



EN6570/3

Appendix C: Landlords Energy Survey

Final

A report prepared for Beacon Pathway Limited

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About This Report

Title

Appendix C: Landlords Energy Survey

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Abstract

A telephone survey of 491 landlords found resistance to investment in retrofitting and unresponsiveness to tenant demands or advice from professional bodies. Landlords report that they would renovate with financial assistance. Renovation and maintenance is largely cheap and basic redecorating, although in responding to cold, damp and mould, many pursue technological solutions before dealing with basic issues.

Reference

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1 Introduction

- 1.1 This working paper provides a preliminary analysis of the data generated by a telephone survey of 491 landlords. This survey has been undertaken for the Beacon Pathway as one component of its energy research programme. That programme seeks to transform the energy efficiency of New Zealand's residential built environment. This working paper is designed to be an input into the team's deliberations and is intended to provide the basis for future public reporting.
- 1.2 The paper is structured as follows:
- Section 2 positions the Landlord Survey in the context of Beacon's Energy Research Programme.
 - Section 3 sets out the purpose of the Landlord Survey.
 - Section 4 sets out the survey methods including the survey instrument, the sampling and the analysis.
 - Section 5 presents the data related to stock characteristics, tenants and landlording motivations.
 - Section 6 considers the data related to the energy efficiency of tenanted dwellings.
 - Section 7 presents data relating to landlord renovation and retrofit activities and intentions.
 - Section 8 presents data relating to landlord attitudes to retrofit.
 - Section 9 comments on the implications of these findings for Beacon.
- 1.3 The data presented in this working paper should not be released beyond the research team and the Research Guidance Committee.

2 Beacon's Energy Research

2.1 Beacon's current research on energy is directed to a market transformation that will ensure that both suppliers and consumers act to improve the energy efficiency of New Zealand's housing stock. The Energy Retrofits - Best Practice research recognises that improving the energy performance of the housing stock is primarily a matter of changing the performance of the existing stock through retrofitting. The research overall involves:

- establishing the relationship between retrofit and building typology
- identifying how to stimulate take-up among key consumers in the housing market, and
- identifying a set of evidence-based, robust retrofit promotional approaches, packages and tools.

2.2 The key research questions for Workstrand 2 (the context of this Recent Movers Survey) are:

- What user/consumer segments are best targeted to achieve maximum take-up of energy efficiency retrofits of New Zealand homes?
- What are the motivations of these user segments and how should they be targeted?
- Are there common features of building typology of the priority user segments?
- What benefits do other end-users in the supply chain gain through retrofit?

3 Purpose of the Landlord Survey

- 3.1 The Landlord Survey is one of three surveys to be undertaken which focus on energy and retrofit take-up in key consumer segments in the housing market. The focus of the surveys is to establish the perceptions, awareness and motivations of landlords in relation to the energy-related performance of their houses.
- 3.2 The Landlord Survey is important because homeownership in New Zealand is falling and landlord decisions are likely to become increasingly important in determining the thermal performance of the housing stock and the conditions under which many households live¹. Overseas experience suggests that landlords are typically less likely to systematically improve the resource performance of their dwellings.² The fragmentary data on landlord behaviour in New Zealand suggests that this is also the case in New Zealand.³ Attempts have been made to encourage landlords into improving the thermal performance of the dwellings stock through incentive subsidies, not least because the groups most vulnerable to poor health outcomes in New Zealand also tend to be over-represented in rental tenure.
- 3.3 This survey has been concerned with establishing:
- The value landlords place on energy efficiency, warmth and healthy living conditions
 - The extent to which improving energy and other resource performance is evident in the repairs, maintenance and renovation expenditure patterns of landlords.
 - The factors that might prompt landlords to undertake retrofit.
- 3.3 The Landlord Survey also collected data around the stock characteristics these landlords deliver to the rental market and their tenant preferences.

■ ¹ *Home ownership has been declining since 1991 when home ownership reached a high of 74 percent. In 1996 home ownership was 71 percent this fell to 68 percent in the 2001 Census. In 2006 homeownership was 66.9 percent including dwellings owned through a family trust.*

² *Saville-Smith, K, 2005, Public Investment in the Repairs & Maintenance of Owner-Occupied Dwellings: A Review of International Policy & Practice - RHP Long-Term Outcomes Evaluation, Prepared for Housing New Zealand Corporation.*

³ *Saville-Smith, K. and Fraser, R. 2004. National Landlords Survey Wellington, Centre for Research, Evaluation and Social Assessment (CRESA).*

4 Method

- 4.1 Data was collected from landlords through a national telephone survey using a structured questionnaire of predominantly close-ended questions. The questionnaire was developed by the Centre for Research, Evaluation and Social Assessment (CRESA) and includes a number of questions from previous research projects in the energy, retrofit and landlord areas. A copy of the questionnaire is presented in Annex A.
- 4.2 Participants for the survey were selected randomly from a set of manually collated telephone numbers from rental classifieds advertisements over a four month period from August to November 2007. The rental classifieds were taken from the following newspapers – The New Zealand Herald, The Dominion Post, The Press, The Marlborough Express, The Nelson Mail, The Northern Advocate, Otago Daily Times, Waikato Times, and the Wanganui Chronicle. Advertisements by property managers were excluded as were duplicate addresses. A total of 2,905 potential participants were constituted as a set.
- 4.3 The final sample of 491 landlords randomly selected from the sample population were interviewed over a period of 4 weeks from late April to late May 2008. The response rate for the survey was 31 percent.
- 4.4 The data has been entered and analysed in the Statistical Package for the Social Sciences (SPSS). For the purpose of this working paper, data has been subject to univariate and bi-variate analysis.

5 Stock Characteristics, Tenants & Motivations

5.1 In this section we present an overview of the stock characteristics of dwellings reported on by the landlords participating in the Landlords Survey as well as their tenant preferences and characteristics. The data related to participants' motives for becoming involved in landlording are also presented.

Size of the Stock

6.8 Of the 491 landlords participating in the Landlord Survey, 483 provided information about the size of their stock. Overall, the participant landlords accounted for a dwelling stock of 2,389 dwellings.

