

# Damp, cold and full of mould

The reality of housing in the private rented sector



# Executive summary



The private rented sector has widespread problems with damp, mould and cold, driven by the poor energy efficiency of privately rented homes. At a time when renters are struggling to keep their heads above water, with record rises in energy bills and rent, the **average tenant is facing annual energy bills that are £350 more expensive due to poor insulation. People living in the least efficient homes are paying an extra £950 a year. Energy bills are due to go up again in April, increasing the cost of poor insulation to £458 for the average home and £1,190 for the least efficient home.**

Existing regulations are failing to protect renters from living in cold, damp and expensive to heat homes, causing high energy bills and impacting tenants' health and wellbeing. **31% of renters said they were unable to heat their home to a comfortable temperature.** This was even higher for disabled people, **rising to 45% for those who have a disability.**

Cold homes are causing widespread issues with damp and mould, and putting the health of renters at risk. **Currently, there are 1.6 million children in England living in the private rented sector in cold, damp or mouldy homes.**

Citizens Advice surveyed 2000 private renters across England on their experiences of damp, mould and cold in private rented properties.

Our analysis<sup>3</sup> found that:

**31%** of renters feel **unable to heat their home to a comfortable temperature**, rising to **45% for disabled renters**

**2.7 million renting households** including **1.6 million children** are living in **cold, damp or mouldy homes**

**40%** who have complained about their housing conditions have **waited more than a year** for their landlord to fix the issue

**18%** say they didn't complain to their landlord because they were **scared of being evicted**

Renters are in urgent need of support to improve the thermal comfort of their homes and to drive down bills. There are 4.61 million households living in the private rented sector, up by 200,000 (3%) in the last year<sup>4</sup>. With turmoil in the mortgage markets and an enduring cost of living crisis demand for rental properties is likely to continue to grow. Government needs to make sure the market delivers safe and energy efficient housing for this growing population.

We are calling on the government to:



Strengthen Minimum Energy Efficiency Standards in legislation, so all new private rented properties are EPC C by 2025, and existing tenancies by 2028.



Implement the government recommendation to raise the costs cap for landlords to make upgrades from £3,500 to £10,000 as proposed in its consultation last year



Kickstart the market for green finance to help landlords cover the costs of retrofitting their properties



End Section 21 'no fault' evictions to give renters the security needed to make necessary requests and complaints to their landlords



Extend Awaab's law to the private rented sector

# The cost of poor housing

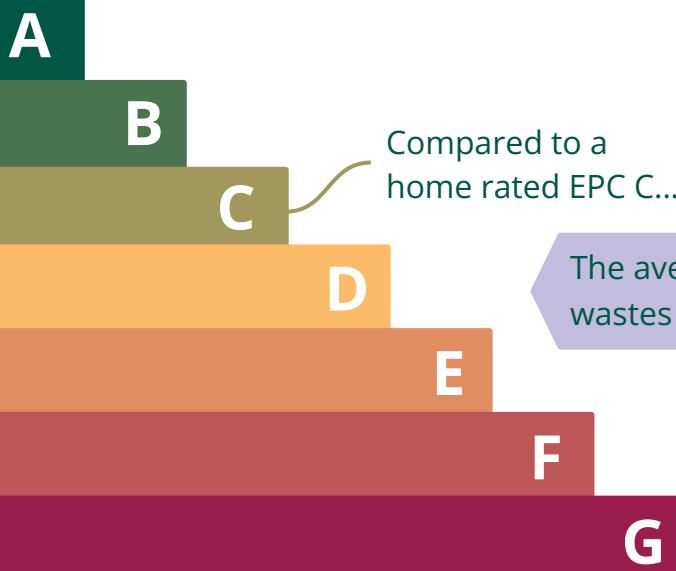
Renters in inefficient properties are not only struggling with increases in rent but are also spending more to heat their homes. Renters face little choice but to live in an inefficient home: **56% of rental properties have an EPC rating of D or below in England.<sup>5</sup>**

More efficient homes, i.e. those that take less energy to heat, typically have far cheaper bills. For many renters in inefficient homes this winter, energy bills are simply unaffordable.

