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Introduction

While an ever-growing number of owner-occupiers benefit from rooftop solar, renters are frustrated with being left out and are keen to share in the benefits of the energy transition. This paper summarises the findings from an online survey of 196 renters conducted by Better Renting. It aims to serve as a resource for advocates and policymakers in this space, providing a more nuanced understanding of renters’ perspectives and experiences on these issues and offering insights for policy design.

We found that renters with and without solar are attentive to potential benefits such as lower energy costs as well as the opportunity to reduce climate pollution. At the same time, renters without solar are worried about potential downsides, most particularly the risk of rent increases. Some renters who have had solar reported issues with maintenance and landlord neglect.

In this paper we explore these dynamics and the implications for policy design. We look at what governments can do to accelerate the uptake of solar on rental homes, guided by the fact that any policy must address the concerns of renters in order to create social license and buy-in. We conclude by developing a possible solution, an approach we dub ‘SolarCo’, first mooted by Tracey Dodd and Tim Nelson in a 2022 journal paper.
Renters want solar for financial and environmental benefits

Renters see multiple potential benefits to rooftop solar. The primary benefit is lower energy costs: 45% of respondents without solar cited bill reductions as their primary motivation for wanting rooftop solar. One respondent put it succinctly: "I'm tired of my bills skyrocketing, especially in the summer and winter months."

However, the survey reveals that renters are motivated by more than just financial gains. Around one in three respondents were enticed by non-financial factors such as clean energy, local energy production, and renewable energy. These renters expressed a desire to be part of the broader energy transition contributing to a cleaner, more sustainable future. "I want to feel like I'm doing my part for the planet," said one respondent, capturing the sentiment of many.

For those who have had the opportunity to experience solar—either currently or in the past—the benefits were clear. The majority cited bill reductions as the main advantage, but this financial relief had downstream effects. It allowed renters to heat or cool their homes to more comfortable levels without the dread of a hefty bill. "Having solar meant I could finally use my air conditioner without worrying about the cost," shared one renter.

This dual motivation—economic and environmental—shows that renters want to be more than passive consumers of energy, instead playing an active role in the energy transition for a variety of reasons.

"Having solar meant I could finally use my air conditioner without worrying about the cost."
Renters are worried about how solar could go wrong

While renters are enthusiastic about rooftop solar, they are not Pollyannaish. Given grim experiences of the rental sector so far, renters are worried about potential downsides to solar PV.

The most common fear is that landlords would use solar to justify rent increases — this was the top fear for 60% of those without rooftop solar. One renter put it bluntly: "Why would I trust my landlord to not jack up the rent if we get solar?" This worry is consistent with a tendency to weigh losses more than gains: the increased expense of a rent increase is more predictable and worrying than the potential benefit of lower power bills.

However, this is less an argument against rooftop and more an argument for tackling unfair rent increases more broadly. Landlords already have a range of options to improve their investment properties and attempt to increase asking rents; government support for solar on rental homes would not change this.

The second most common fear, raised by around 30% of respondents without solar, was that of getting entangled in confusing or complex billing arrangements. Sometimes when landlords install solar they will attempt to impose unusual arrangements in order to clawback more of the benefits from themselves. Noted one renter: “We were looking at applying for a rental property with solar once but it was written into the contract that the property owner would receive any credits from the solar.” These arrangements are disempowering for tenants and can leave people worse off.

At the root of these concerns is a fundamental distrust of landlords and skepticism towards the system at large. Renters have little faith that a government scheme
would genuinely benefit them over the long term, given their experience of how much regard governments have shown for renters thus far. "Governments and landlords aren't exactly known for putting renters first," quipped one survey participant.

For those who have lived in homes with solar, the experience is generally positive but not without issues. While many enjoyed lower bills and the chance to avoid consuming fossil fuels, some reported that landlords failed to maintain the solar systems. This left renters in a pickle: paying more rent for a property with solar, yet missing out on the benefits. "The panels broke, and my landlord took months to fix them. So much for lower bills," shared one frustrated renter.

These findings underscore the need for strong regulation and oversight to ensure that the benefits of solar reach renters without negative unintended consequences.
Implications for policy design

These survey results suggest that any policy aimed at increasing solar adoption in rental properties must strike a balance. It needs to prompt landlords to act while also addressing the fears and concerns of renters, giving them more confidence that they will benefit. Our findings suggest that renters would reluctantly accept a smaller portion of the benefits, as long as they still end up ahead. A third-party could play a crucial role here, either in implementing the scheme or in providing rigorous monitoring and oversight. In a more trusting environment, initiatives like solar installations on rental properties are more likely to succeed.

