

# Towards large-scale roll out of "integrated home renovation services" in Europe

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<sup>1</sup> The sole responsibility for the content of this presentation lies with the authors. It does not necessarily reflect the opinion of the European Climate, Infrastructure and Environment Executive Agency (CINEA) or the European Commission, which are not responsible for any use that may be made of the information contained therein.

# The human factor behind home renovation



Source: YouTube.com

- Most residential buildings belong to **non-professional individuals**
- **Lack of demand** for home renovation: not only incentivize or constrain, but also **facilitate**
- Households **will not “build capacity”**: you won’t renovate so many homes in a lifetime
- **no lack of market participants**  
... but absence of coordination  
... and diverging interests

# The windy journey of home energy renovation

1. Information / Marketing
2. Detection
3. Simplified diagnosis  
and recommendations
4. Project design
5. Selection of companies
6. Financing plan
7. Financing solutions
8. Renovation work
9. Worksite supervision /  
reception of the work
10. Quality assurance,  
guarantees and follow-up

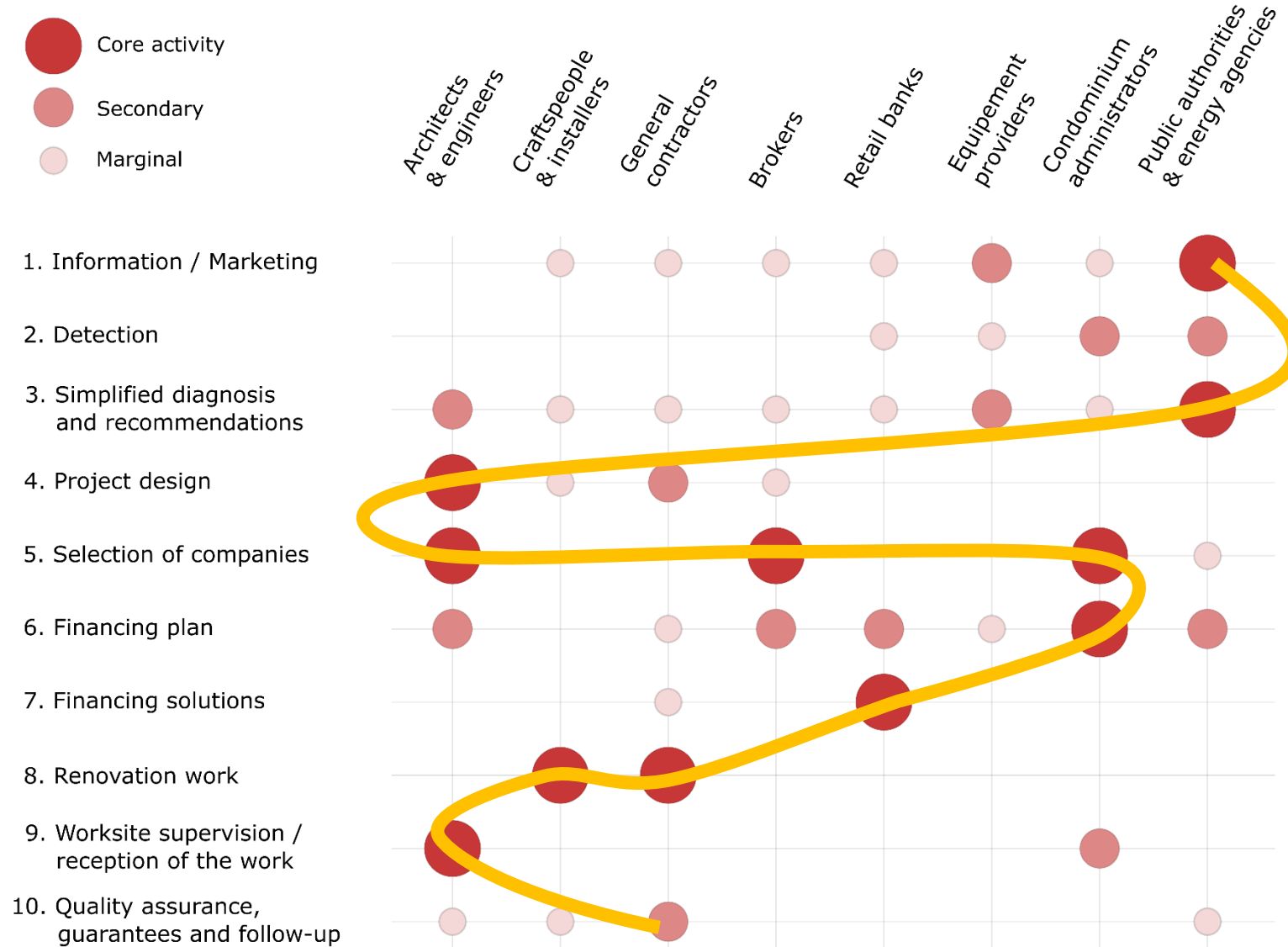
# The windy journey of home energy renovation