Our analysis found that **31% of renters said they were unable to heat their home to a comfortable temperature**. This was even higher for disabled people, **rising to 45% for those who are disabled.<sup>6</sup>** Disabled people can have greater energy needs, for example some may use electrical medical equipment or need a warmer home to help manage their condition. For those who are disabled, being unable to heat their homes could have serious impacts on their health and condition.

**The average home, with an EPC D, costs £350 a year more on energy bills than homes with an EPC C, with those in homes below a D losing as much as £950<sup>7</sup> compared to homes with an EPC C.**

With the majority of homes in the rented sector having an EPC of D or below, renters are being forced to spend more on energy than they need to. And energy bills are expected to rise by a further 20% in April, meaning that the inefficiency penalty of the **average home will rise to £458 and £1190 for the most inefficient homes.<sup>8</sup>**

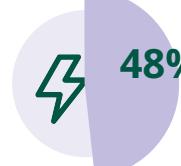


# Renters are struggling to afford rent and essential bills

Private renters are one of the groups being hit hardest by the cost of living crisis and many are struggling to keep their heads above water:

-  **38%** While energy bills have gone up for all households in the past year, 38% of private renters have **also seen their rent go up**.<sup>9</sup>
-  **16%** of private renters are currently **behind on their energy bills** compared to just 8% of homeowners.

With essential bills going up, renters are cutting back where they can to make ends meet. In the last six months:

-  **61%** of renters have cut back or stopped spending on **food or household goods**
-  **48%** of private renters have cut back or stopped spending on **energy**
-  **13%** of private renters have cut back on **childcare**

**Aisha** works full time as a hairdresser and lives with her child in a home she rents from a private landlord. Usually she is able to keep on top of her bills, but with increases in the cost of living she has had to pay her rent late, and is struggling with costs of energy and food.

To make more money she has been working more hours which has also increased her childcare costs. She is worried that she won't be able to eat for the next week to make sure she can feed her child, and is avoiding putting the heating on.



**Amaya** lives with her partner and 7 week old baby, and rents her home from a private landlord. Their home doesn't have sufficient insulation so it is very cold and covered in mould.

Amaya is struggling to pay her bills and rent while she is on maternity leave, and is concerned about the effect of the mould and cold on her baby and her partner, who have both been experiencing concerning health symptoms.

She contacted her letting agent who contacted the landlord weeks ago, but she is still waiting to hear back from her landlord.



## The damp problem

Renters in inefficient homes have higher energy bills and are also also more likely to experience problems with damp and mould.

Excessive cold, damp and mould are all considered 'category 1' hazards by environmental health, meaning properties suffering from these issues are 'non-decent.'<sup>10</sup> However, these issues appear to be widespread in the private rented sector.

Our research found that **70% of renters had experienced cold, damp or mould in a property they had rented.**<sup>11</sup> We also found that there are currently **2.7 million renting households experiencing damp mould or cold, including 1.6 million children.**

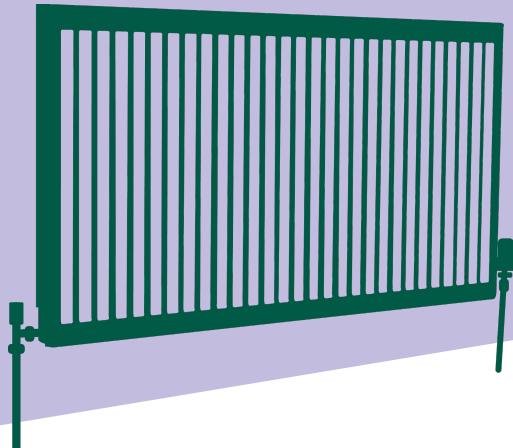
Living with damp and mould can have significant impacts on bills and also on health especially for those with existing health conditions:

- **42%** say damp mould and excessive cold has **increased their energy bills**
- **40%** say they have felt **stressed** as a result of damp mould and excessive cold
- **35%** said it made them feel **anxious**
- **12%** said it made them **spend less time at home**
- **8%** said it had **made their respiratory illness worse**

Our research also found a strong link between poor energy efficiency and damp and excessive cold.

