (earlier measures announced an increase of €200 and €800). This increase is also disbursed in 2023.
- Lowering of the energy VAT from 21% to 9% (natural gas, electricity and city heating)
- 10% increase of the minimum wage
- Price cap starting in January 2023: 40 ct/kWh and €1.45 per m³ gas, for a use below 2,900 kWh and 1,200 m³ gas. Households using more electricity and/or gas pay the higher price
- All households receive €190 in November and December to bridge the months before the price cap will be active

Municipalities have been given significant responsibility in encouraging individual homeowners, housing corporations, and landlords to undertake measures to improve the energy efficiency of their properties. The 300 million euros mentioned above, have been used for a large part to provide energy-saving advice or measures to their constituency. Municipalities were allowed to choose the way to spend this money themselves. It concerns, for example, the adjustment of the central heating system, the application of radiator foil and draft strips or the installation of LED lamps.

These funds are the ones being used to finance for example the Energy Box that is the focal point for ENPOR in the Netherlands. The RREW⁷ (Regeling Reductie Energiegebruik Woningen), a regulation that aims to reduce the energy consumption of homes, is in place since 2020 and its budget has since been raised. The total budget was € 70 million when it opened and was later increased to € 100 million. The scheme ends in December 2023. In April 2023, additional measures were agreed to at governmental level, including extra support from energy fix teams for vulnerable households all over the country.⁸

⁶ TNO (2023), Energy Poverty: A Science and Policy State of Play, pg. 32 <https://publications.tno.nl/publication/34640524/86Phvt/TNO-2023-P10119.pdf>

⁷ Regeling Reductie Energiegebruik Woningen (RREW) (rvo.nl)

⁸ EZK-Concept update Integraal Nationaal Plan Energie en Klimaat 2021-2030 (europa.eu)

When it comes to larger-scale and more permanent measures improving the energetic quality of housing, such as insulation, this is still mainly considered to be a matter for landlords to address. The social housing organizations' so-called National Performance Agreements have been signed in 2022, with clear goals to improve housing quality. For example, it is agreed that as of 2026, no houses will be on the market with low maintenance quality and that corporations will invest €200 million extra per year until 2030 in the improvement of their housing stock.⁹

In the private rental sector, no such agreements have been made. For this sector, the number of parties involved – ranging from large commercial corporations to individual landlords – and the disorganisation amongst them, makes it much more complicated for the government to work together. A few measures have been taken though, to put pressure on this group. For example, it has been decided that as of 2030 landlords may no longer rent out poorly insulated houses with labels F and G. To promote landlords taking energy saving measures, the focus lies on providing extra subsidies. For example, the government has made a sum of €124 million available for subsidies for homeowners and landlords to be used for measures such as insulation, heat pumps and more.¹⁰ Furthermore, in 2023 the National Insulation Programme was launched, aiming at the worst insulated homes.

One of the additional complicating issues, is that it is difficult to reach energy poor households (in the private rental sector) since policy makers are, because of privacy laws, not able to use income data to grant subsidies.

⁹ <https://aedes.nl/nationale-prestatieafspraken>

¹⁰ <https://www.rvo.nl/subsidie-en-financieringswijzer/isde>



Description of the ENPOR policy

The Energy Box was established in 2014 by de Jonge Milieu Adviesbureau (JMA), the municipality of Utrecht, the tenant organisation “De Bundeling” and the social housing associations Mitros, Bo-Ex, SSH, Groenwest and Portaal. The Energy Box project is a social enterprise, that was set up with a triple purpose: first to reduce the energy consumption of residents, second to fight (energy) poverty and third to provide jobs for the (long-term) unemployed.

The Energy Box consists of a consultation with an energy coach, an advisory report, and a box with energy-saving products. During the consultation, an energy coach explains how to use the energy-saving products and discusses the residents’ energy consumption. Based on the consultation, the energy coach provides the residents with energy-saving advice in a report tailored to the resident’s situation. The advice can be implemented by the residents without big investments or costs, making it possible for the residents to save money on their energy bill and increase their living comfort without renovations or investments. Residents receive a box with energy-saving products aimed at improving energy-conscious behaviour at home. Initially, the Energybox measure of JMA consisted of a standard procedure as shown in the figure below.

