

Exploring tenant and landlord knowledge about the new Victorian minimum energy efficiency standards for private rental housing.

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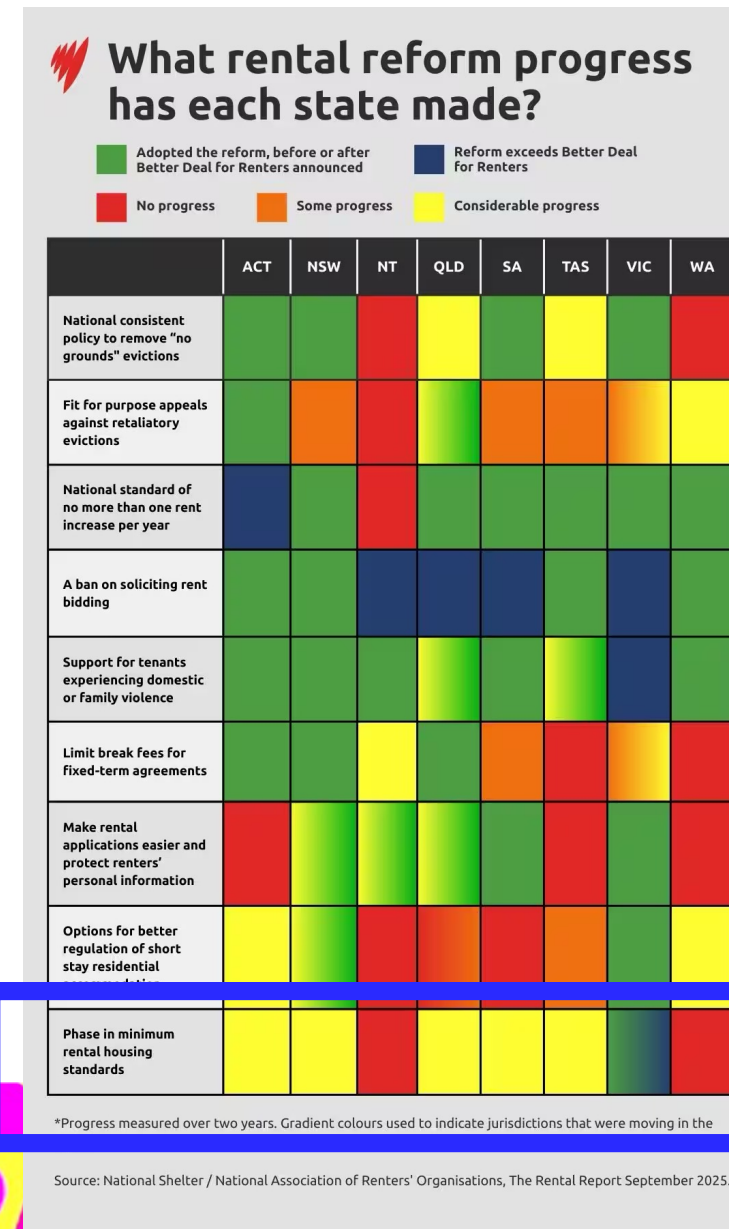
Introduction

- ~26% of Australian households in Private Rental Housing (PRH).
 - Affordability, location, flexibility.
- Poor quality and performing housing.
- Range of impacts e.g., health & wellbeing, energy affordability.
- Retrofit can provide cost-effective improvements.
- Focus on owner-occupied housing – issues around split incentive for PRH?
- Must change to address and improve social, financial and environmental outcomes.



Minimum standards

- Trying to improve protection and condition for PRH.
- Limited requirements for minimum standards.
- Often around basic function e.g., working hot water.
- Need to improve other areas e.g., thermal comfort, energy efficiency.



Victoria – current & future minimum standards

- 2021 – Introduced basic minimum requirements.
- 2025 – Announced additional minimum requirements from 2027.

Change	Description of change
Energy-efficient heating and hot water systems	Must replace with energy efficient ones.
Energy- efficient ceiling insulation and shower heads	Must install: •4-star showerhead/s •ceiling insulation in spaces where none exists.
Energy – efficient cooling	Must install: •Energy – efficient cooling in the main living area.
Draughtproofing	Must draughtproof all external doors, windows and unsealed wall vents.



RACE for 2030 - PRH upgrades project

Aims:



Understand the disconnect between landlords, tenants and real estate agents.



Explore if and how the provision of trusted and independent energy performance and retrofit information can influence landlords' decisions to undertake energy upgrades.