Renters in homes with an EPC D-G were **73% more likely to experience damp** than those with an EPC of A-C. They were also **89% more likely to experience excessive cold** than homes with an EPC of A-C.

With energy prices increasing this is only likely to get worse, as people can't afford to put the heating on, making homes more susceptible to damp, mould and cold. Our website saw a 90% increase in visits to our advice on damp in rented properties compared to last year.



## **What's the link between insulation and damp and mould?**

Damp is often caused by condensation which occurs when moist air comes into contact with a cold surface. In a home this can be a wall. If a home is well-insulated it stays warmer, preventing condensation.

If damp goes untreated it can cause mould, which can be very dangerous for your health.

# Improving Minimum Energy Efficiency Standards

Current regulations require **require all landlords to provide their tenants with an EPC and all rental properties to be at least EPC E**, unless exempt. These are known as 'Minimum Energy Efficiency Standards'.<sup>12</sup> Properties are **exempt if it would cost more than £3,500 to upgrade the home to EPC E**.

While existing regulations have helped improve the energy efficiency of some homes, renters in **EPC E properties are still paying nearly £670 (rising to £850 in April) more than tenants in more efficient properties**<sup>13</sup>. Those in exempt properties are likely to pay an even higher price.

The average cost to upgrade a home to EPC C is £3,800.<sup>14</sup> Some homes that need more expensive improvements such as solid wall insulation or double glazing will be significantly over the cap set by the government, meaning many renters are having to live in expensive-to-heat and cold homes.

However, enforcement is lacking and can vary between local authorities, who are responsible for enforcing the regulations. An evaluation of current standards found that landlords did not believe that enforcement action would be taken against them if they were breaking the rules.<sup>15</sup> This is shown in our own data. When we asked, **35% of tenants said their landlord did not provide them with an EPC**, despite it being a legal requirement.<sup>16</sup>

The government consulted over two years ago on plans to raise these standards to EPC C by 2025, and to increase the cost cap to £10,000.<sup>17</sup> However, since then the government has taken no further action.

Our polling showed that **half of landlords would not spend more than £1,000 out of pocket to improve the energy efficiency of their properties**.<sup>18</sup> This would not cover installation of some of the lowest cost energy efficiency measures such as cavity wall insulation or floor insulation, and would certainly exclude higher cost measures such as solid wall insulation or double glazing.

Without action from the government to regulate the sector, hundreds of thousands of renters will be left in cold, damp homes with high energy bills.



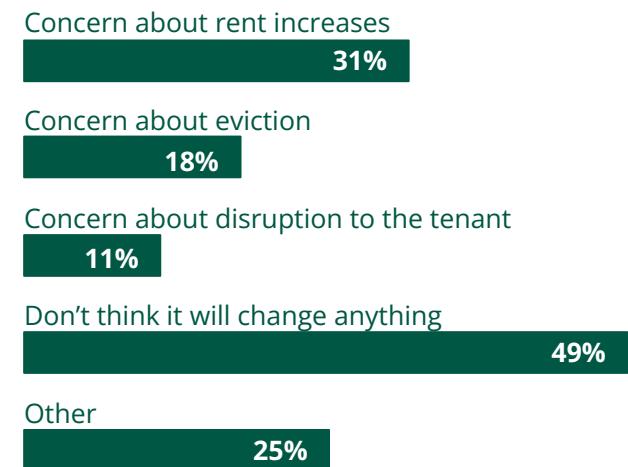
# Fear of evictions

Our survey found that 38% who had experienced damp, mould or excessive cold did not complain to their landlord.<sup>20</sup> Of that group, 18% said they **didn't complain because they were afraid of being evicted.**

The government has announced plans to ban Section 21 "no fault" evictions, where landlords can evict tenants through no fault of their own. However, until the renters reform bill is legislated, tenants are still at risk of being evicted, and landlords may seek to simply replace tenants rather than address issues with the property. In 2022 we saw a 27% increase in people contacting us at risk of eviction, compared to the previous year.

