



Department for
Business, Energy
& Industrial Strategy

Evaluation of the Domestic Private Rented Sector Minimum Energy Efficiency Standard regulations

2020 Qualitative Fieldwork Technical Report

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Contents

1	Introduction	4
2	Methodology	6
2.1	Landlord interviews	6
2.1.1	Landlord interview recruitment	6
2.1.2	Landlord interview delivery	8
2.1.3	Learning to inform future research with landlords	9
2.2	Tenant interviews	10
2.2.1	Tenant interview recruitment	10
2.2.2	Delivery of tenant interviews	11
2.2.3	Learning to inform future research with tenants	12
	Annexes	13
	Annex 1.1: Letter sent to landlords for the 2020 interviews	13
	Annex 1.2: Topic guide used in 2020 landlord interviews	15
	Annex 2.1: Opt in letter used in 2020 tenant recruitment	23
	Annex 2.2: Topic guide used in 2020 tenant interviews	25

1 Introduction

This technical report accompanies the 2020 Synthesis Report for the Evaluation of the Domestic Private Rented Sector Minimum Energy Efficiency Standard Regulations¹. The evaluation is being conducted by a consortium led by ICF for the Department for Business, Energy and Industrial Strategy (BEIS).

Qualitative interviews are being conducted with private rented sector landlords and tenants in several years of the evaluation to provide qualitative evidence on the implementation and impacts of the regulations.

Specifically, the landlord interviews are intended to help to address the following evaluation questions:

- 1c) For what reasons/in what circumstance is compliance not taking place?
- 1d) What factors influence landlord awareness of the regulations and knowledge of their associated obligations and actions they can take?
- 1e) How easy or difficult do landlords find it to respond to the regulations and why?
- 1f) What role are market stakeholders playing in the implementation of the regulations?
- 1g) What changes to the policy, or supporting policies, could be implemented to increase compliance?
- 2b) What are the reasons why landlords have installed energy efficient measure in their properties and how many of those installations can be attributed to the PRS regulations?
- 3a) What level of additional cost or burden is being placed on landlords? How and why are these costs falling across different landlord or property types?
- 3b) How many landlords are leaving the market, or changing property ownership/management practices as a result of the regulations?
- 3c) How are the policies influencing the market for private rental properties, including property prices and movement of properties between PRS to Owner Occupier Sector?
- 3d) How are the policies influencing the market for property rental, including rental prices and demand for inefficient rental properties?

The tenant interviews are intended to address the following evaluation questions:

- 1f) What role are market stakeholders playing in the implementation of the regulations?
- 1g) What changes to the policy, or supporting policies, could be implemented to increase compliance?

¹ <INSERT LINK TO MAIN SYNTHESIS REPORT>

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- 2b) What are the reasons why landlords have installed energy efficient measure in their properties and how many of those installations can be attributed to the PRS regulations?
 - 2c) What are the carbon, energy and bills impacts of the installations?
 - 2d) What are the wider impacts on air quality and health outcomes?
 - 2e) What impact have the regulations had on tenants, including energy bills, warmer homes and increases in rental costs.
 - 3d) How are the policies influencing the market for property rental, including rental prices and demand for inefficient rental properties?

As part of the evaluation consortium, Kantar Public are responsible for the recruitment and delivery of the landlord and tenant interviews. In this year of the evaluation a total of 60 landlords and 16 tenants were interviewed.

Background about the regulations and key findings from the 2020 interviews are provided in the 2020 evaluation synthesis report². This report provides additional information on the methodology for the recruitment and conduct of the interviews, and findings from the interviews.

² <INSERT LINK TO MAIN SYNTHESIS REPORT>

2 Methodology

This chapter details the methods used to recruit and interview landlords and tenants for the evaluation in 2020 and the characteristics of the achieved samples. All the interviews were recruited and conducted between April and July 2020. This chapter also provides learning to inform the approaches taken in the qualitative research in later years of the evaluation.

2.1 Landlord interviews

2.1.1 Landlord interview recruitment

The aim of the landlord interview recruitment conducted throughout the evaluation was to represent different landlord types, circumstances and responses to the regulations. A particular priority in the recruitment for this year of the evaluation was to represent landlords with F or G rated properties who have not taken any action (be this making energy efficiency improvements or registering an exemption) in response to the regulations. This was in order to understand the circumstances and factors that contribute to non-compliance with the regulations.

In the previous first wave of interviews conducted for the evaluation (see the 2019 interim report³), landlords were recruited from those who had participated in previous surveys and those who had registered an exemption. These methods were effective in recruiting a sample of landlords who had made energy efficiency improvements or registered an exemption but less so in recruiting landlords who had taken no action in response to the regulations. It was also expected that by employing a new recruitment method that did not rely on participation in existing surveys, the sample of interviewed landlords would reach those who are not actively engaging with existing research or industry networks.

One of the largest challenges in recruiting landlords for interview is that landlord details are not readily available for every rental property. In this year of the evaluation a new recruitment approach was trialled to further try to represent this 'no action' group. Information on properties on the EPC database for England and Wales⁴ was accessed to identify those properties according to their EPC rating. Once relevant properties were identified, they were matched with data held by the Land Registry to identify a contact address for the relevant landlord. The matching process was undertaken for a total of 3,000 properties randomly selected from the EPC register who met the necessary criteria. Of these:

- Landlords who have taken action - 1,800 were properties with an EPC rating of F or G registered on the EPC database prior to the introduction of the regulations but possessed a current EPC rating of E or better (indicating the landlord had taken action in response to the regulations).
- Landlords who have not taken action - 1,200 were properties with a current EPC rating of F or G registered on the EPC database and no registered exemption (indicating the landlord had taken no action in response to the regulation).

