

# Landlord's Information Pack

Energy Efficiency in the rental sector



# Foreword

Collectively buildings are responsible for almost half of the United Kingdom's carbon emissions, from the way in which they are built through to heating and lighting. If the UK is to achieve its goal of reducing carbon emissions by 20 per cent by 2020 then the way we think about our homes and properties must change.

Work has already been carried out to boost the quality of social housing provided by local councils, and the energy efficiency of these homes is thankfully now approaching that of owner occupied. However, around 3 million homes across the UK are owned by private landlords<sup>1</sup>. This accounts for over one in ten of all UK homes. According to E.ON's own customer research, a third of people in private rented accommodation with cavity walls have no insulation in comparison to just over a quarter of owner occupied homes. Similarly almost one in five of those in private rented accommodation with loft space have no insulation compared to only one in twenty of those who own their homes<sup>2</sup>.

It is estimated that under insulated rented homes could waste their tenants a massive £420 each year in heating bills<sup>3</sup>. Thankfully tackling this problem needn't mean new legislation, it simply requires better communication between energy providers, tenants and landlords on the issue of energy efficiency.

This pack, developed by E.ON, aims to provide simple, practical guidance to help landlords and tenants work together to take the initiative in tackling hard to improve the energy efficiency of their homes and properties. I hope the information contained within is of help.

Kind regards

Jim MacDonald

Jim MacDonald  
Commercial Director, E.ON



<sup>1</sup> Energy Efficiency Partnership for Homes - <http://www.eeph.org.uk/sector/privaterentedsector/>

<sup>2</sup> E.ON internal research 2008

<sup>3</sup> E.ON research - The cost savings shown are approximate and provided for illustration purposes only and are based on cavity wall and loft insulation in a gas central heated semi-detached house with three bedrooms. Savings assume a gas price of 3.407p/kWh with a gas consumption of 31,700 units per annum (prior to installing the insulation measures). Individual savings may vary depending on type, age, main heating fuel of your home or if you choose to increase the temperature in your home following installation of the measure. Savings are for top up from 25mm to the recommended level of 250mm.

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## Energy Ignorance

A warm home is a basic human need, and every year E.ON helps its customers save money through simple improvements to the energy efficiency of their properties. Energy saving is about more than money; it's about sharing responsibility for minimising the impact our energy usage has on the environment and is key to building a sustainable future for all.

Recent research for E.ON highlights that 40 per cent of people in rented homes are unaware that they are just as entitled to financial assistance for improving their homes' energy efficiency as those who own their properties. With a third of us living in rented accommodation, a sizeable proportion of UK households could be failing to take advantage of routes to minimise their energy bills and environmental impact.



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## Advice for landlords

The introduction of Home Information Packs means that the energy efficiency of your property portfolio is a crucial aspect of its attraction to potential tenants. Polling by E.ON reveals that three quarters of prospective tenants felt the cost of heating and lighting was very important when choosing a property. The surest way to a higher Energy Performance Certificate rating is the installation of loft and cavity wall insulation.

The Landlords Energy Saving Allowance (LESA) provides individual landlords, and landlords that pay income tax, with a deduction in their income tax bill for fully paid or grant assisted loft and cavity wall insulation. Improving the energy efficiency of your property can boost its rental yield; almost half of tenants that E.ON spoke to were prepared to pay more rent for an energy efficient property. This was especially pronounced at the luxury end of the market with two thirds of the wealthiest tenants and over half (60%) of 25-34 year olds willing to pay more.

Failing to tackle poorly performing properties can damage the trust between landlord and tenant, leading to fractious relationships that increase the expense of managing the property and increase the risk of tenants neglecting basic upkeep. Almost half (43%) of tenants that E.ON spoke to felt their landlord didn't care at all about the energy efficiency of their home and the impact this had on their energy bills. Fewer than one fifth (17%) though had thought to approach their landlord to discuss improving the energy efficiency of their home.

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## Landlords keen to build trust with their tenants should consider the following:

### 1. Remember energy efficiency is a key selling point

Don't forget to advertise the advantages of your property to prospective tenants. Go beyond the Energy Performance Certificate by asking current tenants to leave a letter outlining the average heating and lighting costs for the property and remember when showing tenants round to give them tips on how best to minimise their bills.