Research from 2018 found that tenants who have received a Section 21 notice are more than twice as likely to have complained to their landlord in the previous six months.<sup>21</sup>

The most common reason that people didn't complain was because they didn't think their landlord would take action. **40% of renters** said that when they complained to their landlord, the landlord **refused to take action or did not even acknowledge their complaint.**<sup>22</sup>



The concern about lack of action is backed up by our findings.

Our research found that **61% of renters** who are experiencing damp, mould or cold say they have been **waiting for more than six months** for their landlord to deal with it, and **40% have been waiting for more than a year.**

# How to bring the private rented sector in from the cold

Renters are being squeezed on all sides by record increases in energy bills and rental prices. Energy efficiency improvements can slash bills and prevent problems with damp and mould. **The government must deal with the problem of poor standards in the private rented sector.**

Renters now make up 19% of the UK's housing tenure, and with the increasing number of private renters the issue is likely to continue to grow<sup>23</sup>. The profile of the sector is changing as well, with the number of renters over 55 growing by a third in the last 20 years. However, current government policy is leaving private renters behind.

**Implement the government recommendation to raise the cap on costs to landlords to make upgrades from £3,500 to £10,000**

The government must bring forward plans to enhance energy efficiency of private rented properties to at least an EPC C and increase the cap on landlord investment to £10,000. The average cost of increasing a property to EPC C is estimated to be £3800. However, some properties will be more expensive if they have solid walls or single glazed windows. According to the government's own data, increasing the cap will also double the annual energy bill savings for tenants. Improving energy efficiency has also been found to increase a property's value by up to 14%, providing landlords with significant long term benefits.<sup>25</sup>



**Strengthen Minimum Energy Efficiency Standards in legislation, so all private rented properties reach EPC C by 2025**

Currently landlords are required to make sure their properties are above an EPC E. But this simply isn't enough. Based on upcoming price increases in April, renters in an EPC E could still be paying £850 more than their peers in more efficient properties<sup>24</sup>. Many of these properties also have damp mould and cold conditions which affect tenants health and wellbeing. Increasing the standard to an EPC C would make homes warmer, safer and more comfortable to live in and cheaper to run. We know that landlords are unlikely to make these changes to their properties without regulation and any regulatory changes would need to be properly enforced. The government must commit to its plans to make sure all new private rented properties are EPC C by 2025, and existing tenancies by 2028.

## End S21 evictions to give renters the security needed to make necessary complaints and requests to their landlords



Tenants need to feel confident that they can request energy efficiency improvements without fear of eviction. **The government must bring forward the Renters Reform Bill to end the practice of “no fault” evictions<sup>27</sup>.** This will empower tenants to hold their landlords to account to make sure their properties are safe, comfortable and affordable to live in.

## Kickstart the market for green finance to help landlords cover the costs of retrofitting their properties, through low interest loans and green mortgages



Landlords should not be expected to face these costs alone. There are a range of ‘green finance’ options that the government could consider to help landlords cover the cost of installing energy efficiency improvements. These could include making energy efficiency investments deductible against income tax, working with banks to offer “green mortgages” or providing interest free government loans. In Canada, a scheme offering zero interest loans for up to 15 years to fund retrofits was so popular that the funding packet was claimed in the first month.<sup>28</sup>

## Extend Awaab’s law to the private rented sector



The government has announced plans to place strict timelines on social landlords to deal with serious issues such as damp and mould and for these to be legally binding<sup>26</sup>. The government should extend this to the private rented sector as well, so no households have to live in damp, mouldy and dangerous homes.

### Benefits to landlords

- Improving energy efficiency has been found to increase a property's value by up to 14%, providing landlords with significant long term benefits.
- More efficient homes are less likely to suffer from damp and mould meaning landlords will spend less time and money on repairs
- Reducing tenant's energy bills puts money back in their pockets and makes them less likely to be in rent arrears.<sup>27</sup>

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Contributors: Connie Thorn, Tilly Cook