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/922799/prs-meas-interim-report.pdf

⁴ <https://epc.opendatacommunities.org/>

Tele-matching was then undertaken to identify a current telephone number for as many of the sample as possible. This generated a useable sample of 835 for the recruitment. Within this, 499 were properties that had a later EPC rating of E or better registered on the EPC database following the introduction of the regulations (indicating the landlord had taken action to make energy efficiency improvements) and 336 were properties that did not (indicating the landlord had taken no action).

Landlords who had registered an exemption in response to the regulations were also recruited from a sample of 3,318 records from the national PRS exemptions register⁵.

Landlords were initially contacted by telephone and screening questions asked to check their eligibility for participating in the research and willingness to be interviewed. This was also followed up by a letter (see Annexes of this report) in order to provide more information and reassure them of the legitimacy of the research.

The target in this wave of the evaluation was to recruit and interview:

- 25 landlords who had made energy efficiency improvements
- 25 landlords who had registered an exemption
- 15 landlords who had taken no action

The required numbers of landlords specified in these categories were successfully recruited and interviewed without exhausting all of the available samples. Table 1 provides a breakdown of the numbers of landlords where contact was attempted during the recruitment and the outcomes from this.

Table 1: Overview of landlord recruitment

	Action	No Action	Exemption
TOTAL ATTEMPTED (excl. duplicate records)	322	144	204
RECRUITED	25	15	25
Refused	102	40	67
Attempted - No contact	111	56	54
Ineligible - Duplicate record/contact details	52	42	0
Ineligible - Invalid telephone number	9	6	18
Ineligible - Agent's contact details/property wholly managed by agent	11	6	37
Ineligible - Sold property/deceased/screen out/other	64	21	3

However, in the interviews that were subsequently conducted with the 15 no action landlords, eight of them said that they had made energy efficiency improvements but only recently or had

⁵ <https://prsregister.beis.gov.uk>

not yet got a new EPC, and one said that they had recently registered an exemption for the property in question. This left an effective sample of six 'genuine' no action landlords.

Table 2 provides a breakdown of the achieved interview sample, taking into account these reclassifications, and other landlord characteristics. As this was a new recruitment approach, quotas and hard targets were not set for these other characteristics but there was an aim to achieve a mix across each. As Table 2 illustrates, there is good representation across key landlord types and circumstances in the achieved sample.

Table 2: Achieved landlord sample profile

	Action	No Action	Exemption	Total
Landlord type:				
Company	11	2	6	19
Individual	22	4	20	46
Properties:				
1	6	1	5	12
2-5	28	2	10	40
6+	5	3	5	13
Country:				
England	26	6	20	52
Wales	7	0	6	13
Area type:				
Urban	18	2	8	28
Semi-rural	4	0	4	8
Rural	9	3	8	20
Mix	2	1	6	9
Total	33	6	26	65

2.1.2 Landlord interview delivery

The landlord interviews were conducted by telephone, on a confidential and anonymised basis, using a topic guide designed for this purpose. The main topic guides section were:

- Background. Confirming their characteristics and details of the properties they rent, and getting an initial sense of their mindset towards being a landlord and towards energy efficiency.
- Initial awareness and understanding. Exploring their initial awareness and understanding of regulations.

-
- Steps taken. Establishing what additional information they may have sought out/encountered and any further steps taken to inform how they respond to regulations.
 - Decision-making. Exploring the reasons why they have decided to either make improvements, register an exemption or do neither.
 - Future Plans and Reflections. What they intend to do in future, why, and any suggestions they have for improving compliance with the regulations.

The full topic guide is provided in the annex of this report.

Landlords were paid a £70 incentive as a thank you for their contribution to the research.

The average length of the interviews was 43 minutes. They were digitally recorded, then transcribed verbatim, and analysed using the software package NVivo.

2.1.3 Learning to inform future research with landlords

The recruitment for the 2020 landlord interviews was effective in achieving the overall target number of interviews. In doing so providing very good representation of landlords with different characteristics who had either taken action or registered an exemption in response to the evaluations. It also demonstrated a proof of concept that records on the EPC database for England and Wales can, in a lot of cases, successfully be matched with landlord address information held by the Land Registry, and that tele-matching can also provide usable telephone numbers.

The finding that the EPC database did not match the up to date situation with each property, or landlord, highlights a limitation of the EPC database as a sample frame. A landlord is required to have a valid EPC before renting a property, however, each EPC is valid for 10 years. Furthermore, to comply with the regulations landlords are not required to update their EPC, even though this may be the easiest way to reduce the risk of enforcement from their local authority. Therefore, while it is possible to use the EPC database to identify the assumed EPC rating of each property, this should not be taken as a 100% accurate reflection of the current status of that property. The interview protocol allowed for this issue to be managed, however, this has implications for both the quasi-experimental analysis being conducted within this evaluation (see section 1.2.4 of the synthesis report) and the real world enforcement of the regulations by local authorities (who may be incorrectly assessing the compliance status of individual properties).

The main methodological concern is that, even employing these methods, it was still not possible to recruit and interview a critical mass of landlords who had genuinely not taken action in response to the regulations. Evidence from previous landlord surveys and the findings of the initial quantitative analysis conducted for this evaluation in 2020, all indicate that this is a small minority of landlords in the PRS sector. Nonetheless, gaining qualitative insights into the decision-making of such landlords is important for the evaluation and will help to inform policy options for increasing levels of compliance further.

