Achieving the 2030 climate goals:
One-stop-shops for the residential sector

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Achieving the 2030 climate goals: One-stop-shops for the residential sector

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Benchmarking of promising experiences of integrated renovation services in Europe
WHY ONE STOP SHOPS?

Problems we face:

- Low renovation rate
- Insufficient renovation depth
- Renovations are perceived as complex, costly and time-consuming
- The selected measures are too often suboptimal, in terms of achieved energy savings and satisfaction
- The preferred quality of individual components is in general too low
- The level of trust in renovation advice, actors and expected savings is also insufficient

Solutions One Stop Shops can offer:

- Trigger renovations by packaging and targeting messages to the individuals
- Enable a smooth renovation process by bringing together and coordinating a wide range of services, including technical diagnosis, alignment of construction value chain, financing support and monitoring of the implemented measures
- Adapt the renovation plan to the needs and preferences of the users
- Compile a better renovation package, including long-term financing solutions
- Build trust through reliable contractors and guarantee of results
• 9 partners have joined forces to develop Solutions4Renovation in France, Ireland and Spain
• The ambition is that elements of the solution will be replicated across Europe
• The project is funded and enabled by Horizon 2020
• The project wraps up in March 2022 and all findings will be available at turnkey-retrofit.eu
BENCHMARKING STUDY

Analysis of the 9 of the most interesting integrated renovation services in Europe, including
- Heero, Operene and Oktave in France,
- Sire in Spain
- SuperHomes and Proenergyhomes in Ireland
- BetterHome in Denmark
- Energiesprong in The Netherlands
- RetrofitWorks in the UK

The 9 services are very diverse, with different purposes, revenue streams, organisational structures, renovation solutions, and models of collaboration with other value chain actors and stakeholders.

The study provided useful insights into what is it that makes one stop shops for renovation work?
TYPICAL RENOVATION JOURNEY FOR MULTI-FAMILY BUILDINGS

**Attract customers**
- First step: convince the owners' representatives who will then relay the information to their client
- Second step: convince the end customer

**First diagnosis**
- An evaluation of the building to show the energy issues and required work
- A first estimation and integration of subsidies/loans

**Definition of a work programme**
- Discussion with residents
- Convince customer of benefits of integrated renovation services
- Choose a work programme

**Renovation works and follow-up**
- Renovation is performed by professionals
- Follow-up check or assessment

**Selection of professionals**
- Groups of professionals compete for the contract
- Owners choose the best proposition through different aspects such as price and quality

**Conception**
- A team composed of engineers and architect refine the project plan
- Final estimation of required work and costs
- Issue tenders for different groups of professionals
TO BECOME SUCCESSFUL, ONE STOP SHOPS NEED TO:

• build **strong networks with local actors** in the regions it will be implemented
• be the **single-point contact** for the homeowner and project manager of the renovation works (for larger buildings it is also necessary to collaborate with co-contractors)
• have a value proposition focusing on the **overall customer experience** and renovation outcome. The process should be transparent and **minimise any unpleasant surprises** for the customer, such as a final cost that surpasses the initial budget or delays in the renovation process
• have a strong **online platform** to get people interested and ensure a good conversion rate
• consider **different revenue streams**, including project (management) fees and charges for connecting a potential customer with the right professionals
• Facilitate an effective collaboration among professionals, while **enabling a smooth renovation process** for the homeowners
BUSINESS MODEL CANVAS

Key resources
- Smart online solution
- Strong local network
- Experienced and qualified building team

Customer Segments
- Especially inefficient and older buildings
- Single-family houses
- Multi-family buildings

Customer relationships
- Single-point contact
- Transparent process
- Post-implementation follow-up
- Trust

Value propositions
- “Hassle-free” renovation process
- High quality and reliable service
- Customer oriented
- Smart online solution (for customers and professionals)
- One stop shop

Key partners
- Local network of professionals
- Financial institutions
- Public authorities

Key activities
- Initial online evaluation of renovation potential
- Building diagnosis/check
- Renovation package, incl. technical and financial solutions
- Find right professionals and suppliers
- Upskilling programme
- Existing energy performance certificate

Cost Structure
- Project managers
- Development and maintenance of online solution

Revenue Streams
- Project fee
- Selling “leads” to contractors
- Membership fee
- Crowd funding
- Energy efficiency obligation
- Indirect revenues from sales