6.9 Typically the landlords operated only one rental dwelling. However, a small proportion of landlords have significant numbers of rental stock. 9.7 percent of these landlords had 10 or more rental dwellings. The largest stock was reported as 88 units. As a consequence, the stock holding mean is almost five stock units and the median number of stock units is three. As Table 1 shows there is a substantial number of these landlords with 2-4 dwellings.

Table 1: Stock Size of Landlords*

Stock Size	Landlords	
	n	%
One rental property	129	26.7
2 rental properties	88	18.2
3 rental properties	66	13.7
4 rental properties	58	12.0
5 or more rental properties	142	29.4
<i>Total</i>	<i>483</i>	<i>100</i>

* 8 missing cases

Stock Type

6.10 The largest proportion of landlords own single storey, detached dwellings (Table 2).

Table 2: Proportions of Landlords with Stock Type*

Stock Type	Landlords (n=491)	
	n	%
Detached single storey house	345	70.2
Detached house multi-storey house	143	29.1
Purpose built flat	104	21.2
Semi-detached single storey house	90	18.4
Semi-detached multi-storey house	58	9.8
Flat in converted building	43	8.8
Apartment in multi-floor apartment block	43	8.8
Terrace house	23	4.6

* Multiple response

6.11 Fifty-seven landlords said they owned 'other' types of residential stock. Included in this other category are home and income properties, properties that are sub-divided i.e. two stand alone dwellings on the one section, residential properties attached to commercial properties (for instance a flat above a shop), and units in a block of flats.

Table 3: Stock Units by Type*

Stock Type	Stock Units	
	n	%
Detached single storey house	963	40.3
Purpose built flat	446	18.7
Detached house multi-storey house	262	11.0
Semi-detached single storey house	226	9.4
Apartment in multi-floor apartment block	119	5.0
Flat in converted building	100	4.2
Other	96	4.0
Semi-detached multi-storey house	94	3.9
Terrace house	55	2.3

Type not specified	28	1.2
Total	2389	100

6.12 The vast majority of landlords had rental stock that was built prior to 1978, with considerably smaller proportions of landlords with stock built after the year 2000 (Table 4). Only 14.7 percent of landlords had no stock built prior to 1978.

Table 4: Proportions of Landlords with Stock of Specified Age*

Stock Age	Landlords (n=491)	
	n	%
Built before 1978	412	83.9
Built 1978-2000	176	35.8
Built after 2000	88	18.0

* Multiple response

6.13 Table 5 sets out the total numbers of stock held by participant landlords in each age category. Note, 31 dwellings are unaccounted for in relation to age.

Table 5: Stock Units by Age

Stock Age	Stock Units	
	n	%
Built before 1978	1777	75.4
Built 1978-2000	416	17.6
Built after 2000	165	7.0
<i>Total</i>	<i>2358</i>	<i>100</i>

Tenant Preferences

6.14 Landlords prefer professional couples as tenants. Data on actual tenant characteristics were not collected (Table 6).

Table 6: Proportions of Landlords with Tenant Preferences*

Tenant Preferences	Landlords	
	n	%
Professional couples	374	76.2
Professional singles	269	54.8
Retired couples	256	52.1
Retired singles	228	46.4
Couple with children	193	39.3
Young single female	188	38.3
Same sex couples	156	31.8

* Multiple response

Landlording Motivations

6.15 The motivations for delivering rental stock are diverse but the primary motives are to provide a regular income stream either immediately or in retirement and long term capital gain (Table 7).

Table 7: Proportions of Landlords with Stated Motivation for Landlording*

Motivation	Landlords (n=491)	
	n	%
Retirement income	382	77.8
Long-term capital gain	345	70.3
Low risk investment	284	57.8
Regular income	274	55.8
Taxation benefits	225	45.8
Housing provision	136	27.7

* Multiple response

Tenant Management

6.16 Almost two thirds (65.2 percent) of landlords report that their tenants stay less than two years. This is broadly consistent with the National Landlord Survey⁴. Almost a quarter (23.5 percent) report tenants on average stay for less than one year. 89.8 percent of landlords had sought tenants at least once in the year prior to surveying and over two thirds (67 percent) of landlords reported that they had problems with tenants in the past.

6.17 Table 8 lists the proportions of landlords that have specified problems. The most common problem is non-payment of rent.

Table 8: Proportions of Landlords with Specified Tenant Problems*

Tenant Problems	Landlords (n=491)	
	n	%
Rent non-payment	269	54.8
Damage to property	147	29.9
Unsanitary habits	61	12.4
Abandonment/vacating	44	9.0
Neighbourhood disturbance	44	9.0
Crime	31	6.3

- Multiple response

⁴ Saville-Smith, K. and Fraser, R. (2004) *National Landlords Survey: Preliminary Analysis of Data*, Wellington, Centre for Research, Evaluation and Social Assessment.

6 Stock Energy Efficiency

6.1 This section presents data related to the characteristics of dwellings known to be associated with energy efficiency and thermal comfort including:

- The integrity of the thermal envelope. In particular:
 - insulation
 - glazing systems
 - draughts
- Heating sources.
- Water heating.

Insulation

6.2 The majority (83.5 percent) of landlords reported that one or more of their dwellings had insulation in the roof space. Just over half the landlords reported that one or more of their dwellings had insulation in the external walls. Only 34.4 percent, however, reported that one or more of their dwellings had insulation in the under floor.

6.3 The number of dwellings reported as having insulation in those spaces is set out in Table 9.

Table 9: Rental Stock Reported by Landlords as Insulated

Insulation	Dwellings (n=2389)	
	n	%
Roof space	1405	58.8
External walls	880	33.5
Under floor	460	19.3

* Multiple response

Double-glazing

6.4 A minority (12.2 percent) of landlords reported some level of double glazing in their housing stock. Only 56 landlords reported they had double glazing in their stock and only 7 of those reported that double-glazing was typically above 75 percent of the windows in their dwellings.