Another pragmatic consideration concerning the recruitments methods is that the Land Registry charge a fee for matching property information with the address of the landlord. There was also a further time cost incurred through the required process of tele-matching landlord addresses with a contact telephone number. These additional costs were met within the existing budget for the evaluation, meaning that savings had to be made in other ways to compensate. In this year of the evaluation that meant conducting fewer landlord and tenant

interviews than would otherwise have been the case if an effective recruitment process without these additional costs could be used.

Going forward, and if the current recruitment approach is continued, it is suggested that the screening questions administered to potential respondents are improved. The questions used in this wave of research were not specifically designed to test whether landlord who appeared on paper to be non-compliant had actually complied by the time they were contacted. An obvious option for the recruitment of landlords in future years of the evaluation is to build such questions into the screening process.

2.2 Tenant interviews

2.2.1 Tenant interview recruitment

This was the first year of the evaluation in which interviews were conducted with tenants. The target was to recruit and interview eight tenants living in a property where the landlords had made energy efficiency improvements, and eight living in a property where the landlord had registered an exemption. Two recruitment approaches were employed:

- A postal opt in process. A letter addressed to the ‘Tenant/Occupier’ explaining the research and providing an invitation to opt in and participate in an interview was sent to a sample of 250 properties from the EPC database for England and Wales which appeared to have been improved since the introduction of the regulations. The letter was also sent to a sample of 250 properties which had a registered exemption on the national PRS exemptions register. The opt-in letter is provided in the Annexes to this report.
- Snowballing via landlords who were being interviewed. Some of the landlords interviewed agreed to reach out to their tenants, about the possibility of being interviewed. However, this snowballing technique did not ultimately result in any successfully recruited and completed interviews.

Table 3 provides an overview of the outputs from the opt in recruitment process.

Table 3: Overview of tenant recruitment

	Action	Exemption
TOTAL OPT INS	19	16
RECRUITED	8	8
Attempted - No contact	3	4
Ineligible – Not resident during improvements	1	0

Again, because these recruitment methods were being implemented for the first time on the evaluation, quotas and hard targets were not set beyond achieving the target numbers for tenants an improved or exempted property, but a mix was aimed for.

Table 4 illustrates the characteristics of the achieved tenant interview sample.

Table 4: Achieved tenant sample profile

	Action	Exemption	Total
Time living at current property:			
Less than 1 year	0	4	4
1-2 years	1	3	4
More than 2 years	7	1	8
Landlord type:			
Individual	5	5	10
Company	2	2	4
Don't know	1	1	2
Area type:			
Rural	3	6	9
Semi-rural	3	1	4
Urban	2	1	3
Country:			
England	8	8	16
Wales	0	0	0

The only notable lack of representation in the sample is that none of the tenants interviewed were in Wales. This was because none of the tenants who opted in were resident in Wales, so there were effectively none to recruit from.

2.2.2 Delivery of tenant interviews

The tenant interviews were conducted by telephone, on a confidential and anonymised basis, using a topic guide designed for this purpose. The main topic guides section were:

- Background. Confirming their characteristics and details of the property they rent, and also getting an initial sense of their mindset/priorities as a tenant.
- Awareness. Establishing their awareness and understanding of the regulations (if any).
- Role in landlord response to regulations. Exploring what, if any, role they had in how their landlord decided to respond to the regulations, and their feelings about this.
- Impacts. For tenants whose landlord did make energy efficiency improvements, what the impacts of this were on their energy bills, warmth/comfort of their home, the rent they are charged.
- Reflections. Views on the regulations and any suggestions they have for improving compliance.

The full topic guide is provided in the annex of this report.

Tenants were paid a £70 incentive as a thank you for their contribution to the research.

The average length of the interviews was 29 minutes. They were digitally recorded, then transcribed verbatim, and analysed using the software package NVivo.

2.2.3 Learning to inform future research with tenants

Although there was a high attrition rate in the tenant recruitment conducted for this year of the evaluation (with 500 opt in letters being sent for an achieved sample of 16) this is typical of opt in exercises and did not significantly add to the expected costs of the tenant research. The required number of interviews were also recruited and the achieved sample included landlords fitting most important criteria. However, no Welsh tenants were recruited and interviewed.

This could potentially be addressed in future years of the evaluation by drawing a larger number of Welsh properties from the EPC database and Exemptions Register than was the case in this year of the evaluation, and including these in the opt in exercise. No special attempts were made this time to, for example, boost the number of Welsh properties as a proportion of the samples concerned, but both the EPC database and Exemptions Register are large enough for this to be easily implemented, and hard recruitment quotas and targets could also be set to ensure Welsh tenants are represented in future years of the evaluation.

In terms of the conduct of the tenant interviews, several of the respondents recruited did struggle to have much to say about all of the topics it was hoped to explore within the interviews. Either they weren't aware of the regulations and were not aware that their landlord had somehow responded to these or they were aware but did not perceive this to have greatly affected them as the tenant. This is potentially a finding in itself, about the low profile of the regulations and/or the perceived importance of energy efficiency amongst many PRS tenants as a whole. However, without any further sources of evidence, for example from other larger surveys of tenants, it is difficult to conclude how representative this is of PRS tenants as a whole.

The recruitment of tenants in future years could potentially include quotas to ensure a higher proportion were aware that their landlord had responded to the regulations in some way to better explore this qualitatively.

