

How to increase participation of social tenants in energy renovation of social housing

Management summary

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This thesis studies the question “How to increase participation of social tenants in the decision-making process concerning energy renovation of public housing dwellings”?

1 Motivation

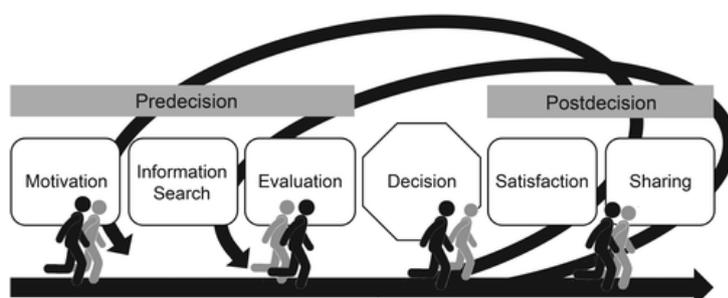
Dutch social housing providers need to improve the energy efficiency of some 2 million dwellings, to keep up with the climate and environmental goals. Most frequent renovation measures used include different kinds of insulation and solar panels. These measures most often go together with rent increase, further, installation of the measures can be accompanied by considerable nuisance. As a result tenants do not always support the renovations right away. At the same time, Dutch law requires that 70% of the residents of a social housing dwelling complex agree to a renovation, in order for it to be performed. Obtaining the support of the tenants for energy renovations is thus an important challenge for the housing providers. Stimulating participation of the tenants in the decision-making concerning renovations is an important instrument that housing providers can use to reach the agreement. In the thesis a study is done on how the participation process is organized at this moment and how it can be improved.

2 Conceptual model and method

We define participation as an interaction between the tenants and the housing provider, that offers tenants an opportunity to influence the decisions of the provider (definition based on Kruythoff, 2008, Arnstein, 1969).

In this study, a model of a customer journey (Figure 1 below) is used as a workhorse. For each step in the customer journey an inventory is made of how participation is organized and what are possible improvements.

Figure 1 Model of the customer journey



Source: Hamilton et al. (2020)

The study consists of 4 parts using different methodologies:

(i) Literature study.

The aim of (i) is to figure out why participation is important and what are the pre-conditions for successful participation.

(ii) Expert interviews with employees of two social housing providers and (iii) Focus groups with the tenants of social housing provider Woonbedrijf who have recently experienced a renovation. In total 7 interviews and 3 focus groups have been organized.

The aim of (ii) and (iii) is to study how participation is organized currently and what are possible improvements.

(iv) Proposal of a tool to increase participation of the tenants in the very start of the renovation process.

Aim of (iv) is to synthesize the information from previous parts and suggest a solution to increase participation.

3 Results

3.1 Literature:

There are three reasons why participation is important: (1) for more effective decision-making: it takes into consideration the perspective of the tenant, which makes it possible to base decisions on the needs and preferences of tenants, (2) to create a relationship of trust: by working together with the tenant a better relation can be build, and (3) to improve the quality of the policy by improving the connection between the needs and the plans. All these points could lead to a larger support base for renovation measures. Taking into consideration that 70% of the tenants must accept renovation plans, the support base for plans is of great importance.

Pre-conditions for a successful participation include: (1) a relationship of trust between the tenant and a housing provider, (2) good provision of information and good communication and (3) clear agreements regarding the process. Further, for residents, it is important to get involved in the process when the decisions which must be made concern them. By doing this and involving them early in the process, more understanding and support for the renovation measures can be created. It is essential to keep informing people about the motives behind the decisions made.

3.2 Expert interviews:

Experts from the social housing associations Woonbedrijf and WoCom agree that it becomes more difficult to get support of 70% of the tenants for intended renovation plans. Table 1 reports the main possible reasons they indicate and offers possible solutions.

Table 1. Issues and solutions from expert interviews

Issues	Solutions
A. Residents lack knowledge regarding the energy transition in general	Develop approaches in which this knowledge can be offered, in an early stage.
B. Tenant population consists of different segments with divergent needs and preferences. Getting to know better the segments and their needs is an important challenge.	Develop a tool to learn the needs and preferences of different population segments
C. The renovation process is not sufficiently standardized. Each renovation starts more or less from scratch.	It would be helpful to develop a guideline in order to standardize the renovation process.

3.3 Focus groups with residents:

Main conclusions and issues that came out of the focus group discussions are presented below, together with the possible solutions:

Table 2 Issues and possible solutions tenants' participation, from focus groups

Conclusion/ issue	Solution
D. The very first step in the customer journey (getting motivated to renovate the dwellings) lacks participation instruments. Residents would like to participate earlier in the renovation process.	Develop tools/instruments to facilitate participation in the very start of the customer journey
E. In other steps residents are quite satisfied with the information they get and appreciate that they have enough time to orient and ask questions regarding intended plans. They are in general content with how the renovation is performed.	--
F. Offering tenants alternative renovation packages to choose from, increases their sense of participation and their willingness to support the renovation.	In each renovation, try to offer tenants at least two renovation packages to choose from
G. People are affected by what neighbors say.	This offers the opportunity to appoint key figures in a neighbourhood/complex and offer them renovation earlier than the rest. So that they could share their experiences with the rest.

4 Tool to increase participation and study preferences

Combining insights from both, the expert interviews and the focus groups, an important challenge can be formulated: facilitate participation in the very start of the customer journey, in a way that allows to better learn the needs and preferences of the tenants. We suggest a methodology - a stated choice experiment - that enables to meet both goals, and discuss how to turn it into a practical tool.

In a stated choice experiment respondents are offered to choose from two or more different hypothetical energy renovation packages, which mimic closely the real packages that tenants might be offered later in reality. The packages differ in a limited number of attributes specified by the researcher. Based on the choices made by respondents and using statistical tools, conclusions can be drawn about the value tenants attach to specified attributes. Ossokina et al. (2019) is an earlier example of the use of this methodology to study the preferences of the social tenants. The results of the experiment performed in this study were used in practice to adjust the policies of the housing providers, thus making the experiment an appropriate tool to increase participation as well.

Examples of the attributes that can be included in an experiment include: timing of first announcement of activities, frequency of communication, rent compensation, maximal rent increase, relocation during activities, maximal duration of activities, renovation of the bathroom, toilet and kitchen.

5 Conclusion and discussion

The main highlights from this research can be summarized as follows.

- It is important for housing associations to involve tenants early in the renovation process, especially when choices are being made which affect them. This also helps to find out tenants' needs and preferences already in the early stages of the process.
- For housing providers it is important to know their tenant population. At this moment, many housing providers approach all their tenants in the same way. Insight into the differences between tenants' segments could help understand the reasons behind the low participation level of certain groups and improve the communication with them.
- A stated choice experiment in a very early phase in the renovation process helps involve the people and study their preferences.

There are some limitations of the present study that should be mentioned. In this research, the focus group discussions were limited by two points: (1) people with an immigration background were not represented, while it is a substantial target group in social housing and (2) during two focus groups, only one person showed up. Further, only two housing associations participated in this study. A broader study including more housing associations would help to test the main conclusions on a broader population.

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