Draughts

6.5 Over half the landlords (52.3 percent) report that the doors or windows in their stock were subject to draughts. Of the 257 landlords that reported door and windows being draughty, the majority (69.6 percent), reported that 25 percent or less of the doors and windows in their dwellings were, typically, draughty. Only 12.5 percent of landlords reporting draughty stock reported that over half of the doors and windows in their dwellings were, typically, draughty.

Heating

6.6 Electric heaters such as fan, bar, convection or night store heaters are most likely to be reported by landlords as a source of space heating. As Table 10 shows, around two-fifths of landlords report that they have fixed electric heaters in their dwellings, with similar proportions using portable electric heaters and just under a third using enclosed wood burners. It should be noted that 18.3 percent of landlords reported that there was no form of fixed space heating appliance in their stock.

Table 10: Space Heating Used in Rental Dwellings

Heater Type	Landlords (n=491)	
	n	%
Enclosed woodburner	172	35.0
Heat pump	142	29.0
Open fire	125	25.0
Fixed electric radiator or oil column heater	105	21.4
Fixed and flued gas heater	91	18.5
Unflued and fixed gas heaters	63	12.9
Underfloor heating	36	7.3
Pellet burners	3	0.6

* Multiple response

6.7 Table 11 shows that more stock units have heat pumps than any other form of heating source.

Table 11: Space Heating Used in Rental Dwellings

Heater Type	Stock Units (n=2389)	
	n	%
Heat pump	358	15.0
Enclosed woodburner	270	11.3
Open fire	239	10.0
Fixed electric radiator or oil column heater	211	8.8
Fixed and flued gas heater	144	6.0
Unflued and fixed gas heaters	88	3.7
Underfloor heating	47	2.0
Pellet burners	3	0.1

* Multiple response

Hot Water

6.8 As Table 12 shows, the predominant method of water heating is electricity. 91.7 percent reported dwellings with electric hot water heating.

Table 12: Fuels Used for Heating Hot Water*

Source of Water Heating	Landlords (n=491)	
	n	%
Electricity	450	91.7
Instant hot water (gas or electric)	143	29.1
Gas	128	26.1
Wood wetback	82	16.7
Solar	9	1.8

* Multiple response

6.9 Information was provided about the primary hot water cylinder by 471 landlords. 183 landlords (43.4 percent) reported that at least one of their dwellings had no wrapping on the hot water cylinder. 8.4 percent of landlords reported that at least one of their dwellings had old, poorly fitting cylinder wrapping. However, 18.2 percent of landlords reported that at least some of their dwellings had new well-fitted wrapping and 24.4 percent of landlords reported dwellings with hard foam wrapping.

6.10 Table 13 sets out the proportions of stock reported by landlords with wrapped cylinders.

Table 13: Hot Water Cylinder Wrapping in Rental Stock

Type of Wrapping	Dwellings	
	n	%
No wrapping	879	48.8
Hard foam	366	20.3
Unsure	250	13.9
New well-fitted jacket	228	12.7
Older poorly-fitted jacket	79	4.4
<i>Total</i>	<i>1802</i>	<i>100.1</i>

7 Stock Condition, Renovation & Retrofit Activities

7.1 Most landlords (69.4 percent) believe that at least some of their stock. Less than a quarter (23.4 percent) report that at least one dwelling in their portfolio is in average condition with some repair and maintenance required. Only six landlords report stock in very poor condition and 30 landlords (6.1 percent) report one or more dwellings in poor condition with immediate repairs and maintenance needed.

7.2 Table 14 shows that proportion of the total reported stock in each condition category.

Table 14: Landlord Assessed Stock Condition*

House condition	Dwellings (n=2389)	
	n	%
Excellent – no immediate repair and maintenance needed	1077	45.1
Good – minor maintenance needed	773	32.4
Average – some repair and maintenance needed	250	10.5
Poor – Immediate repairs and maintenance needed	48	2.0
Very poor – Extensive repairs and immediate repair and maintenance needed	6	0.3
Unsure/Not stated	235	9.8

7.3 Over half (60.1 percent) of landlords report setting aside monies for repair and maintenance.

7.4 Landlords were asked to report on any renovations costing in excess of \$2,000 they had undertaken in the year prior to surveying. Of the 491 landlords, 60.9 percent reported that they had done so. 640 dwellings in total were reported as subject to some form of renovation or repair.

7.5 Table 15 shows that the vast majority of work undertaken by landlords involved painting/wallpapering or carpeting.

Table 15: Renovations, Repairs in Excess of \$2,000 in Year Prior to Surveying *

Activity	n	% Landlord Renovators	% All Landlords
Interior repainting and/or wallpapering	128	42.8	26.1
Carpeting	91	30.4	18.5
Full exterior re-paint	68	22.7	13.8
Replace kitchen or laundry appliances	62	20.7	12.6
Replace bathroom whiteware	53	17.7	10.8
Replace bathroom cabinetry	48	16.1	9.8
Replace kitchen cabinetry	39	13.0	7.9
Install heat pump	38	12.7	7.7
Replumbing/gas work	32	10.7	6.5
Roof Replacement	27	9.0	5.5
Replacement of interior cladding	26	8.7	5.3
Landscaping/gardening/decking/fencing	20	6.7	4.1
Rewiring full or significant part of the dwelling	17	5.7	3.5
Install ceiling insulation	14	4.7	2.9
Replacement significant portion exterior cladding	13	4.3	2.6
Replacing lino/vinyl/tiles	13	4.3	2.6
Adding rooms	12	4.0	2.4
Install new hot water cylinder	12	4.0	2.4
Polishing floors	10	3.3	2
Install wall insulation	10	3.3	2
Install underfloor insulation	8	2.7	1.6
Repairs to doors/windows	8	2.7	1.6
New curtains/blinds	8	2.7	1.6
Driveway/garaging/parking	8	2.7	1.6
Renovations to bathroom	5	1.7	1