Annexes

Annex 1.1: Letter sent to landlords for the 2020 interviews



KANTAR

Hello,

Thank you for your interest in this research.

The Department for Business, Energy and Industrial Strategy (BEIS) is inviting you to take part in a telephone interview for an important piece of research about energy efficiency standards in the private rental sector. From April 2018, it became a requirement for all domestic private rented properties to have a minimum “E” rating on their Energy Performance Certificate (EPC) unless an exemption is granted. This legislation was updated again in April 2020. The research will focus on understanding the implications of this regulation.

BEIS have commissioned ICF and Kantar – independent organisations working in partnership – to undertake this research on their behalf. £70 is offered as a thank you to research participants.

We understand that this is an unusual time and, due to the impact of COVID-19, this period may be difficult for you. There is no obligation to take part in the research but this is an important piece of research for the Department for Business, Energy and Industrial Strategy and we would really like to hear your views.

What is involved in taking part:

- A brief initial phone call to ask you to provide some basic information about yourself as a landlord and arrange an appointment convenient for you if you are eligible to take part in an interview – this call will take around 3-5 minutes and will take place in May/early June 2020
- A 45-minute telephone interview with a researcher about your awareness and understanding of the regulations and any action that you might take as a result. You will receive £70 to say thank you for taking part – you can use your incentive to order vouchers for a range of stores or to make a PayPal payment to an account of your choice.

What questions will I be asked / What will the information be used for?

If you are invited to the research to speak to one of our experienced independent researchers, you will talk about:

- Your awareness and understanding of the new regulations
- Any steps you have taken or plan to take in response
- Your future plans as a landlord
- Any reflections on the regulations

Personal information will be retained for no longer than 12 months. Personal information that is no longer required will be disposed of in ways that ensure their confidential nature is not compromised.

You can find out more about our privacy policy here: <http://www.kantar.com/cookies-policies>

Why am I being contacted?

A rental property was identified as belonging to you, according to Land Registry and Energy Performance Certificate records.

Who is conducting this research:

This research is being carried out on behalf of BEIS by the independent research company Kantar (working in partnership with ICF). Your participation is completely voluntary and confidential. The researcher is independent from BEIS and at no point will you be personally identified and nothing you say will be shared with BEIS in a way that will identify you.

You do not need to know anything about the regulations to take part in this research. We are only asking for your views and opinions.

Interested in taking part or have questions?

If you're interested in sharing your views or if you have any questions about what is involved, please contact the Kantar Public research team, on email Gurprit.Dhillon@kantarc.com. Alternatively, if you have any queries for BEIS about the research or wish to verify that this letter is genuine, please contact Michael Gentry at BEIS on Michael.Gentry@beis.gov.uk.

Yours sincerely,

KANTAR
www.kantar.com/public



Annex 1.2: Topic guide used in 2020 landlord interviews

Background

The Department for Business, Enterprise and Industrial Strategy (BEIS) has introduced new legislation which means that since April 2018, private landlords renting a domestic property with an Energy Performance Certificate (EPC) rating of F-G have been required to improve this to an EPC rating of E or better before issuing any new, renewed or extended tenancies. This requirement has now extended to all tenancies as of April 2020, even long-standing tenancies. The aim of the legislation is to improve the energy efficiency of domestic properties in the private rented sector.

Landlords can apply for an exemption from meeting the EPC E standard, on the following grounds:

- Making necessary energy efficiency improvements would cost more than £3,500 (although they should still make any improvements which can be made up to a value of £3,500) ⁶
- It is not possible to further improve the energy efficiency of the property
- Improvements require consent from local planning authority, tenant or mortgage lender, and this consent is not granted
- Making improvements would negatively affect the value of the property
- New wall insulation is required to improve energy efficiency but this would have a negative impact on the fabric or structure of the property (or the building of which it forms a part)
- They only became a new landlord at short notice (temporary exemption of six months)
- Landlords are required to register an exemption by entering the reasons for this and providing supporting evidence online on the PRS Exemptions Register on GOV.UK.⁷

There is also equivalent legislation for non-domestic properties (which some of our respondents may also let) but the focus in these interviews should be on the domestic properties they rent.

Aims of the interview

Kantar is part of a consortium that has been commissioned by BEIS to conduct a process and impact evaluation of the new regulations. These interviews form part of the process evaluation, which is exploring the effectiveness of the regulations and the behavioural responses of landlords (and other stakeholders) to them.

⁶ This exemption was introduced in April 2019 and replaced the previous “no cost to landlord” exemption, which allowed that if a landlord could not access third-party finance to meet the costs of making improvement, they were exempt. This is a potentially significant change. The legislation was originally conceived on a “no cost to landlord” basis, with Green Deal and ECO expected to provide third party finance for most improvements. However only limited finance is now accessible from these sources, meaning that most landlords would have previously been able to register an exemption on these grounds.

⁷ <https://prsregister.beis.gov.uk/NdsBeisUi/used-service-before>

The aim of the interview is to collect detailed insights into the respondent's awareness and understanding of the new regulations, how they have decided to respond to the regulations, and why. Collecting contextual information about the landlord, and their wider experiences as a landlord, will also allow the impact of the regulations in various situations and contexts to be explored in detail.

Using the topic guide

This topic guide provides the key themes to be explored in the interviews. It is not a set script. The phrasing, pacing and ordering of questions should be tailored to reflect the characteristics of the respondent and the flow of the discussion. It does not include many follow-up questions, such as "How?" and "Why?", as we expect these to be routinely explored by the interviewer. Interviewers are also not tied to the wording of the questions in the topic guide – these are for guidance only.