Outreach
- Social media
- Word of mouth through local networks
- Public relations
- Community building
- Trusted sources such as community banks
LESSONS LEARNED FOR THE RENOVATION WAVE

• One stop shop is **not a single-bullet solution** but a necessary component in an effective policy mix
• The service is **only as good as its weakest link** – need for more and better trained advisors and contractors, reliable local suppliers and engagement from local authorities and banks
• It needs to be **adapted to the local market**, policy framework and needs
• Reliable and granular **building data** (provided by EPC databases or Digital Building Logbooks) enable a better service
• Use one stop shops to enable **district solutions**
• Involve both **public and private actors** in the model
• Use one stop shops to **steer investments towards deep renovations**, e.g. by integrating Building Renovation Passports
• One stop shops will only become more relevant by bringing together **different Renovation Wave provisions**, incl. innovative financing, issuing of EPCs, life-cycle analysis and information on how to comply with Mandatory Minimum Energy Performance Standards
NEXT STEPS

For One Stop Shops
• Maximize the use of digital solutions and big data
• Become fit-for-purpose - adapt to support the pending Renovation Wave
• Widen the scope – integrate expertise on aesthetics, IEQ, LCA, etc.
• Prepare to move from being a niche idea to become mainstream

For Turnkey Retrofit
• The replications are underway in Ireland and France
• We (BPIE and NUIG) are working to derive specific lessons learned for the Renovation Wave
• If you are interested to replicate any of the elements that we have developed within the project - get in touch

www.Solution4renovation.eu
Thank you for your attention!

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OPERENE SERVICES
-
MULTI-FAMILY BUILDING
Deep renovation

Global energy retrofit in order to maximise energy performance and asset value

Network coordination

Coordination of consortium of SME’s that are dedicated to energy performance

Energy performance contract

Energy consumption reduction is guaranteed under an EPC
The renovation process for the Operene integrated renovation follows 5 main steps:

1. The contractor provides Operene with the work programmes

2. Select SMEs specialized in each work package that we need to realize in the work programs

3. We define and outline a project with companies including the cost, the means used and the objective to be achieved

4. Project supervision made by Operene which is the unique contact point for the client

5. Operene ensure quality control during the construction phase to guarantee the proper performance of the work

In collective buildings, the project design is done by an architect, a thermal study engineers or surveyors then voted by the co-owner’s assembly

Controls regarding the energy performance of the works that are conducted
KEY-FIGURE OF MULTI-FAMILY BUILDING RENOVATION

✓ Operene targets: multy-family building with renovation working starting at around 500 k€ (renovation work only)

✓ Investments costs: from 20 k€/apartments (only works)

✓ Grants: min 4-5 k€/apartments

Grants: public (Eco-pret, Maprimerenov’, …) & private (White certificate)

White certificates can cover in average 10% of the cost of the works (+ bonus in case of an EPC)
IS IT DIFFICULT TO REFURBISH MULTI-FAMILY BUILDINGS ? AND WHY SO ?

Main barriers :

✓ A deep renovation project has to be voted by a large majority of co-owner’s and there is no legal obligations

✓ No one is responsible for the refurbishment project (assembly ? Property manager ?) - hence a strong motivation from the assembly of co-owner’s is needed

✓ Human resources - property manager cannot handle several deep renovation project & renovation companies have a lot of labour issues

✓ Cost of renovation - largely reduced by all the funding available (local and national)
CONTACT

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EuroPACE: Unlocking the Market for Eco-Sustainable Renovation
GNE Finance is a trusted partner in designing and developing the technical and financial aspects of the following successful home renovation projects:

- **EUROPACE - SPAIN**
- **OPENGELA - SPAIN**
- **ORFEE - FRANCE**
- **SAVETHEHOMES - NETHERLANDS, SPAIN**
- **FIT HOME - NETHERLANDS**
- **REGENERATE - BALEARIC ISLANDS: PALMA, MENORCA, IBIZA**
- **SER - ITALY, BULGARIA, FRANCE, SLOVAKIA, POLAND, CZECH REPUBLIC AND GERMANY**
- **EU-PACE - NORWAY, SWITZERLAND**

8 Projects in 4 Countries
Effective Home Renovation Formula

01. Technical Assistance
   Coordination and advice to support customers throughout the renovation journey, including contractor training and verification.