Installing a rangehood/extractor fan in the kitchen	4	1.3	0.8
Installing an extractor fan in the bathroom	4	1.3	0.8
Installing a low flow shower head	4	1.3	0.8
Installing low dual flush toilets (6/3 litres or less)	4	1.3	0.8
General maintenance	4	1.3	0.8
Install ventilation systems, such as HRV/DVS	3	1.0	0.6
Upgrading hot water system to instant gas	3	1.0	0.6
Renovations to kitchen	3	1.0	0.6
Install double glazing	2	0.7	0.4
Install woodburner	2	0.7	0.4
Install heat pump hot water system	2	0.7	0.4
Installing rainwater barrel for watering the garden	2	0.7	0.4
Replacing door locks, knobs, handles	2	0.7	0.4
Repiling	2	0.7	0.4
Installing gas heating	2	0.7	0.4
Installing a wastewater recycling system	1	0.3	0.2
Developing a low water use garden	1	0.3	0.2

*Multiple Response

7.6 The average reported expenditure on renovations/retrofit is \$22,251.05 and the median is \$8,000. The profile of expenditure is set out in Table 16.

Table 16: Expenditure on Renovation and Retrofit Activities*

Expenditure	Landlords	
	n	%
\$3,000 or less	59	19.9
\$3,001 to \$5,000	45	15.2
\$5,001 to \$8,000	40	13.5
\$8,001 to \$10,000	32	10.8
\$10,001 to \$15,000	17	5.7
\$15,001 to \$20,000	26	8.8
More than \$20,000	66	22.3
<i>Unsure/Not Stated</i>	<i>11</i>	<i>3.7</i>
<i>Total</i>	<i>296</i>	<i>99.9</i>

7.7 Landlords were asked whether they had undertaken any repairs, maintenance or installations to address cold, damp or mould in any of their stock. 84.1 percent of landlords reported that they had done so.

7.8 Table 17 sets out the activities and installations undertaken by landlords to deal with damp, cold and mould.

Table 17: Activities undertaken by landlords to reduce cold, damp or mould

Activity	n	% Landlords (n=413)
Putting in an HRV/DVS or similar ventilation system	81	19.6
Installing heat pump	72	17.4
Installing insulation/batts in the ceiling	54	13.1
Installing an extractor fan in the bathroom	43	10.4
Installing underfloor insulation	30	7.3
Putting up heavy thermal curtains with pelmets	20	4.8
Other heating type installed	17	4.1

Installing insulation in the walls	16	3.9
Draught stopping the doors and windows	15	3.6
Installing efficient woodburner	10	2.4
Installing a rangehood/extractor fan in the kitchen	7	1.7
Installing double glazing	5	1.2
Other ventilation solution (e.g. security latches so windows can be left ajar)	4	1.0
Venting the drier to the outside	2	0.5
Installing passive vents on the windows	2	0.5
Upgrading hot water system to instant gas	2	0.5
Hot water cylinder insulation	2	0.5
Installing a low flow shower head	1	0.2
Upgrading hot water system to solar hot water	0	0.0

7.9 The expenditure pattern on cold, damp and mould is set out in Table 18. The average reported expenditure to address damp, cold or mould is \$9,151.52. The median expenditure is \$3,000.

Table 18: Expenditure on Cold, Damp and Mould Responses*

Expenditure	Landlords	
	n	%
\$3,000 or less	136	51.9
\$3,001 to \$5,000	35	13.4
\$5,001 to \$8,000	24	9.2
\$8,001 to \$10,000	16	6.1
\$10,001 to \$15,000	12	4.6
\$15,001 to \$20,000	8	3.1
More than \$20,000	10	3.8
Unsure/Not stated	21	8.0
<i>Total</i>	262	<i>100.1</i>

8 Awareness and Attitudes to Retrofitting

8.1 The survey explored with landlords:

- Their awareness of retrofit.
- Their perceptions of the benefits associated with various retrofit activities.
- Their desire to retrofit.
- Barriers and prompts to take-up retrofit.

Awareness of Retrofit

8.2 Almost half (49.3 percent) of the landlords had heard of the term ‘retrofit’. Of the 242 landlords that had heard of the term, there was considerable variation in the proportion identifying certain activities as retrofit.

8.3 As Table 19 shows, installation of ceiling insulation is associated with retrofitting by substantial proportions but many of the lowest cost and most basic options such as use of curtains are less likely to be associated by householders with retrofitting.

Table 19: Activities Identified by Landlords as Associated with Retrofit

Activities	Landlords (n=242)	
	n	%
Installing insulation/batts in the ceiling	99	40.9
Installing underfloor insulation	90	37.2
Installing insulation in the walls	73	30.2
Installing double glazing	62	25.6
Installing heat pump	32	13.2
Putting in an HRV/DVS or similar ventilation system	19	7.9
Draught stopping the doors and windows	17	7.0
Upgrading hot water systems to instant gas	13	5.4
Upgrading hot water systems to solar hot water	11	4.5
Installing efficient wood burner	8	3.3
Putting heavy thermal curtains with pelmets	7	2.9
Installing an extractor fan in the bathroom	5	2.1
Installing a rangehood/extractor fan in the kitchen	4	1.7
Installing a low flow shower head	3	1.2

Installing passive vents on the windows	2	0.8
Putting in a wetback hot water system	2	4.5
Venting the drier to the outside	0	0.0

* Multiple response

8.4 The single most important source of information for landlords when asked where they would look advice on retrofit options was the internet. 38.3 percent reported they would seek information there. Around half that number would seek advice from trades people (15.7 percent of landlords) or building suppliers (17.6 percent of landlords). Small proportions would seek information or advice from:

- Department for Building or Housing – 6.6 percent
- Books and magazines – 5.4 percent
- EECA – 5.1 percent
- Property organisations – 4.5 percent
- Local Energy Trust – 3.7 percent
- Family – 2.3 percent
- Friends – 2.3 percent
- Other landlords – 2.3 percent
- BRANZ – 0.8 percent.

Willingness to Retrofit

8.5 The largest single category of landlords (46.4 percent) reported that they would retrofit their property if Government provided assistance. However, almost a quarter of landlords were categorical that they did not want to retrofit their properties at all (Table 20).