Main topic guide sections:

- Background. Confirming their characteristics and details of the properties they rent, and also getting an initial sense of their mindset towards being a landlord and towards energy efficiency.
- Initial awareness and understanding. Exploring their initial awareness and understanding of regulations.
- Steps taken. Establishing what additional information they may have sought out/encountered and any further steps taken to inform how they respond to regulations.
- Decision-making. Exploring the reasons why they have decided to either make improvements, register an exemption or do neither.
- Future Plans and Reflections. What they intend to do in future, why, and any suggestions they have for improving compliance with the regulations.

Indicative timings are provided for each section in the topic guide, based on a 45 minute interview, but these should be used flexibly to reflect the individual characteristics of each respondent and the length of interview they have agreed to. Key areas of questioning, to be explored in as much depth as possible in every interview, are highlighted with a ★ in the topic guide. Interviewer instructions are provided in italics.

If at any point in the interview the respondent indicates that they would like more information about the regulations explain that you can provide a link to further information at the end.

Introduction

Introduce yourself and the evaluation: "Kantar Public is an independent research organisation. We have been asked to carry out research on behalf of the Department for Business, Energy and Industrial Strategy to understand more about new regulations which have recently been introduced affecting domestic properties in the private rental sector."

Describe the purpose of the interview and the topics you'd like to discuss.

Explain confidentiality: “Your participation in the interview is completely anonymous and confidential. We will not tell the Department for Business, Energy and Industrial Strategy or anyone else the names of the individuals who have participated in an interview. The report of the findings from the research will also not name any individuals who participated.”

Reassure that participation is voluntary and that there are not right or wrong answers.

Ask permission to record.

Ask them if what you have said is clear, if they have any questions, and then confirm they agree to take part in the interview.

Current COVID-19 Situation

Acknowledge you understand this is an unusual time for everyone and are especially grateful for them agreeing to take part in the interview now. Explain you would like to focus the discussion mainly on the regulations rather the current situation with COVID-19. However, if there is anything they would like to briefly say about the impact of COVID-19 on them as a landlord, you are interested to hear them now.

For example:

Do you think the consequences of COVID-19 will impact your ability to continue to let your properties?

Do you think the consequences of COVID-19 will impact decisions you make about investing in energy efficiency measures for your property?

Is there anything else you would like us to feed back to the government about the impact of the consequences of COVID-19 on you as a landlord?

Explain you can also provide them for links to further information for landlords on COVID-19 at the end of the interview.

1. Background [5 mins]

Aim: to get the respondent talking and start to build up a picture of the type of landlord they are, the properties they rent, and their attitudes to energy efficiency. If appropriate, refer back to the answers they give in this section later in the discussion to explore whether their decision about how to respond to the regulations is related to their outlook on being a landlord more generally.

All respondents (although adapt accordingly if they are a company rather than an individual landlord):

★Can you start off by telling me a bit about how you first became a landlord?

What were your main reasons at the time?

How long ago was it?

★How do you feel about being a landlord now? Why? Respondents may talk here about other recent government policies affecting private landlords. Acknowledge these but then try to move the discussion on. How many domestic properties are you currently renting?

How involved are you in the management and maintenance of these properties? E.g. Do you manage them yourself or is it partly or wholly the responsibility of a letting/management agency?

How many of the properties you rent had an EPC rating of F or G before April 2018? If necessary explain this is a rating of a property's energy efficiency on a scale of A to G, with A being the most energy efficient and G the least.

★In general, as a landlord, how much thought/consideration do you give to the energy efficiency of the domestic properties you rent? Why? Probe for any influence of environmental views, concerns for well-being of existing tenants, wanting to make property attractive to prospective new tenants, increasing value of property etc.

2. Initial awareness and understanding [5-10 mins]

Aim: to explore their initial awareness and understanding of the regulations and the potential costs and benefits of responding.

All respondents:

Are you aware of new regulations that were introduced in April 2018 affecting private rented properties with an EPC rating of F or G? If they are completely unaware then describe the regulations and skip to Section 4

How did you first hear about the regulations? (e.g. on BEIS website, local authority publicity, advice from a letting agent etc.)

And when was this? If they heard about it on BEIS website try to establish if this was before or after August 2019, as the information was overhauled at this point

★How well do you think you understood the regulations at that point? Ensure the respondent doesn't feel like they are being tested here, but probe as far as possible to establish their level of understanding of the regulations, e.g. in terms of:

Who is legally required to respond (i.e. them or the letting agent)

The types of properties affected (i.e. ones with an EPC rating of F or G only)

The types of tenancies affected (i.e. up to April 2020 just new, renewed or extended tenancies but afterwards all tenancies)

How much they may be required to spend to improve the energy efficiency of a property

The possibility of registering an exemption

The consequences of non-compliance (i.e. possibly up to a £5,000 fine for landlord)

★And when you first heard about the regulations, what was your initial reaction? How did you plan to respond? Why?

3. Steps taken [5-10 mins]

Aim: to explore any additional information they have sought out/encountered and steps taken to inform how they respond to regulations.

All respondents:

After first hearing about the regulations did you seek out (or just come across) any more information? Why? Why not?

If not, skip to section 4

Where did you get this information from? (e.g. BEIS website, Simple Energy Advice website, local authority publicity, advice from a letting agent, landlord organisation etc.)

What information did this provide/convey about the regulations?

★How easy or difficult was this information to understand? Why?

★Did this information affect how you planned to respond to the regulations? How? Why?