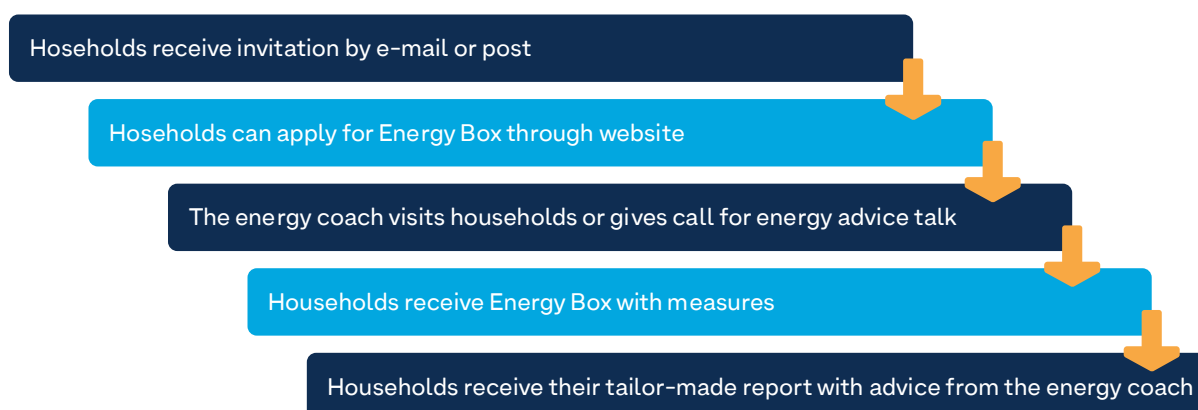


Figure 1: Standard procedure of the Energybox measure

Most often, the households targeted are defined at neighbourhood or even street or building level, in the case of direct cooperation with a social or private housing corporation. The decision on which neighbourhoods, streets or buildings to target, is based on a combination of factors, including the state of the property (energy labels), last renovation and type of residents. Often, the Energy Box scheme is part of a larger package of measures to improve energy conditions in a building, street or neighbourhood. Over the last few years, both on the side of Energy Box and at municipalities, attention has grown to specifically target households at risk of energy poverty. To assist Energy Box and the involved parties in choice making, as part of the ENPOR project, we have developed a prototype tool to predict energy poverty risks at neighbourhood level. In practice, the tool turned out to be complex and time-consuming to use, so we have not developed it further. But tools like the TNO map of Energy Poverty in the Netherlands¹¹ can help in this regard.

¹¹ <https://energiearmoede.tno.nl/>

The results of the Energy Box speak for themselves: in 2021, 19,000 residents were reached and in April 2023 this number has grown to almost 45,000 residents. Until now more than 5 million Euros are saved per year by households using the Energy Box. The average savings per household after a visit of a coach is about 257 kWh of electricity and 100 natural gas m³ each year. The results are continuously updated and can be found on the [website](#) of Energy Box.

Originally on average only 1 out of 10 households being targeted, applied for an Energy Box, although differences existed between neighbourhoods.¹² Thus, conversation rates were not very high. Experiments with different means of communication (flyers, doorhangers, multilingual e-mail and letters) (as also tested as part of the ENPOR project) and, for example, door-to-door visits by energy coaches, have shown however that conversation rates can be raised to 50%. Also, the research conducted within ENPOR has shown that different target groups, such as students or people with a migrant background, need different communication strategies. This awareness has grown a lot amongst the parties involved and is now always part of discussions when setting up a new campaign.

The Energy Box scheme is always carried out at a local level, in close cooperation with local stakeholders. Because of the need to address certain target groups with specific means, the knowledge of locals concerning the type of residents in a neighbourhood is vital. Also, the Energy Box must be low-key and accessible, so working with local energy coaches is also very important. However, at national level the value of these types of support schemes to households at risk of energy poverty has grown a lot (see also the chapter before). Thus, the Dutch government has intensively raised financial means to support municipalities in making use of energy coaches, energy fix teams and other initiatives to combat energy poverty.

In the ENPOR project the policy was further developed in collaboration with JMA into multiple directions.

