

RACE for 2030

RELIABLE
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Interim Milestone Report 1

Driving energy upgrades in private rental homes



Progress report

– Interim milestone report 1

Project title

Driving energy upgrades in private rental homes

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Project partners

3EA, Bank Australia Energy, City of Newcastle, Consumers Australia, Darebin City Council, DEECA (Vic), Kuring-gai Council, Merri-bek City Council, Whittlesea City Council, Yarra City Council.

IRG members and in-kind contributors

City of Banyule, City of Hume, City of Moonee Valley, City of Parramatta, ClimateWorks, DCCCEEW (NSW), Ecovantage, Energetic Communities Association, Energy Efficiency Council, Green Energy Trading, Justice and Equity Centre, Nillumbik Shire Council, Renew, Solar Victoria, Tenants Union NSW, WelcDonCo.

Acknowledgement of Country

The authors of this report would like to respectfully acknowledge the Traditional Owners of the ancestral lands throughout Australia and their connection to land, sea and community. We recognise their continuing connection to the land, waters, and culture and pay our respects to them, their cultures and to their Elders past, present, and emerging.

What is RACE for 2030?

RACE for 2030 is a 10-year cooperative research centre (CRC) with \$350 million of resources to fund and support research towards a reliable, affordable, and clean energy future.

Disclaimer

The authors have used all due care and skill to ensure the material is accurate as at the date of this report. The authors do not accept any responsibility for any loss that may arise by anyone relying upon its contents.

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1 Summary

This project aims to help the 2.5 million households in private rentals by developing an improved understanding of the disconnect between tenants, private landlords and real estate agents and help inform the scaling up of retrofit of this housing stock to deliver private benefits (e.g., reduced energy bills, increased property value) and wider government sustainability goals.

This project explores if and how the provision of trusted and independent energy performance and retrofit information in Victoria and New South Wales can influence landlords' decisions to undertake energy upgrades to enhance the performance of their investments (single dwelling, low rise only) whilst lowering carbon emissions and energy bills and improving other social outcomes for tenants. The role of real estate agents and tenants as key intermediaries in supporting and guiding private rental upgrades is also explored.

To date the following interviews have been completed:

- Renter interviews 41 (35 in Victoria, 6 in NSW)
- Landlord interviews 12 (7 in Victoria, 5 in NSW)

Initial analysis of the first 32 tenant interviews has been undertaken with early findings relating to:

- Diverse experiences around renting and the compromises made by tenants.
- Thermal discomfort, with the majority of dwellings reported as too hot in summer and too cold in winter.
- Mixed experiences with landlord/tenant and real estate agent/tenant relationships.
- Mixed experiences of asking for improvements, with many people expressing hesitancy asking for improvements beyond the minimum maintenance required because of concerns about being seen as a 'problematic' tenant.
- Very few upgrades have happened. There is limited desire from tenants in the idea of co-investing in energy efficiency upgrades largely due to uncertainty in how long they will be in the property.
- Many tenants were unaware that they could have their rental dwelling rated for energy performance and comfort; they also had limited understandings of policy changes in this space.

The next steps for the project are to continue interview recruitment for renters and landlords, with support from project partners. An additional focus on landlord recruitment will occur in the coming weeks to ensure landlord numbers are achieved. If numbers in the target council areas are not achieved (in Melbourne) the recruitment approach will broaden out to other Melbourne council areas. Home energy assessments have been scheduled for those homes where interviews have been completed.

Recruitment of real estate agents for interviews will commence in the coming weeks across Melbourne and Newcastle regions.

2 Project Progress

2.1 Update on research activities

After the formal start of the research project, Newcastle City Council (NSW) was approached to support the research so it could be replicated in a different context and jurisdiction. To enable the NSW based research to occur a decision was made to expand the research team to include a NSW based RACE for 2030 University partner. The research team was strengthened with the inclusion of members from the Institute for Sustainable Futures (ISF) at the University of Technology Sydney (UTS). Not only will the ISF team collect primary data in NSW they helped refine the research design before field work was undertaken and will contribute to all stages of the research.

The research is progressing as per the project timeline with participant recruitment (work package 1) ongoing and participant baseline interviews (work package 2) underway. As of date, recruitment has focused on tenants and landlords. Table 1 outlines the recruitment status.

Location	Participant	Conducted	Scheduled	EOI	Total
Victoria	Renters	35	2	3	40/60
	Landlords	7	1	8	16/60
New South Wales	Renters	6	1	22	12/16
	Landlords	5	0	15	8/16

Table 1: Number of interviews scheduled and conducted.

2.2 Preliminary findings

Initial analysis has been conducted on the first 32 tenant interviews. Analysis of the landlord interviews will be undertaken once more interviews with this cohort are completed.