★And after you'd heard about the regulations did you take any steps to...:

Confirm whether regulations did apply to your property (e.g. by getting an EPC certificate if one not already in place)

Establish what improvements could be made and how much they would cost

Establish how you could pay for improvements

Establish whether you/your property would qualify for an exemption

Confirm or establish anything else

★How easy or difficult did you find this process? Why? Which steps, if any, were difficult?

★Did these further steps affect how you planned to respond to the regulations? How? Why?

4. Decision-making [10-15 mins] KEY SECTION

Aim: to explore in detail how and why they have decided to respond to the regulations, and what they have done as a consequence.

All respondents:

★So what have you done or intend to do in response to the regulations? I.e. Have you decided to:

Make improvements

Register exemption

Made improvements, failed to reach EPC E, and then registered an exemption

Neither

★Why have you decided to do this? Ask as an open question then probe for potential influence of each of the following:

Uncertainty over whether the regulations apply to them / whether they are responsible for responding

The potential disruption / hassle of making improvements

The upfront costs of making improvements

The potential impact of improvements on property value (which could act as an incentive to make improvements)

Their personal finances

Their prior plans (e.g. were they already planning to make improvements anyway?)

Their broader attitudes (e.g. to the welfare of their tenants, the environment, etc.)

The perceived likelihood and severity of punishment for non-compliance

What made you think this was the right course of action and how confident are you that this was right?

Probe to try to establish extent to which may have simply done what someone advised them to do or made their own more considered decision

The next section of questions dig into how they decided on the specific action to take – e.g. not just making an improvement, but making the specific improvement they chose.

Respondents who have made improvements or intend to:

What improvements were or will be made? (i.e. in terms of the types of measure and the EPC rating this will raise the property to)

★ Why did you decide on this type and level of improvement? Probe for extent to which they:

Based this on the recommendations on the property's EPC

Based this on information/advice from other sources, e.g. builders, agents, etc.

Went for the cheapest option to get E rating

Invested in more extensive improvement to add most value to property

How much did it/will it cost?

How did you/will you pay for it?

★ How easy or difficult was it to meet these costs?

What, if any, benefits do you think the improvements will have for you as the landlord?

What, if any, benefits do you think the improvements will have for your tenants?

Respondents who have registered an exemption:

★ On what grounds did you register your exemption? Why?

What, if any, evidence did you think you had to provide to support your exemption?

How easy or difficult was it to provide this evidence? How confident were you that you did have legitimate grounds for an exemption?

How easy or difficult was it to register the exemption on the PRS Exemptions Register?

Has the exemption been queried or challenged in any way since you registered it? If so, Who by? How? Why? With what consequences?

Respondents who haven't registered exemption or made improvements:

★Do you intend to register an exemption or make improvements in the future? Why? Why not?

★What, if anything, could prompt you to respond to the regulations in the future?

5. Future Plans and Reflections [5 mins]

Aim: to explore what they intend to do in future, why, and any suggestions they have for improving compliance with the regulations and energy efficiency in the private rental sector more generally.

All respondents:

★Thinking about the properties you rent that have been or will be affected by the new regulations, what are your future plans? Do you plan to continue to rent them or sell them?

★Why? Probe for relative influence of:

The regulations (e.g. have they prompted them to sell up as a means of avoiding having to improve properties or, having invested in improvements, are they incentivised to continue renting?)

Other recent policies and regulations affecting private landlords like you more generally (which might also be acting as an additional or more significant spur for some to leave market)

★Is there anything the Government or others could do to encourage more landlords to comply with the regulations? E.g. in terms of:

Increasing general awareness of the regulations

Increasing knowledge/understanding of the details of the regulations

Any other measures or changes to make it easier for landlords to respond

Who do you think should be responsible/is best placed to do this? Why? How should they do it?

Close

Thank them for sharing their views and experiences.

Ask them if there is anything else they'd like to add.

If they expressed an interest during the interview in accessing more information about the regulations then direct them to either:

<https://www.gov.uk/government/publications/the-private-rented-property-minimum-standard-landlord-guidance-documents> or

<https://www.rla.org.uk/landlord/guides/minimum-energy-efficiency-standards.shtml>

If they indicated they would like more information for landlords on COVID-19 then direct them to:

MHCLG guidance on EPCs during the outbreak: <https://www.gov.uk/guidance/coronavirus-covid-19-energy-performance-certificates>

MHCLG guidance on building works in the home:

<https://www.gov.uk/government/publications/further-businesses-and-premises-to-close/further-businesses-and-premises-to-close-guidance#work-carried-out-in-peoples-homes>

MHCLG guidance on local authority enforcement of standards in private rented properties:

<https://www.gov.uk/government/publications/covid-19-and-renting-guidance-for-landlords-tenants-and-local-authorities>

BEIS guidance for landlords on responding to domestic minimum energy efficiency standards:

<https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance>

Public Health England advice on social distancing:

<https://www.gov.uk/government/organisations/public-health-england>

Annex 2.1: Opt in letter used in 2020 tenant recruitment



Department for
Business, Energy
& Industrial Strategy

KANTAR

Tenant/Occupier

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[ADDRESS LINE 3], [ADDRESS LINE 4]

[POSTCODE]

Ref: [SERIAL]

Hello,

The Department for Business, Energy and Industrial Strategy (BEIS) is inviting you to take part in a telephone interview for an important piece of research about new regulations that impact rental properties in the Private Rental Sector. We are offering £70 as a thank you to research participants.