### 2. Don't wait to be asked

If your property isn't fully insulated consider investing in cavity wall insulation and making sure that the loft insulation is at the recommended level of 250mm. Remember if your tenant is on qualifying benefits or is over 70 they are entitled to free cavity wall and/or loft insulation. Call us on 0500 20 10 00.

### 3. Keep in touch

Before winter sets in, don't forget to contact your tenants and request the opportunity to inspect the property. Many tenants may leave contacting you about an ill fitting window or cracked tile until there's a cold draught blowing in or a damp patch on the ceiling.

### 4. Contact your property's energy provider

Your property's energy supplier will be able to advise any services they can offer you, make sure you are not missing out. E.ON is the only energy supplier to offer a dedicated one-stop service for landlords. The scheme simplifies the task of managing energy bills across a portfolio of properties and provides our landlords with single point of contact with a team dedicated experts.

### 5. Consider HeatPlant

E.ON HeatPlant is a revolutionary ground source heat pump that has been developed specifically for the UK affordable housing market and is an efficient way of providing controllable heat and hot water, if your property is off the gas network. If you are a Registered Social Landlord, then you may qualify for a government grant of 50% off the installation of HeatPlant. Certain properties with tenants on means- tested benefits may be eligible for free installation. To find out more about HeatPlant including eligibility criteria, visit [www.eonenergy.com/heatplant](http://www.eonenergy.com/heatplant)

### 6. Protect your investment

E.ON can help you to protect your investment and rental income by protecting all of your central heating system and boiler. For a fixed cost each month you'll have no expensive surprises if your property's heating or hot water system breaks. There is no hassle for you as there's just one number for you and your tenants to ring and an engineer will come out to fix it. We'll help you meet your legal gas safety obligations by providing a Landlord Gas Safety Record (CP12) for just a one off fee for all of your gas appliances. We'll also do an annual service ensuring your boiler is working safely and efficiently. What's more, you can have multiple properties as part of your contract to give you total peace of mind as a Landlord. To find out more about Landlords Central Heating Care call 0845 872 8636

## Advise your tenants

Research commissioned by E.ON reveals that a massive 83% of Brits are unaware of the savings that a few simple changes could make to their energy bills. Whilst more than two thirds (68%) are keen to reduce the size of their energy bills, only half (51%) are actually doing something about it in a bid to save money. When tenants move into your property, as well as leaving them essential contact details, consider leaving them some energy efficiency advice too. E.ON's website contains a number of useful tools to help households reduce their energy bills including:

### 100 ways to save

A handy leaflet that outlines 100 ways in which simple changes can help save money on your tenants energy bill. Download a copy for your tenant by clicking the below button.

[100 ways to save](#)

### Energy Menu

Ever wondered how much it costs to watch TV or use the cooker to prepare your evening meal? E.ON's Energy Menu is a simple on-line tool that shows you how much things cost to run. For more information please visit the below link to find out more.

[www.eonenergy.com/energymenu](http://www.eonenergy.com/energymenu)

Small changes can make a big difference and Joanne Davenport, a mum of three and Insurance Clerk from Manchester is living proof. Last year, Joanne won our Watt Watchers competition after reducing her family's energy consumption by a massive 57 per cent by making a few simple changes. To learn more about how Joanne cut her bills and pick up even more top energy saving tips - a visit that both you and your tenants could benefit from visit [eonenergy.com](http://eonenergy.com)

## For more information

### Landlords

E.ON Landlords Service

0845 301 4897

[eonlandlordsservice@eonenergy.com](mailto:eonlandlordsservice@eonenergy.com)

Meter Readings

0845 300 4385

Energy Efficiency Advice

0500 20 10 00

National Landlords Association

020 7840 8900

HeatPlant

0800 404 5018

Landlord Central Heating Care

0845 872 8636

### Tenants

New Customer

0800 051 0760

or you can easily get a quote and sign up online

Moving Home

0845 303 3020

and we'll manage the transfer of your gas and electricity

Meter Readings

0845 300 4385

For more information please go to the link below

[link@eonenergy.com](mailto:link@eonenergy.com)