



**ACT**  
Government

Environment and  
Sustainable Development

# Reducing energy and water costs in rental properties



## WHAT CAN LANDLORDS DO?

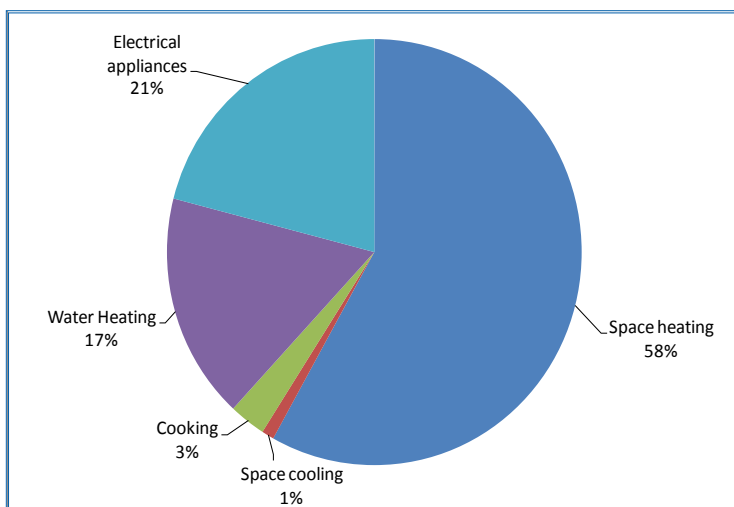
### REDUCING THE RUNNING COSTS OF YOUR RENTAL PROPERTY

By improving the energy and water efficiency of your rental property, you can benefit both you and your tenant. There are simple low or no cost improvements that can lead to reduced energy and water use, some of which do not require a lot of money or effort.

#### These improvements will:

- Provide a comfortable living environment for your tenant.
- Allow your tenant to maximise energy and water cost savings so they can better balance competing demands between bills and rent.
- Increase marketability of your rental property and/or retain good tenants.
- Turn your property into an environmentally friendly investment.

### Average energy use of a Canberra household<sup>1</sup>



\*Electrical appliances include lighting, refrigerators, standby and all other household appliances.

## ASSIST TENANTS TO BECOME MORE ENERGY EFFICIENT

### WHAT CAN LANDLORDS AND PROPERTY MANAGERS DO?

- Considering that space heating and water heating can make up around 75% of all energy use, partner with tenants seeking energy and water efficiency improvements.
- Examples may include draught proofing external or internal doors, fitting more efficient curtains or installing AAA rated water fixtures.

### WHAT CAN PROPERTY MANAGERS DO?

- Direct tenants and landlords to the ACTSmart website ([www.actsmart.act.gov.au](http://www.actsmart.act.gov.au)) to find out about ACT Government rebates and assistance, download factsheets and identify a range of appliance replacement options that will help save energy and water, reduce waste and cut greenhouse gas emissions.
- Provide tenants with instruction manuals, factsheets or signage to promote more efficient behaviour or use of fixed equipment and appliances.
- Examples may include instructions on how to set timers to automatically switch off heating systems, how to clean filters in heaters, how to use reverse cycle for heating or how to reduce the cost of water heaters.



## TOP TIPS FOR LANDLORDS

### 1 Cut heating costs

- In an average Canberra home, approximately 58% of total annual energy is used on heating. With up to 25% of heat escaping through air leakage, minimising heat loss is the most cost effective way of assisting tenants to reduce their annual energy consumption.
- Seal gaps internally between ceilings, floors, walls and window frames.
- Fit draught stopping devices to exhaust fans or replace with self-sealing models.
- Fit self-adhesive weather seals to internal doors of non-heated areas such as toilets, laundries and bathrooms.

### 2 Cut electricity costs

- Fit door seals to external doors and weather seals inside door frames.
- Use low wattage compact fluorescent light globes where possible.
- Fit insulation (lagging) on external hot water pipes.

### 3 Cut water costs

- Install a AAA rated shower head.
- Fix dripping taps and install flow control valves or aerators on taps.
- Check that the thermostat setting on the hot water system is not too high. The optimum temperature for electric storage hot water systems is 60 degrees.

- Consider upgrading inefficient heating systems with an appropriately sized, efficient alternative.
- When replacing the hot water system, consider an energy efficient alternative (eg 5 star gas or solar).
- When replacing appliances (dishwasher, fridge, etc), check the energy rating label. The more stars, the more energy efficient an appliance is. Appliances that are labelled up to 6 stars are considered efficient (see [energyrating.gov.au](http://energyrating.gov.au)).
- Install ceiling fans in summer to cool.
- Shade windows that receive summer sun using retractable or removable shade cloth, blinds/awnings or erect a pergola or similar external shading device.

2. Ensure appropriately skilled, qualified and licensed professionals are engaged when undertaking electrical, plumbing, gas fitting or gas servicing work.

## TAX DEDUCTIONS

Many of the improvements that can be made to enable more efficient use of energy are eligible to be claimed as tax deductions. The type of deduction that can be claimed depends on the nature of the improvement. The Rental Properties 2013 guide, published by the Australian Taxation Office, explains how to treat rental income and expenses. For more information go to [ato.gov.au](http://ato.gov.au) or phone 13 28 61.

## IMPROVE YOUR ASSET<sup>2</sup>

- Check the insulation in your roof. The ceiling batts should be at least 5.8cm thick or R4.1.
- Fit either block out curtains with pelmets or well fitted and insulated blinds such as honeycomb or roman to reduce heat lost through windows.