The initial analysis of tenant interviews shows varied experiences in terms of rental tenant experiences of their home's thermal quality, the process and experience of making improvements, and their understanding of dwelling thermal performance and energy efficiency and tenant rights.

Tenants interviewed have a range of ages, socio-economic factors, household types and experiences, and there is a range of rental property conditions/age. This includes tenants who have been lifelong renters over multiple decades, and those who have been renting for only a few years. Some participants have moved between rental and home ownership at different stages of their housing journey. In terms of socio-economic factors, the sample includes households on the spectrum of income scales.

Early insights from analysis of the tenant interviews suggest key themes across tenant experiences of living in their homes. We discuss a selection of these in more detail below, but they include:

- Diverse experiences around renting and the compromises made by tenants.
- Thermal discomfort, with the majority of dwellings reported as too hot in summer and too cold in winter.
- Mixed experiences with landlord/tenant and real estate agent/tenant relationships.
- Mixed experiences of asking for improvements, with many people expressing hesitancy asking for improvements beyond the minimum maintenance required because of concerns about being seen as a 'problematic' tenant.
- Very few upgrades have happened. There is limited desire from tenants in the idea of co-investing in energy efficiency upgrades largely due to uncertainty in how long they will be in the property.
- Many tenants were unaware that they could have their rental dwelling rated for energy performance and comfort; they also had limited understandings of policy changes in this space.

Thermal (dis)comfort

Many tenants reported rental properties as being too hot in summer and too cold in winter. Heating appliances have been reported as more likely to be adequate compared to cooling appliances. Heating appliances were often located in main living room, with other rooms reported as being cold. In response, tenants have reported using portable heating and cooling appliances as well as using blankets, clothes, and consuming hot drinks. Some tenants have reported requesting ceiling fans from their landlords to improve thermal comfort in summer, although there were few cases where this was supported by the landlord. The lack of flyscreens was highlighted as limiting the ability of tenants to safely ventilate rooms. Some tenants reported concerns about the impact of fixed appliance use (including ovens, hot water systems, heating/cooling systems), no (or little) insulation or inadequate draft proofing on energy bills.

Interviews showed widespread evidence of frugal use of heating/cooling energy for environment and/or financial reasons.

Relationships

Tenants have described mixed responses when asked about their relationship to their landlord or real estate agent. Many had limited engagement unless there had been an issue with the house.

Current and previous relationships with landlords or real estate agents were cited as having created negative renter perceptions, and therefore tenant realities; these related primarily to maintaining the property and addressing issues.

Multiple tenants raised concerns over power dynamics and their concerns in reporting issues with the quality or performance of the house. Perceptions included:

- being seen as a “troublesome tenant”,
- having rents increased when maintenance and/or improvements were completed, and/or
- feeling ignored, so they saved their interactions and reports for critical issues only.

For many tenants the priority is the security of tenure rather than other concerns and outcomes, with many tenants noting concerns over availability of other rental options.

Asking for improvements - the process

There appears to be a relatively clear process for raising maintenance issues with rental property. This typically starts with lodging a request online (via email, an app or a portal). Figure 1 highlights the key steps in the process of asking for maintenance or other improvements.



Figure 1: Typical process of requesting and receiving maintenance or other improvement outcomes.

In some cases, tenants reported receiving satisfactory outcomes but not in all cases. Responses were typically better for elements to do with the operation of the property (e.g., replacing/fixing a hot water service) whereas other elements could take longer to resolve (e.g., collapsed carport), if at all. However, while critical maintenance was typically attended to satisfactorily, it tended to be done with a like-for-like replacement and/or without consultation about the new appliance meeting the needs of the household.

Energy performance and comfort upgrades

Tenants report very few performance upgrades being undertaken by themselves (i.e. the tenant). Performance upgrades that have occurred tended to be draft-proofing (temporary or otherwise) and appliance replacement. These have generally been like for like exchanges. Some tenants have reported doing these upgrades (permanent and temporary) themselves, with improve quality and liveability a focus of these efforts. A few renters reported accessing government schemes (local and state) to upgrade appliances and hardware like showerheads or improve draft-proofing. As mentioned above, the majority of tenants said that they were not comfortable to request energy performance upgrades, with the barrier being their own perception that the landlord would be unwilling, or that it would result in them being seen as a 'problematic' tenant, result in an unreasonable rent increase and/or eviction.

Desired energy performance and comfort upgrades identified include:

- Installation of double glazing.
- Insulation (roof, floors and where possible walls).
- Electrification (e.g., change of gas heating and hot water systems to heat pumps, induction cooktops).
- Solar installation.
- Improved heating and cooling appliances (including in more rooms).
- Draft proofing.