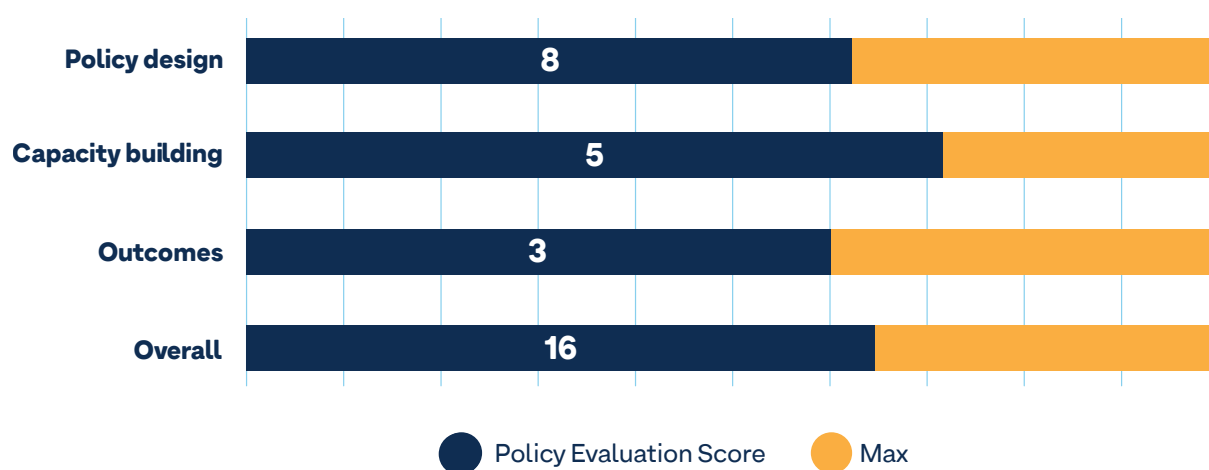
- Energy Box with Choice: provides flexibility and choice for tenants, with the option for the energy coach to offer additional materials or products during visits to meet tenant needs.
- Energy Box with Extra Visit: includes an extra visit from the energy coach after 8 weeks to support behavior maintenance and assist with measure implementation if needed.
- Energy Box with Practical Help: energy coach not only provides advice but also installs energy-saving products if the tenant requires assistance.
- Energy Box for Language Barriers: materials translated into multiple languages to reach tenants with migrant backgrounds.
- Energy Box via Social Network: promotion through existing social networks and local events, such as food bank distributions and community gatherings.
- Energy Box with Cargo Bike: utilizing a cargo bike for promotion, complemented by door-to-door visits and posters for a comprehensive approach.
- Energy Box for Students: tailored door-to-door visits and advice for (private) student housing, along with customized box materials.
- Energyvoucher: residents in Zeist received a €75 voucher for spending at local DIY stores, serving as an alternative approach to the Energy Box method for comparison.



¹² B. de Haan – JMA, personal communications, April 1 2021

Evaluation of the policy against the KPIs

Energy upgrade of buildings programme



Area	Score	Comments
Policy design	8/13	<ul style="list-style-type: none"> ● The policy includes PRS tenants, although at the discretion of the individual implementing authority. The policy was designed with the input of stakeholders from across the PRS landscape including landlords and their representatives, however tenants and/or their representatives were not part of the REACT group process. The policy does not address the split incentive. ● The policy involved the development of a tool which allows more fine-grained identification of energy poor households at the neighbourhood level, including PRS tenants, which can lead to better targeting of households in need. ● The policy is well integrated within broader programmatic objectives to alleviate energy poverty at local and national levels.

Area	Score	Comments
Capacity building	5/7	<ul style="list-style-type: none"> <li data-bbox="694 302 1394 495">● The policy was effective at fostering new collaborations and partnerships between stakeholders across the PRS landscape, including municipalities, private landlords, and housing associations. <li data-bbox="694 528 1394 721">● Dissemination of the policy and its results with multiple stakeholders was achieved through academic papers and presentations at national meetings with policymakers, which has helped to inform new policy ideas. <li data-bbox="694 754 1394 902">● However, the policy did not include capacity building with regards to improving relevant skills or widening access to finance or other resources for tackling energy poverty.
Outcomes	3/5	<ul style="list-style-type: none"> <li data-bbox="694 954 1394 1146">● This policy was effective at reaching energy poor PRS tenants. There is also evidence that there is improved understanding of energy bills, energy conservation measures and increased thermal comfort in households which received an Energy Box. <li data-bbox="694 1180 1394 1288">● As this policy is focused on household behaviour change and energy conservation measures, the energy efficiency of the building stock was not altered.
Overall	16/25	