Table 20: Landlord Attitude to Retrofit*

Attitude to Retrofit	Landlords	
	n	%
I do not want to retrofit any of my rental houses	114	23.2
All of my rentals are already retrofitted	25	5.1
Some of my rentals are already retrofitted and I would retrofit more if it meant my tenants would stay longer	53	10.8
Some of my rentals are already retrofitted and I would retrofit more if I could then charge higher rent	40	8.1
I would retrofit my houses if the government provided some financial assistance	228	46.4
Other	12	2.4
Unsure/Not stated	19	3.9
<i>Total</i>	<i>491</i>	<i>99.9</i>

8.6 The expense of retrofitting was identified by 43.3 percent of landlords as the primarily reason for not investing. Other potential barriers such as inconvenience, difficulties with accessing trades people, lack of information were cited by a tiny minority of landlords as a barrier. Issues around return on investment, other than expense, were cited by a somewhat higher proportion of landlords.

8.7 Only a small proportion of landlords were concerned with longer term returns:

- Inability to pass costs to tenants in increased rents was cited as barrier by 8.1 percent of landlords.
- 7.1 percent reported that capital gains would be too low to undertake retrofit.
- Only 1.8 percent of landlords were hesitant because they felt they did not know their particular stock needs or how to get value for money.

8.8 Only 16.3 percent of landlords reported that they would undertake retrofit if advised to do so by an industry association. Around twice that proportion, 34.8 percent of landlords, reported that they would undertake retrofits if requested by tenants. A slightly higher proportion (42.2 percent) reported they would do so if there was regulation. Almost two thirds (63.3 percent) reported they would do so in response to Government financial assistance.

8.9 Notably, over a third (39.3 percent) of landlords believe that there is some financial assistance for retrofitting houses, but found it difficult to identify agencies that did so. 17.5 percent of landlord believed local or regional government provided financial

assistance. Only 5.7 percent of the landlords identified EECA as a source of financial assistance and while 2.4 percent of landlords identified local energy trusts as sources of funding.

8.10 Financial preoccupations are very evident in the relatively low investment landlords want to make to improve the energy efficiency of their stocks (Table 21). Almost three-quarters (72.8 percent) of landlords would spend \$5,000 or less and over a quarter reported willingness to expand up to \$500 only.

Table 21: Amount Willing to Spend on Measures Identified to Improve Energy Efficiency

Willingness to Pay	Landlords	
	n	%
Less than \$100	42	8.6
\$101-\$500	96	19.6
\$501-\$1,000	114	23.2
\$1,001 to \$3,000	81	16.5
\$3,001 to \$5,000	24	4.9
\$5,001 to \$8,000	2	0.4
\$8,001 to \$10,000	3	0.6
\$10,001 to \$15,000	1	0.2
\$15,001 to \$20,000	2	0.4
More than \$20,000	2	0.4
I am unlikely to act on recommended measures	71	14.5
Unsure/Not stated	53	10.8
<i>Total</i>	<i>491</i>	<i>100.1</i>

9 Some Implications for Beacon and Retrofit

- 9.1 Landlords are resistant to investment in retrofitting. They report themselves as neither responsive to tenant demands or advice from professional bodies. They report that they would be responsive to financial assistance.
- 9.2 There is no indication, however, that landlords are actively searching out whether that assistance is available or acting upon it. It is notable that only a minority are likely to act even if new regulatory conditions are imposed. This suggests that landlords are largely unaware of regulatory requirements on them or feel relatively immune from have to comply with regulatory requirements even if they are imposed.
- 9.3 Renovation and maintenance is strongly directed to basic redecorating. The expenditure is constrained. However, there is evidence to suggest that landlords do attempt to improve the performance of their stock in relation to comfort. A considerable proportion of the landlords had responded to problems of cold, damp and mould in their stock. Many of those landlords pursue solutions before dealing with basic issues around the thermal envelop.
- 9.4 Overall:
- Most landlords report that they own stock with an older age profile which has basic energy deficiencies easily retrofitted at low cost including:
 - draughty doors and windows
 - roof and underfloor insulation
 - There is low awareness of many low cost options to increase energy efficiency and comfort.
 - It appears those landlords do undertake work that might be considered ‘retrofit’, primarily to deal with cold, damp and mould, they undertake to put in complex appliances and systems rather than address basic issues of thermal performance such as draught control and efficient heating.
- 9.4 Like the data from the High Energy Users Survey and the Recent Movers Survey, the data from the Landlords Survey suggests that the pathway to improved energy efficiency is going to be reliant on generating a range of low cost retrofit packages. The use of subsidies will be crucial to get take up unless real benefits for landlords in relation to preferred tenants and/or preventing problems with tenants. The availability of subsidies is unlikely to be sufficient in itself to promote take-up. It is clear that landlords have low awareness of financial assistance available and have low recognition of key agencies in the retrofit sector.

10 References

Saville-Smith, K, 2005, *Public Investment in the Repairs & Maintenance of Owner-Occupied Dwellings: A Review of International Policy & Practice - RHP Long-Term Outcomes Evaluation*, Prepared for Housing New Zealand Corporation.

Saville-Smith, K. and Fraser, R. 2004. *National Landlords Survey* Wellington, Centre for Research, Evaluation and Social Assessment (CRESA).

11 Annex A: Landlords Survey

Landlord Survey

Research New Zealand #3777

29 APRIL 2008

Good morning/afternoon/evening, my name is AI from Research New Zealand. We are conducting research on behalf of CRESA about energy efficiency in New Zealand houses. We would like to speak to landlords who manage their rental properties themselves. Is there anyone in your household who owns and privately manages a residential rental property? Could I please talk to them?

This survey takes about 15 minutes. When would suit, or is now a good time?

If person not available, ask:

When would be a good time for me to call back to speak to him/her?

Make appointment

Reintroduce as necessary

Good morning/afternoon/evening, my name is AI from Research New Zealand. We are conducting research on behalf of CRESA about residential rental property.