02. Affordable Financing
   Affordable, long-term financing, integrating subsidies and rebates to make it accessible to all citizens.

03. Smart Funding
   Creating a risk-sharing facility to enable vulnerable groups to access long-term financing, thus facilitating equitable energy transition.

Trust to Renovate
What is EuropACE?

- One-Stop-Shop co-designed with a public authority
  - Public-private partnership
  - Economically self-sustainable
  - Laser-focused on sales and project uptake

- Innovation in financing
  - Affordable and long terms financing
  - Explore home-based financing - attached to a property and not an individual
  - Social Guarantee Fund

8 partners from 4 countries:
The role of the public authority

1. Establish legal basis for the program
   - Olot adopts a local ordinance

2. Design an entity to operate the program
   - Establish a Public-Private Partnership
   - Olot and GNE Finance establish a Public-Private Partnership

3. Design a scalable financing platform
   - GNE Finance develops an investment vehicle

4. Launch the program
   - Program Launched in Q4 2019

5. Create a strong pipeline and position it for expansion
   - GNE Finance and Olot are developing a pipeline of projects and recruiting cities in Catalonia
Home renovation pilot in Catalonia, Spain

**AFFORDABLE FINANCING**
Combined with subsidies and grants

**CUSTOMER SUPPORT**
Advice throughout the renovation journey

**TECHNICAL SUPPORT**
Ensures lower project risk

**TRUSTED CONTRACTORS**
Verified and trained by the program

**AFFORDABLE FINANCING**
Combined with subsidies and grants
6 Simple Steps

1. Initial assessment
   Energy diagnosis and preliminary proposal

2. Technical solution
   Contractor selection and project proposal review

3. Financing
   Tailored financing offer, including subsidy advice

4. Project execution
   Work performed by validated contractors

5. Verification
   Project verification by the program

6. Repayment
   Monthly repayment to the financing provider
HolaDomus Achievements

- Total investment of €1.4M mobilized
- The majority of projects are single measure (61%) in single unit homes (67%), followed by apartments (21%)
- Most leads come from family and friends
- Users rate the program 8.6/10
- 100% of surveyed users would recommend the program
- Users value simple process, personalized assistance, and centralized interaction with contractors, retrofit license, and grants
Contractor Relations

Users rate the contractors 8.6/10
Completed Projects in Olot, Spain
• **Type of Loan**: Home renovation loan recorded in the property registry
• **Loan size**: €5 - 100K in residential properties, 100% up front
• **Average size**: €20K for multi-family and 30K for single family
• **Duration**: from 5 to 15 years
• **Payment terms**: affordable financing, depending on credit assessment and term.
• **Monthly installment**: Starting at €39
• **Support for vulnerable groups**: Public funds used as a guarantee Fund to create a higher leverage
Market Readiness Assessment

1. Analyse the legal and fiscal conditions in each EU28 member state
2. Rank each of the EU28 member state and produce a readiness map
3. Select 7 countries most suitable for EuroPACE
4. Analyse market suitability of the seven countries to further narrow it down to 4 countries.
EuroPACE Amendment under Climate Change Law

Valid Public Purpose
Establish a public-private partnership between program entity and public authorities

Special Conduit
Enable local governments to intervene in the payment recovery process = 'credit enhancement that will attract private capital'

Non-fiscal measure leverages on an existing mechanism - the “Prestaciones Patrimoniales Publicas de carácter no Tributario”
Scaling EuroPACE

- Public-private partnership with the Basque Government
- Innovative financing model combining public and private funds to support vulnerable groups via local offices.
- Project pipeline of €15 million across Eibar, Durango, Lasarte, and Otxarkoaga

- Public-private partnership with the Palma de Mallorca, Menorca and Ibiza.
- Affordable financing is combined with technical assistance in a OSS with local offices.
- Identified a project pipeline of €44 million or 3,000+ homes.
Scaling OSS to Galvanize the Renovation Wave

**Strong policy support** is key:
- Mandatory minimum energy performance requirements
- Fiscal incentives
- Optimized the use of subsidies and grants
- Smart use of public funds for de-risking

**Focus on effective models:** attract private players to develop effective & economically self-sustainable renovation programs to achieve scale

**Stimulate the eco-system of professionals:** PPP have a tremendous potential to generate new business opportunities while creating jobs and paving the road for post Covid-19 recovery.
Thank you!

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