Conclusion and further recommendations

The policy was effective in targeting energy PRS tenants vulnerable to energy poverty, particularly improving their understanding of energy bills, and enhancing thermal comfort through initiatives like the Energy Box. It also fostered collaborations among stakeholders in the PRS landscape and was well-integrated into broader energy poverty alleviation goals. The policy developed novel energy poverty detection tools, at a small scale of disaggregation. Thanks to the ENPOR project, there was clear evidence of extensive policy coverage across multiple constituencies. However, there are notable shortcomings. The policy did not involve PRS tenants or their representatives in its development, where these voices could have provided important input in the design of specific goals, measures and steps. It did not directly address the split incentive issue, where landlords may be structurally discouraged from investing in energy efficiency measures. Moreover, the policy did not include capacity building measures to improve relevant skills or widen access to resources for addressing energy poverty. To enhance its effectiveness, future policy development should seek to involve a wider range of stakeholders in its design and implementation, while addressing the issue of energy efficiency incentives among landlords. This could be enhanced by capacity-building initiatives across a variety of governance sectors and levels.



Overview of KPI assessment

Indicator	Specification / Operationalisation	Yes/No
Does the policy allow tenants in the PRS to participate/benefit?	-	● Yes
Does the policy explicitly target the PRS?	-	● No
Does the policy explicitly target energy poor households in the PRS?	-	● No
Has the design of the policy been informed by input from the PRS?	Yes, from (representatives of) owners	● Yes
	Yes, from (representatives of) residents	● Yes
	Yes, from other relevant stakeholders	● Yes
Is the policy part of wider legislative, regulatory and/or programmatic commitments to address energy poverty?	Is it implemented by more than one agency?	● No
	Has it been publicly challenged?	● No
	Does it refer to other policies and/or legal acts?	● Yes
	Is the policy documented as an element of an overarching energy poverty strategy?	● Yes
Does the policy explicitly address the split incentives issue?	-	● No
Are the policy's target groups specified with view to criteria derived from an official energy poverty definition?	-	● Yes
Is the policy underpinned by clear mechanisms to identify energy poor households in the PRS?	I.e., there is a distinct procedure/process on how to identify an energy poor household applying specified criteria.	● Yes

Table 1: Overview of policy evaluation in terms of policy design - The Netherlands

Indicator	Specification / Operationalisation	Yes/No
Does the policy help improve decision-making capacity (in terms of skills, co-operation and/or resources) by state organisations at the national or local level to address energy poverty in the PRS?	Does the policy promote the formation of new co-operations between state organisations and relevant stakeholders to better address energy poverty in the PRS?	● Yes
	Does the policy help improve relevant skills (e.g., with view to the administration of support programmes, the identification of and outreach to energy poor tenants, ...) in state organisations to better address energy poverty in the PRS?	● No
	Does the policy generate new insights/data to inform the implementation of energy poverty policies/programmes targeting the PRS?	● Yes
Does the policy help improve wider policy making (in terms of existing or future programme implementation) by state organisations at the national or local level, working on energy poverty alleviation?	E.g., does it generate new insights/data to inform the design of energy poverty policies/programmes?	● Yes
Does the policy help improve energy poverty alleviation-related knowledge and skills to address energy poverty among stakeholders relevant to the PRS?	Based on survey results from REACT group participants / capacity building events	● Yes
Does the policy help improve energy poverty alleviation-related communication and collaboration opportunities among stakeholders relevant to the PRS?	E.g., does it establish virtual or physical fora dedicated to promoting exchange / collaboration between stakeholders	● Yes
Does the policy help improve energy poverty alleviation-related resources (financial or otherwise) available to stakeholders working in the PRS?	E.g., via funding for energy efficiency renovations of dwellings	● No

Table 2: Overview of policy evaluation in terms of capacity building - The Netherlands

Indicator	Specification / Operationalisation	Yes/No
Has the policy reached energy poor tenants in the PRS?	Based on output/monitoring data/estimates	● Yes
Is there evidence to suggest that the policy has led to a decrease in energy poverty prevalence in terms of improved thermal comfort among vulnerable groups?	Based on output/monitoring data/estimates	● Yes
Is there evidence to suggest that the policy has enabled energy poor households to increase their consumption of energy services to fulfil their basic needs?	Based on output/monitoring data/estimates	● No
Is there evidence to suggest that the policy has led to improved energy efficiency in dwellings occupied by energy poor tenants?	Based on output/monitoring data/estimates	● No
Is there evidence to suggest that the policy has led to improved understanding of energy bills and conservation options among energy poor households?	Based on output/monitoring data/estimates	● Yes

Table 3: Overview of policy evaluation in terms of outcomes - The Netherlands

Partners



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