This research takes about 15 minutes. When would suit, or is now a good time?

Background information only if needed:

This is genuine market research. I'm not selling anything.

Information provided is confidential. We report summary results about groups; we do not identify which individuals have said what.

We have found your telephone number listed in the 'to let' section of the newspaper. However, we have no way of knowing if you personally manage residential rental properties.

CRESA or the Centre for Research Evaluation and Social Assessment is a private research company whose research focuses on encouraging community development and sustainable communities. CRESA has already surveyed owner occupiers and want to talk to residential landlords because landlords own a significant minority of houses and apartments in New Zealand.

Read

As part of our quality improvement process, my Supervisor may listen to this call.

Current rental portfolio

Qa First of all, can you please tell me how many residential rental properties you own?

- 1One
- 2More than one

If Qa=1 read, else go 0 Just so you know, many of the questions I'm going to ask assume that you have multiple properties. Please answer them with regard to your single rental property.

Now can you please tell me how many of each of the following dwellings you have in your rental portfolio? (If more than one, please specify number)

	One	More than one (Specify)	None	Don't know	Refused
a. A detached single storey house	1	96	97	98	99
b. A detached house with more than one storey	1	96	97	98	99
c. A semi-detached single storey house	1	96	97	98	99
d. A semi-detached house with more than one storey	1	96	97	98	99
e. A terrace house	1	96	97	98	99
f. A purpose built flat	1	96	97	98	99
g. A flat in a converted building	1	96	97	98	99
h. An apartment in an apartment block with more than two floors	1	96	97	98	99

Do you have any other types of dwellings in your rental portfolio?

- 1Yes Specify type and number
- 2No
- 98Don't know

And how many of your rental properties were built...

	One	More than one (Specify)	None	Don't know	Refused
a. Before 1978	1	96	97	98	99
b. Between 1978 and 2000	1	96	97	98	99
c. After 2000	1	96	97	98	99

On average, how long do your tenants stay? Read

- 1Less than one month
- 21 to 6 months
- 36 to 12 months
- 41 to 2 years
- 52 or more years
- 96 ...Other Specify ****Do not read****
- 98 ...Don't know ****Do not read****
- 99 ...Refused ****Do not read****

How many times in the last year have you sought new tenants for your rental properties?

- 1Number of times Specify
- 97 ...None
- 98 ...Don't know
- 99 ...Refused

Have you had any problems with tenants in the past?

- 1Yes
- 2No
- 98 ...Don't know

If 0=2 or 98 go to 0, else ask: What types of problems have you had? Code many

- 1Non-payment of rent
- 2Damage to property
- 3Neighbourhood disturbance
- 4Crime
- 5Abandonment/vacating
- 6Unsanitary habits
- 7Disagreement over water rates
- 96 ...Other Specify
- 98 ...Don't know ;E
- 99 ...Refused ;E

For the following list of tenant categories, please say whether the tenant type is preferred, not preferred or whether you have no preference either way.

	Preferred	Not preferred	No preference either way
a. Professional couple	1	2	3
b. Solo parent family	1	2	3
c. Students	1	2	3
d. Refugee or migrant family	1	2	3
e. Large families	1	2	3
f. Couple with children	1	2	3
g. Young single female	1	2	3
h. Same sex couples	1	2	3
i. Retired couples	1	2	3
j. Professional singles flatting together	1	2	3
k. Certain ethnic groups	1	2	3
l. Retired single	1	2	3
m. Middle aged single male	1	2	3

What are your objectives when buying a rental property? Read Code many

- 1Long-term capital gains
- 2Regular income
- 3To provide someone with a home
- 4Low risk investment
- 5Taxation benefits or
- 6Income for retirement
- 96 ...Other Specify **Do not read**
- 98 ...Don't know ;E **Do not read**
- 99 ...Refused ;E **Do not read**

Rental property maintenance

Do you regularly set aside money for maintenance or renovations of your rental properties?

- 1Yes
- 2No
- 98 ...Don't know

If 0=2 or 98 go to 0, else ask: Please estimate how much you set aside yearly across all your rental properties? **Is it between... Read**

- 1\$1-\$1,000
- 2\$1,001-\$2,500
- 3\$2,501-\$5,000
- 4\$5,001-\$7,500
- 5\$7,501-\$10,000 or
- 6\$10,001 or more
- 96 ...Other Specify ****Do not read****
- 98 ...Don't know ****Do not read****
- 99 ...Refused ****Do not read****

In the last year, have you undertaken any renovations or major maintenance on any of your rental dwellings costing in excess of \$2,000?

- 1Yes
- 2No
- 98 ...Don't know

If 0=2 or 98 go to 0, else ask: And how many rental dwellings had renovations or major maintenance in excess of \$2,000?

- 1Number of dwellings Specify
- 98 ...Don't know
- 99 ...Refused

What did those renovations or major maintenance involve? **Code many**

Replacement

- 1Roof replacement
- 2Full exterior repaint
- 3Replacement of significant amounts of exterior cladding
- 4Replacement of interior cladding
- 5Interior repainting and/or wallpapering
- 6Carpeting
- 7Polishing floors
- 8Adding rooms
- 9Replace bathroom whiteware
- 10 ...Replace kitchen appliances
- 11 ...Replace bathroom cabinetry
- 12 ...Replace kitchen cabinetry
- 13 ...Rewiring full or significant part of the dwelling
- 14 ...Replumbing

Installation

- 15 ...Install underfloor insulation
- 16 ...Install ceiling insulation
- 17 ...Install wall insulation
- 18 ...Install double glazing
- 19 ...Install wood burner
- 20 ...Install pellet burner
- 21 ...Install heat pump
- 22 ...Install solar hot water system
- 23 ...Install heat pump hot water system
- 24 ...Install wetback hot water system
- 25 ...Install ventilation systems, such as HRV/DVS
- 26 ...Install rainwater tank
- 27 ...Install new hot water cylinder

Ventilation

- 28 ...Installing a rangehood/extractor fan in the kitchen
- 29 ...Installing an extractor fan in the bathroom
- 30 ...Venting the drier to the outside
- 31 ...Installing passive vents in the windows

Bathroom

- 32 ...Upgrading hot water system to instant gas
- 33 ...Installing a low flow shower head
- 34 ...Installing low dual flush toilets (6/3 litres or less)
- 35 ...Putting aerators in taps

Outdoors/garden

- 36 ...Installing a rainwater barrel for watering the garden
- 37 ...Installing a wastewater recycling system
- 38 ...Developing a low water use garden
- 96 ...Other Specify
- 98 ...Don't know ;E
- 99 ...Refused ;E

How much did those renovations cost in total? A rough estimate is okay.