This is an important piece of research for the Department for Business, Energy and Industrial Strategy and we would really like to hear your views. BEIS have commissioned ICF and Kantar – independent organisations working in partnership – to undertake this research on their behalf.

We understand that this is an unusual time and, due to the impact of COVID-19, this period may be difficult for you. There is no obligation to take part in the research but this is an important piece of research for the Department for Business, Energy and Industrial Strategy and we would really like to hear your views.

What is involved in taking part:

If invited to participate, you will receive an initial phone call to ask you to provide some basic information about yourself as a tenant and arrange an appointment convenient for you if you are eligible to take part in an interview – this call will take around 3-5 minutes and will take place in June 2020

A 45-minute telephone interview with a researcher about your awareness and understanding of the regulations and any action that you might take as a result. You will receive £70 as a way to say thank you for taking part – you can choose to make a PayPal payment or select PERKS online vouchers

What to do if you are interested in taking part?

If you are interested in taking part, please email your name and preferred contact telephone number to Gurprit Dhillon at Kantar on email: Gurprit.Dhillon@kantarc.com (Kantar are the research agency commissioned by BEIS to independently undertake this research)

What questions will I be asked / How will my details be handled?

If you are invited to the research to speak to one of Kantar's experienced independent researchers, you will talk about your own views and experiences as a tenant and on rental regulations - this isn't a test and we're not asking you to do anything in preparation for the discussion.

Personal information will be retained for no longer than 12 months. Personal information that is no longer required will be disposed of in ways that ensure their confidential nature is not compromised.

Kantar's privacy policy can be accessed online, just search for 'Kantar Privacy Policy' or you can visit: uk.kantar.com/surveys

Why am I being contacted?

This address has been identified as a rental property, according to Land Registry and Energy Performance Certificate records.

Who is conducting this research:

This research is being carried out on behalf of BEIS by the independent research company Kantar (working in partnership with ICF). Your participation is completely voluntary and confidential. The researcher is independent from BEIS and at no point will you be personally identified and nothing you say will be shared with BEIS in a way that will identify you.

You do not need to know anything about the regulations to take part in this research. We are only asking for your views and opinions.

Interested in taking part or have questions?

If you're interested in sharing your views or if you have any questions about what is involved, please contact the Kantar research team, on email Gurprit.Dhillon@kantarc.com. Alternatively, if you have any queries for BEIS about the research or wish to verify that this letter is genuine, please contact Michael Gentry at BEIS on Michael.Gentry@beis.gov.uk.

Yours sincerely,

Alice Coulter, Sam Bond, Gurprit Dhillon

The Kantar Public Evaluation Team

KANTAR
www.kantar.com/public



Annex 2.2: Topic guide used in 2020 tenant interviews

Background

The Department for Business, Enterprise and Industrial Strategy (BEIS) has introduced legislation which means that since April 2018, private landlords renting a domestic property with an Energy Performance Certificate (EPC) rating of F-G have been required to improve this to an EPC rating of E or better for any new, renewed or extended tenancies. This requirement has extended to all tenancies as of April 2020, even long-term tenancies. The aim of the legislation is to improve the energy efficiency of domestic properties in the private rented sector.

Landlords can apply for an exemption from meeting the EPC E target, on the following grounds:

- Making necessary energy efficiency improvements would cost more than £3,500
- It is not possible to further improve the energy efficiency of the property
- Improvements require consent from local planning authority, tenant or mortgage lender, and this consent is not granted
- Making improvements would negatively affect the value of the property (by more than 5%)
- New wall insulation is required to improve energy efficiency but this would have a negative impact on the fabric or structure of the property (or the building of which it forms a part)
- They only became a new landlord at short notice (temporary exemption of six months)

Aims of the interview

Kantar is part of a consortium that has been commissioned by BEIS to conduct a process and impact evaluation of the new regulations. These interviews form part of the process evaluation, which is exploring the effectiveness of the regulations, the behavioural responses of landlords (and role of other stakeholders, including tenants, in this), and the resultant impacts.

The aim of the interview is to collect detailed insights into the respondent's awareness of the new regulations, what role if any they had in how their landlord decided to respond to the regulations, and how this affected them as a tenant (e.g. in terms of their energy bills, warmth/comfort of their home, the rent they are charged, and their future plans).

Using the topic guide

This topic guide provides the key themes to be explored in the interviews. It is not a set script. The phrasing, pacing and ordering of questions should be tailored to reflect the characteristics of the respondent and the flow of the discussion. It does not include many follow-up questions, such as "How?" and "Why?", as we expect these to be routinely explored by the interviewer. Interviewers are also not tied to the wording of the questions in the topic guide – these are for guidance only.

Main topic guide sections:

- Background. Confirming their characteristics and details of the property they rent, and also getting an initial sense of their mindset/priorities as a tenant.
- Awareness. Establishing their awareness and understanding of the regulations (if any).
- Role in landlord response to regulations. Exploring what, if any, role they had in how their landlord decided to respond to the regulations, and their feelings about this.
- Impacts. For tenants whose landlord did make energy efficiency improvements, what the impacts of this were on their energy bills, warmth/comfort of their home, the rent they are charged.
- Reflections. Views on the regulations and any suggestions they have for improving compliance.

If at any point in the interview the respondent indicates that they would like more information about the regulations explain that you can provide a link to further information at the end.

Introduction

Introduce yourself and the evaluation: “Kantar Public is an independent research organisation. We have been asked to carry out research on behalf of the Department for Business, Energy and Industrial Strategy to understand more about new regulations which have recently been introduced affecting domestic properties in the private rental sector.”