When we asked renters what policies they’d like to see, the responses were enlightening. Renters were surprisingly open to incentives aimed at landlords. "If that’s what it takes to get solar on my roof, so be it," said one respondent. Renters were sceptical of landlord altruism — instead there’s a pragmatic recognition that landlords need a nudge to act in the best interests of their tenants and the planet.

However, incentives alone may not cut it. A significant portion of respondents were in favor of mandatory schemes, potentially backed by financial support. These mandates could be broad, applying to all rentals, or more targeted, focusing on new rentals or social housing. While mandates could alleviate many concerns, they’re not a silver bullet. Issues like potential rent hikes or moral hazard still need to be addressed. 'SolarCo', discussed in the box-out, offers one potential option.

A third approach would attempt to help renters access the benefits of solar not necessarily through installing solar on renters’ roofs, but through measures like encouraging grid-scale renewables uptake and tariff reform, which could help more renters to access clean and cheap energy, even if not from their own rooftop system. We didn’t test this model in our survey, and experts we consulted with had mixed views on this approach. Nonetheless, it’s
worth exploring further. In addition, encouraging electrification of rentals, for example by shifting from gas to efficient electric heating, positions more renters to benefit from clean and cheap electricity, with or without solar.

In summary, the path forward is multi-pronged: a blend of incentives and mandates, underpinned by strong regulation and third-party oversight. It's a tall order but one that addresses the complex realities our survey lays bare. Most importantly, it's a path that could make solar energy accessible and beneficial for all renters, not just a fortunate few.
Barriers to solar on rentals include landlord reluctance to make upfront investments for uncertain return, and issues around responsibility for maintenance of the system. The third-party retailer model, which we dub ‘SolarCo’, has the potential to cut this Gordian Knot. This model, originally proposed by Tracey Dodd and Tim Nelson, provides a guaranteed benefit for landlords and tenants, motivated by a third-party operator who has an incentive to drive uptake and maintain good-quality systems.

The basic idea is that a third-party, ‘SolarCo’, provides an upfront payment to the property owner in order to use roof space to install a solar photovoltaic system. SolarCo owns and maintains the system for a fixed period, after which it belongs to the property owner.

During this period, software tracks both self-consumption and exports from the solar system. A regulatory body establishes a fair tariff per kWh for self-consumption which would provide SolarCo with an economic return but which would nonetheless be lower than the retail price of electricity. Tenants would pay for this consumption through their regular electricity retailer, with this revenue being fed back to SolarCo. The tenant is not limited to a particular retailer. Responsibility for tracking consumption and passing the charge on through the retailer could sit with the retailer, or with the distributed network service provider.

In this model, tenants are guaranteed savings on their electricity consumption. Landlords have an incentive to take part, as they receive an unconditional upfront payment and the appeal of the property is enhanced. SolarCo, unlike a distant landlord, has a vested interest in installing quality solar systems and looking after them.

To make this model work, several key elements need to be in place. Regulatory involvement is crucial to
establish and enforce fair tariffs. Support by retailers or DNSPs is needed to handle billing and revenue remittance to SolarCo. The model also requires scale to offset the initial setup costs, making it most viable when implemented on a large scale, such as public housing units. Once proven in such a setting, the model could be expanded to include private rentals and even owner-occupied homes.
Campaigning for rental laws that provide healthy homes

Growing communities of renters who are empowered to defend and extend their rights

Changing the narrative, so that our culture values and promotes renting.

Better Renting is a community of renters working together for stable, affordable, and healthy homes.

Your housing has a big effect on your health. But with more Australians locked out of home-ownership, more of us are renting for longer and raising children in unhealthy homes. This is a big problem: a home that is too cold, for example, can contribute to asthma or stroke. People renting on a low-income, or with a health condition, are especially vulnerable. Even if a house is too expensive to buy, you still need a home that keeps you healthy.

As a non-partisan community organisation, we use three complementary approaches to achieve our mission:

- Campaigning for rental laws that provide healthy homes
- Growing communities of renters who are empowered to defend and extend their rights
- Changing the narrative, so that our culture values and promotes renting.

You can also read this report online.

And a big thank you to our survey participants!