- 1Answer Specify
- 98 ...Don't know
- 99 ...Refused

In the next year, do you intend to undertake any renovations or major maintenance on any of your rental dwellings costing in excess of \$2,000?

- 1Yes
- 2No
- 98 ...Don't know

If 0=2 or 98 go to 0, else ask: **What will those involve? Code many**

Replacement

- 1Roof replacement
- 2Full exterior repaint
- 3Replacement of significant amounts of exterior cladding
- 4Replacement of interior cladding
- 5Interior repainting and/or wallpapering
- 6Carpeting
- 7Polishing floors
- 8Adding rooms
- 9Replace bathroom whiteware
- 10 ...Replace kitchen appliances
- 11 ...Replace bathroom cabinetry
- 12 ...Replace kitchen cabinetry
- 13 ...Rewiring full or significant part of the dwelling
- 14 ...Replumbing

Installation

- 15 ...Install underfloor insulation
- 16 ...Install ceiling insulation
- 17 ...Install wall insulation
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Ventilation

- 28 ...Installing a rangehood/extractor fan in the kitchen
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Bathroom

- 32 ...Upgrading hot water system to instant gas
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- 35 ...Putting aerators in taps

Outdoors/garden

- 36 ...Installing a rainwater barrel for watering the garden
- 37 ...Installing a wastewater recycling system
- 38 ...Developing a low water use garden
- 96 ...Other Specify
- 98 ...Don't know :E
- 99 ...Refused :E

How much do you intend to spend on these renovations in total? A rough estimate is okay.

- 1Answer Specify
- 98 ...Don't know
- 99 ...Refused

Of your rental dwellings, how many have insulation in the following areas?

	One	More than one (Specify)	None	Don't know	Refused
a. The roof space	1	96	97	98	99
b. External walls	1	96	97	98	99
c. Under the floor	1	96	97	98	99

And how many have...

	One	More than one (Specify)	None	Don't know	Refused
a. Electric hot water heating	1	96	97	98	99
b. Gas hot water heating	1	96	97	98	99
c. Wood wetback hot water heating	1	96	97	98	99
d. Instant gas or electric hot water heating	1	96	97	98	99
e. Solar water heating	1	96	97	98	99

Do any of your rental properties have hot water cylinders?

- 1Yes
- 2No
- 98 ...Don't know

If 0=1 ask, else go 0 And in how many of these properties do the hot water cylinders have...

	One	More than one (Specify)	None	Don't know	Refused
a. Hard foam wrapping	1	96	97	98	99
b. New well-fitted jackets	1	96	97	98	99
c. Older poorly-fitted jackets	1	96	97	98	99
d. No wrapping	1	96	97	98	99

How many of your dwellings have the following types of fixed heat sources?

	One	More than one (Specify)	None	Don't know	Refused
a. Fixed electric radiators or oil-filled column heaters	1	96	97	98	99
b. Fixed unflued gas heaters	1	96	97	98	99
c. Fixed and flued gas heaters	1	96	97	98	99
d. Heat pumps	1	96	97	98	99
e. Underfloor heating	1	96	97	98	99
f. Enclosed wood burner	1	96	97	98	99
g. Open log fire	1	96	97	98	99
h. Pellet burners	1	96	97	98	99

What proportion of doors and windows in your rental dwellings would you consider are draughty? **Read if necessary**

- 1.None are draughty
- 2.1% to 25% are draughty
- 3.26% to 50% are draughty
- 4.51% to 75% are draughty
- 5.76% to 100% are draughty
- 98 ...Don't know ****Do not read****
- 99 ...Refused ****Do not read****

And what proportion of the windows in your rental houses are double-glazed? Read if necessary

- 1None are double-glazed
- 21% to 25% are double-glazed
- 326% to 50% are double-glazed
- 451% to 75% are double-glazed
- 576% to 100% are double-glazed
- 98 ...Don't know ****Do not read****
- 99 ...Refused ****Do not read****

Thinking about the overall condition of each of your rental dwellings, on a five point scale starting at excellent and moving down to good, average, poor and very poor, how many of your rentals would you describe as... Read

	One	More than one (Specify)	None	Don't know	Refused
a. Excellent – no immediate repair and maintenance needed	1	96	97	98	99
b. Good – minor maintenance needed	1	96	97	98	99
c. Average – some repair and maintenance needed	1	96	97	98	99
d. Poor- immediate repairs and maintenance needed	1	96	97	98	99
e. Very poor – extensive and immediate repair and maintenance needed	1	96	97	98	99

Have you made any renovations, repairs or acquired appliances in your rental houses to reduce cold, damp or mould? If yes: What did you do/have you done? Code many

- 1Draught stopping the doors and windows
- 2Installing insulation/batts in the ceiling
- 3Installing underfloor insulation
- 4Installing insulation in the walls
- 5Installing double glazing
- 6Putting up heavy thermal curtains with pelmets
- 7Installing heat pump
- 8Installing efficient wood burner
- 9Installing a rangehood/extractor fan in the kitchen
- 10 ...Installing an extractor fan in the bathroom
- 11 ...Venting the drier to the outside
- 12 ...Installing passive vents on the windows
- 13 ...Putting in an HRV/DVS or similar ventilation system
- 14 ...Upgrading hot water system to instant gas
- 15 ...Upgrading hot water systems to solar hot water
- 16 ...Putting in a wetback hot water system
- 17 ...Installing a low flow shower head
- 96 ...Other Specify
- 97 ...No renovations etc done to reduce cold, damp or mould ;E

- 98 ...Don't know ;E
- 99 ...Refused ;E

If 0=97, 98 or 99 go to 0, else ask: Can you estimate the cost of those changes across all your rental properties?