Describe the purpose of the interview and the topics you’d like to discuss.

Explain confidentiality: “Your participation in the interview is completely anonymous and confidential. We will not tell the Department for Business, Energy and Industrial Strategy or anyone else the names of the individuals who have participated in an interview. The report of the findings from the research will also not name any individuals who participated.”

Reassure that participation is voluntary and that there are not right or wrong answers.

Ask permission to record.

Ask them if what you have said is clear, if they have any questions, and then confirm they agree to take part in the interview.

1. Background [5 mins]

Aim: to get the respondent talking, establish details of the property they’re renting, and start to build up a picture of what’s important to them as a tenant.

Can you start off by telling me a bit about the property you are currently renting?

What kind of property is it (i.e. flat v house)?

How long have you been living there?

Is it managed by the landlord or a letting agency?

What were your reasons for choosing to rent the property? Probe for relative importance/role of:

How much the rent was

Expected energy bills

Expected warmth/comfort of the property

Expected energy efficiency of the property

Other factors (e.g. size, location, condition, appearance of property)

If not already explored above:

Were you aware of what the Energy Performance Certificate, or EPC, rating of the property was before you decided to live there? If necessary explain this is a rating of a property's energy efficiency on a scale of A to G, with A being the most energy efficient and G the least.

What rating was it?

How did you become aware of this?

What, if any, role did the EPC rating of the property have in your decision to live there? Why?

2. Awareness [5 mins]

Aim: to explore their awareness and basic understanding of the regulations.

Are you aware of new regulations that were introduced in April 2018 affecting private rented properties with an EPC rating of F or G? If they are completely unaware then describe the regulations and skip to Section 3

How/where/when did you hear about the regulations? E.g. did they:

First hear about the regulations themselves, from sources such as the BEIS website or word of mouth

Only find out about them from their landlord/letting agent

What is your understanding of who the regulations affect? Ensure the respondent doesn't feel like they are being tested here, but probe as far as possible to establish their understanding of the regulations, e.g. in terms of:

Who is legally required to respond (i.e. the landlord not them)

The types of properties affected (i.e. ones with an EPC rating of F or G only)

The types of tenancies affected (i.e. up to April 2020 just new, renewed or extended tenancies but afterwards all tenancies)

The possibility of landlords registering an exemption

The £3,500 cost cap that applies to improvements by landlords

The consequences of non-compliance (i.e. possibly up to a £5,000 fine for landlord)

When you first heard about the regulations, what was your initial reaction? What did you think of them? Why?

3. Role in landlord response to regulations [10 mins] KEY SECTION

Aim: to understand what, if any, role they played on how their landlord has responded to the regulations, how, and why.

What, if anything, has your landlord done in response to the regulations (i.e. made improvements or done nothing/registered exemption)?

What type of improvements have they made/what grounds for exemption have they registered?

Is this what you and the landlord had agreed they would do in response to the regulations or is it different?

If they have done something different to what you agreed:

How is it different?

What is your understanding of why the landlord has done something different?

Did you have any conversations or correspondence with them (or their letting agent) before this about how they were going to respond?

If so:

Was this instigated by them or you?

What was discussed?

What were the outcomes of this?

Were there any steps you had to take to help their response?

How much of a say, if any, did you feel you had in how they decided to respond?

If not:

Do you think you should have been consulted?

What was your personal preference for how the landlord responded to the regulations?

Did you want them to make improvements or do nothing/register an exemption?

And if you had a preference, what type of improvements did you want them to make?

Why was this your preference? Probe for role/importance of:

Expected disruption of improvements being made

Expected impact on their energy bills

Expected impact on comfort/warmth of property

Expected impact on environment

Expected impact on the rent their landlord charged them

Any other factors

4. Impacts [10 mins] KEY SECTION – IMPROVEMENT TENANTS ONLY

Aim: to explore the impacts of the energy efficiency improvements made by landlords in response to the regulations.

Did you experience any disruption or discomfort when the improvements were being made?
How so? How long did it last?

And since the improvements have been made, have you noticed/experienced any change in the cost of your energy bills? Roughly how much/how little have these changed, e.g. in terms of how much you pay in an average week/month?

Has it had an effect on how much energy you use (e.g. on heating, lighting etc.)? why/why not?
Probe for whether any savings on bills have led them to use more energy than they had previously

Has it made any difference to the warmth/comfort of the property?

Has your landlord increased your rent since the improvements were made? If so, roughly by how much? And to what extent do you think this was because of the costs they incurred in making improvements?

Has it made any difference to your thoughts about either staying in the property or looking for somewhere else to live in the future? Why/why not?

Has it had any effect on your attitudes to energy efficiency? Probe for any potential impact of the regulations in:

raising their consciousness of energy efficiency

making them more likely to consider this in future decisions about what property they rent

Reflections [5 mins]

Aim: to get their overall reflections on the regulations and any suggestions for improvement / enhancement in the future.

Overall do you think the regulations have benefited you and tenants more widely? Why? Why not?

Are there any ways in which you think the regulations should be changed/could be improved?
E.g. in terms of:

The types of properties affected

The level of improvement in energy efficiency required

The grounds that landlords have to register an exemption

The scope for tenants to have a say in the process

Ensuring all landlords do comply with the regulations

Close

Thank them for sharing their views and experiences

Ask them if there is anything else they'd like to add

This publication is available from: <https://www.gov.uk/government/publications/domestic-private-rental-sector-minimum-energy-efficiency-standards-interim-evaluation-2020>

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