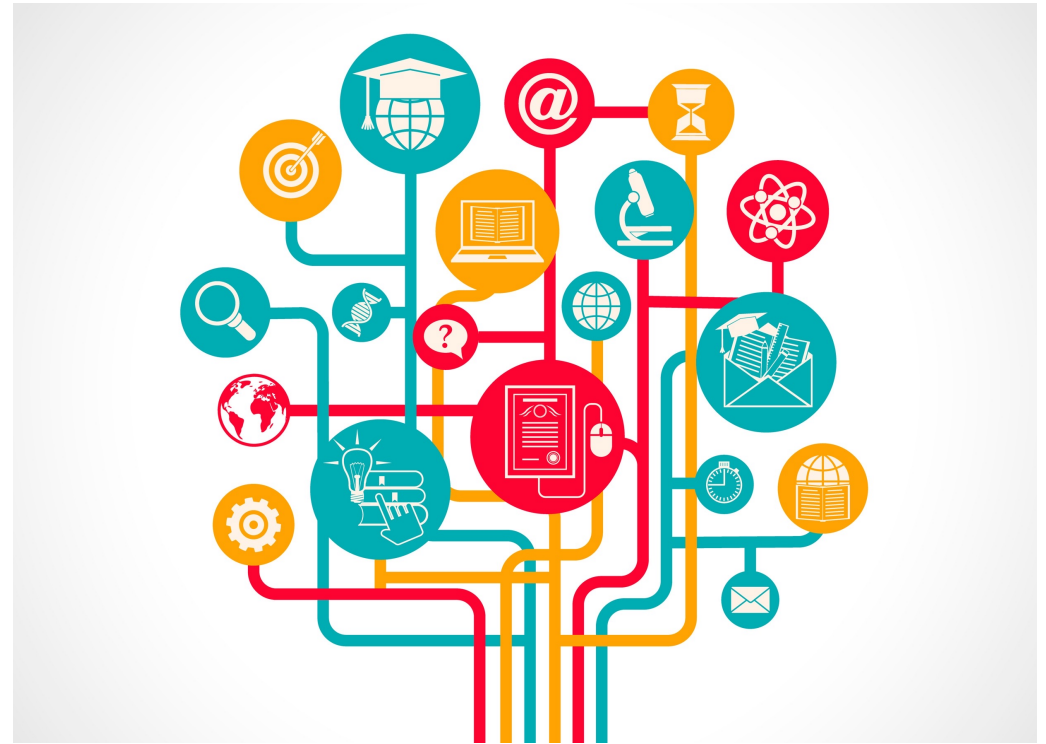


Explore the role of real estate agents and tenants as key intermediaries for supporting and guiding private rental upgrades.



Today's presentation focus:

How aware and prepared are tenants and landlords for the future minimum standard changes?



Methods

- Interviews with tenants and landlords (n=84).
 - Range of socio-economic characteristics & diversity of experiences of renting &/or owning rental properties.
- July – December 2025.
- Focused on experiences of living in, or managing, PRH with respect to quality, performance & seeking & delivering improvements.
- Explored awareness & understanding of current & proposed minimum standards.
- Rapid feedback for policy makers and other states.



Landlords

- Mixed-low levels of awareness of existing minimum standards.
 - Not across specifics.
 - Believed their properties would meet requirements.
- Generally, vague awareness of changes for 2027.
 - May have heard something in the news.
 - Not across specifics.
- Some already updated by real-estate agents.
- Seen as something to deal with 'in the future'.



Landlords

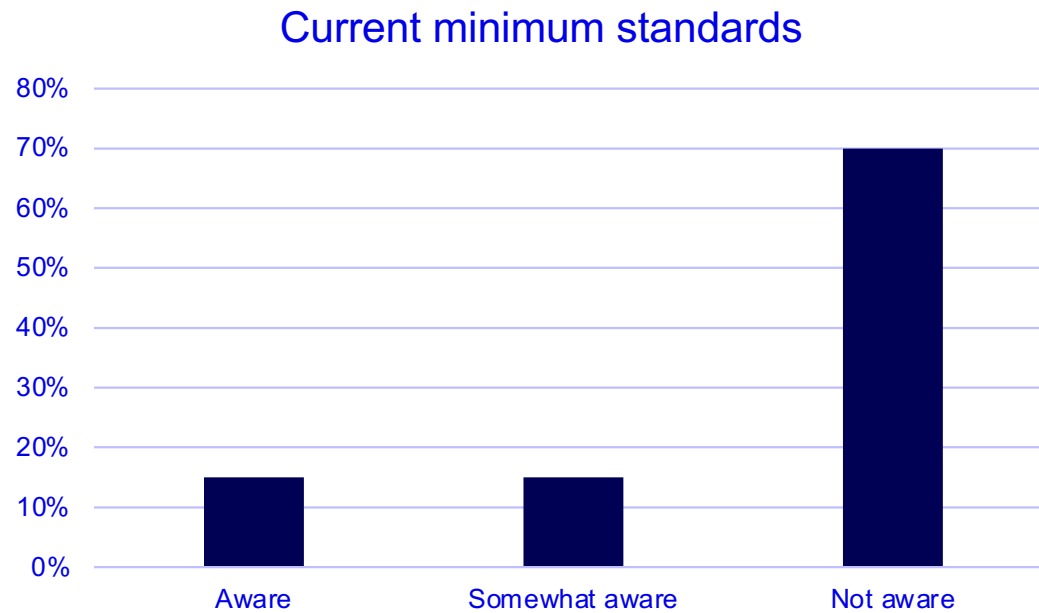
When the changes were explained:

- Mixed level of support.
- Some thought their properties would meet requirements already.
- How much it would cost to meet the new requirements?



Tenants

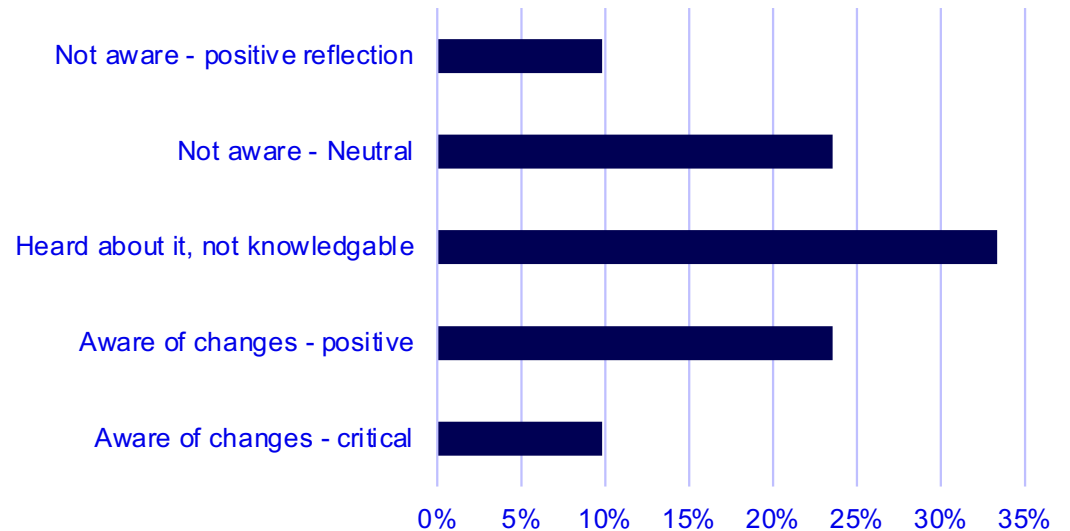
- Most not aware that there are current minimum standards that must be met.



Tenants

- 56% aware that future changes are coming.
- Generally supportive of improving minimum standards.
- Cautious with support given many felt existing standards not being met, & lack of agency to rectify issues.

Awareness and response to new standards



Tenants

- **Uncertainty about rights contributes to hesitation:**
 - Tenants unsure about minimum rental standards or energy efficiency requirements seem more likely cautious about raising issues, leading many to quietly tolerate problems rather than risk being seen as “difficult” or “problematic.”
- **Anxiety about consequences:**
 - Tenants express fears of retaliation (i.e., rent increases or non-renewal) if they request repairs or upgrades they’re not certain they’re entitled to.

A key consequence is reactive rather than proactive action!



Implications

- Low levels of understanding about current & future minimum standards.
- Practical concerns as to how changes will be implemented and enforced.
- Already challenges with improving/fixing issues in PRH – what will happen with new standards?
- Need for improved communication at multiple levels:
 - Victorian Government.
 - Real-estate sector (peak bodies and companies).
 - Tenant advocacy groups.
- Opportunity to start change earlier – how to incentivise early uptake?
- Who will monitor changes? Who will ensure compliance?



Next steps...

- Development of education material, communicating to those impacted.
- Support services for landlords and tenants.
- Potential for real-estate sector to deliver cost savings with bulk upgrades.
- Improvement to minimum standards likely to follow in other states.
- Need to learn from the process in Victoria.



Thank you for listening!

For further information:
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Watch out for our wider survey out soon!

Project partners

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Bank Australia

Energy Consumers Australia

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Merri-bek City Council

Darebin City Council

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