- 1Answer Specify
- 98 ...Don't know
- 99 ...Refused

If 0=98 or 99 go to 0, else ask: Is this amount included in the amounts you reported paying for renovations earlier?

- 1Yes
- 2No
- 3In part, except the following amount Specify
- 96 ...Other Specify
- 98 ...Don't know
- 99 ...Refused

Have you heard of the term 'retrofit'?

- 1Yes
- 2No
- 98 ...Don't know

If 0=2 or 98 read, else go 0 Retrofitting refers to the installation of new technology or upgrading older systems in an existing dwelling in order to make it warmer and more energy efficient. For instance, installing insulation, double glazing windows, or installing energy efficient heating such as pellet burners or heat pumps.

If 0=1 ask, else go 0 To the best of your knowledge, what kinds of activities does retrofitting involve? Code many

- 1Draught stopping the doors and windows
- 2Installing insulation/batts in the ceiling
- 3Installing underfloor insulation
- 4Installing insulation in the walls
- 5Installing double glazing
- 6Putting up heavy thermal curtains with pelmets
- 7Installing heat pump
- 8Installing efficient wood burner
- 9Installing a rangehood/extractor fan in the kitchen
- 10 ...Installing an extractor fan in the bathroom
- 11 ...Venting the drier to the outside
- 12 ...Installing passive vents on the windows
- 13 ...Putting in an HRV/DVS or similar ventilation system
- 14 ...Upgrading hot water system to instant gas
- 15 ...Upgrading hot water systems to solar hot water

- 16 ...Putting in a wetback hot water system
- 17 ...Installing a low flow shower head
- 96 ...Other Specify
- 98 ...Don't know ;E
- 99 ...Refused ;E

Which of the following statements best reflects your views about retrofitting your rental houses? Read

- 1I do not want to retrofit any of my rental houses
- 2All of my rental dwellings are already retrofitted
- 3Some of my rentals are already retrofitted and I would retrofit more if it would mean my tenants stayed longer
- 4Some of my rentals are already retrofitted and I would retrofit more if I could then charge higher rent
- 5I would retrofit my houses if the government provided some financial assistance
- 96 ...Other Specify ****Do not read****
- 98 ...Don't know ****Do not read****
- 99 ...Refused ****Do not read****

What stops you retrofitting some of your rental stock? Code many

- 1I don't need to / All my rentals have already been retrofitted
- 2It would be inconvenient
- 3I don't know what my particular stock needs and/or how to get the best value for money from a retrofit
- 4Too expensive
- 5I can't get trades people
- 6I don't know how to do it myself
- 7I can't get access to credible information
- 8I have other priorities
- 9I can't pass on the costs to tenants in increased rent
- 10 ...I can't get enough capital gains to make it worthwhile
- 96 ...Other Specify
- 97 ...Nothing in particular
- 98 ...Don't know ;E
- 99 ...Refused ;E

If 0=1 go to 0, else ask: Would any of the following make you more likely to consider retrofitting your rental stock? Read Code many

- 1If your tenants requested it
- 2If you were required by regulation
- 3Government provides financial assistance to do it
- 4Landlord association, Property investors, or a similar group advised you to do it
- 96 ...Other Specify ****Do not read****
- 98 ...Don't know ;E ****Do not read****
- 99 ...Refused ;E ****Do not read****

Are you aware of any financial assistance for retrofitting houses?

- 1Yes
- 2No
- 98 ...Don't know

If 0=2 or 98 go to 0, else ask: And to the best of your knowledge, who provides that financial assistance? Code many

- 1Local government – district, city or regional council
- 2District Health Board (DHB)
- 3Energy Efficiency and Conservation Authority (EECA)
- 4Ministry of Economic Development (MED)
- 5Local Energy Trust
- 6Other central government agency
- 96 ...Other Specify
- 98 ...Don't know ;E
- 99 ...Refused ;E

If you were seeking advice about retrofitting your rental property where would you look for information? Code many

- 1Family
- 2Friends
- 3Advice from trades people
- 4Advice from building suppliers
- 5Books/Magazines
- 6BRANZ
- 7Other landlords
- 8Property organisations
- 9District Health Board (DHB)
- 10 ...Energy Efficiency and Conservation Authority (EECA)
- 11 ...Ministry of Economic Development (MED)
- 12 ...Local Energy Trust
- 13 ...Department of Building and Housing
- 14 ...Internet
- 96 ...Other Specify
- 97 ...Nowhere - My own experience and knowledge suffices ;E
- 98 ...Don't know ;E
- 99 ...Refused ;E

If a professional helped you identify a range of measures to improve energy efficiency, warmth, and comfort of your rental dwellings, would you say you are likely to carry out measures that per house cost Read

- 1Less than \$100
- 2\$101 to \$500
- 3\$501 to \$1000
- 4\$1,001 to \$3,000
- 5\$3,001 to \$5,000
- 6\$5,001 to \$8,000

- 7\$8,001 to \$10,000
- 8\$10,001 to \$15,000
- 9\$15,001 to \$20,000
- 10 ...More than \$20,000
- 97 ...I am unlikely to act on the recommendations
- 98 ...Don't know ****Do not read****
- 99 ...Refused ****Do not read****

Demographic profile

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Closing Questions

Thanks for that. Do you have any other comments you'd like to make about the subject of this interview?

- 1Comments *Specify*
- 2No

May I please confirm your name in case my supervisor needs to check on the quality of this interview? *Record first and last name*

DELETED

Those are all the questions I have. Thank you very much for your help. My name is **QOIV** from Research New Zealand. If you have enquiries about this survey, please ring the Project Manager, Bronwen Hansen on our toll-free number: 0800 500 168. (Wellington respondents 499-3088)