There were mixed response from tenants on the question of their willingness to co-invest in upgrades. Some were against this option, stating that this is the responsibility of the landlord. Those tenants with more resources were more likely to support co-investment but said this would have to come with longer rental agreement and protection around rent increases.

This analysis will continue as the number of participants increases.

Analysis of the landlord interviews will be undertaken once more landlords have been interviewed.

2.3 Issues and difficulties encountered during the course of the research activities

The recruitment of tenants in the target local council areas has been strong and the expectations are that the expected numbers of participants will be met. However, the participation of landlords has been limited. Participant no-shows or dropouts from interviews due to personal circumstances have been observed.

The Melbourne research is now commencing to recruit real estate agents, but anticipate this may come with challenges.

The UTS team has had discussions with the Federal DCCEE NatHERS for Existing Homes team about scheduling of assessments in NSW. It is a sensitive time for the roll-out of the NatHERS for Existing Homes trial methodology in NSW, with the first assessors being accredited currently, and a large-scale disclosure trial with real estate agents commencing shortly. There is thus concern from NatHERS team to avoid any confusion or disruption with their disclosure trial rollout.

2.4 Actions proposed or undertaken to overcome recruitment and interview issues

The team is changing the recruitment messaging based upon feedback from the project partners and IRG members and working with project partners to focus on recruiting landlords, as well as broadening the in and out of scope local government areas.

The research team is implementing various strategies to minimise no-shows or dropouts for scheduled interviews, such as sending reminders and arranging interviews at times that suit the participants. At this stage,

it is unclear how many no-shows will dropout completely from the research, or be rescheduled.

To achieve real estate agent participation in the project the team is working with two new Industry Reference Group members with links to this industry.

The project team has scheduled monthly meetings with Federal and NSW DCCEEWs to share information about projects requiring NatHERS for Existing Homes assessors. At this stage, we are planning to continue with home assessments in Newcastle as planned, but may delay any assessments in new council areas joining the project (e.g. Ku-ring-gai) until early 2026 to avoid conflicting projects.

3 Outcome of initial IRG and stakeholder workshops

Two Industry Reference Group (IRG) and stakeholder workshops have been held, both with significant attendance (over 25 participants) and interest in the project. These meetings help to support recruitment, test early findings, and guide the research as it progresses. A summary of key feedback from the latest meeting includes:

- Updates from key partners around wider policy developments and programs relevant to this research and how these should be considered e.g., NSW government exploring minimum standards for private rental housing.
- Ability to assess additional funding to pay for Scorecard assessments through Green Energy Trading.
- The need for more nuanced analysis of the data such as different tenant and landlord typologies, types of house energy assessment report and information, relationship quality between landlords and tenants.
- Need to ensure round 2 interviews with landlords explore more around various support scenarios e.g., tax incentives, state rebate schemes etc.
- Broad support of the renter archetypes presented, but these may evolve as more interviews are undertaken.

4 New Councils joining the project

The UTS team has been reaching out to local councils in New South Wales (NSW) to seek partnerships for the project. To date, eight councils have been contacted by email, with follow-up meetings of which five councils have requested meeting with the project team.

Recently, the City of Parramatta joined as a knowledge-sharing partner, contributing to the IRG; and Ku-ring-gai Council joined as a financial partner – thus permitting interviews and analysis for private renters, and landlords in their area.

The UTS team will continue reaching out to additional councils in the coming weeks.

5 Update on knowledge sharing activities

The research team has actively presented key updates from the research to the Office of Minister D'Ambrosio (September 2025). Additionally, a Conversation article was published about the changes to private rental housing standards from 2027: [Yes, Victoria's efforts to wean households off gas have been dialled back. But it's still real progress](#)

Once the data collection is completed, there will be a focus on writing up results for academic journals as well as other outreach platforms such as The Conversation and The Fifth Estate.

6 Revised timelines

As a result of delayed participant recruitment in Melbourne and adding NSW Councils to the project, along with UTS to undertake the NSW based research, a revised timeline has been developed. Please see Table 2.

Work package	Activities	Completed	2025				2026								
			Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	August	September
1	Project establishment & recruitment of RA														
	Develop Interview and survey questions														
	Confirm household recruitment strategy														
	Ethics submission and approval														
2	Undertake household recruitment														
	Round 1 interviews														
	Interview analysis														
	Finalise survey														
3	Scorecard assessments														
4	Update interview questions for round 2 interviews														
	Round 2 interviews														
5	Survey distribution														
	Analysis of survey results														
	Focus groups														
	Analysis of focus group outcomes														
6	Draft final project report														
Milestones	Industry reference group meetings		IRG2			IRG3			IRG4			IRG5			IRG6
	Milestone reports		Interim 1						Interim 2						Final report

Table 2: Revised project timeline. Additional time for particular activities is highlighted by the yellow shading.

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