	Architects & engineers	Craftspeople & installers	General contractors	Brokers	Retail banks	Equipment providers	Condominium administrators	Public authorities & energy agencies
1. Information / Marketing								
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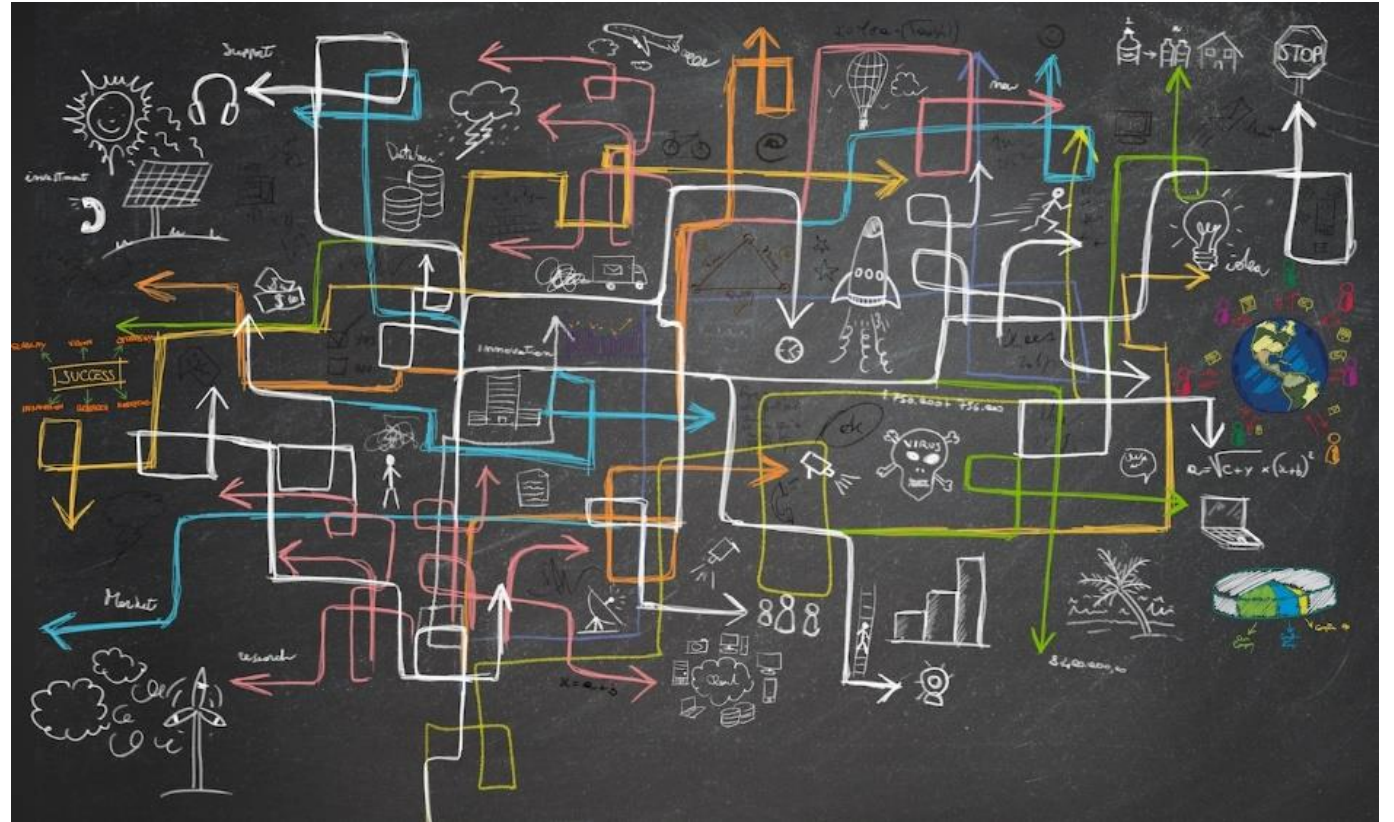


# The windy journey of home energy renovation



# “Integrated home renovation services”

- **Start from homeowners' point of view**: what is the customer journey of home renovation?
- **Coordinate / combine / integrate** the services provided by private and public players
- **Take on tasks** for which homeowners are not equipped
- Indispensable to **upscale low-energy renovations**

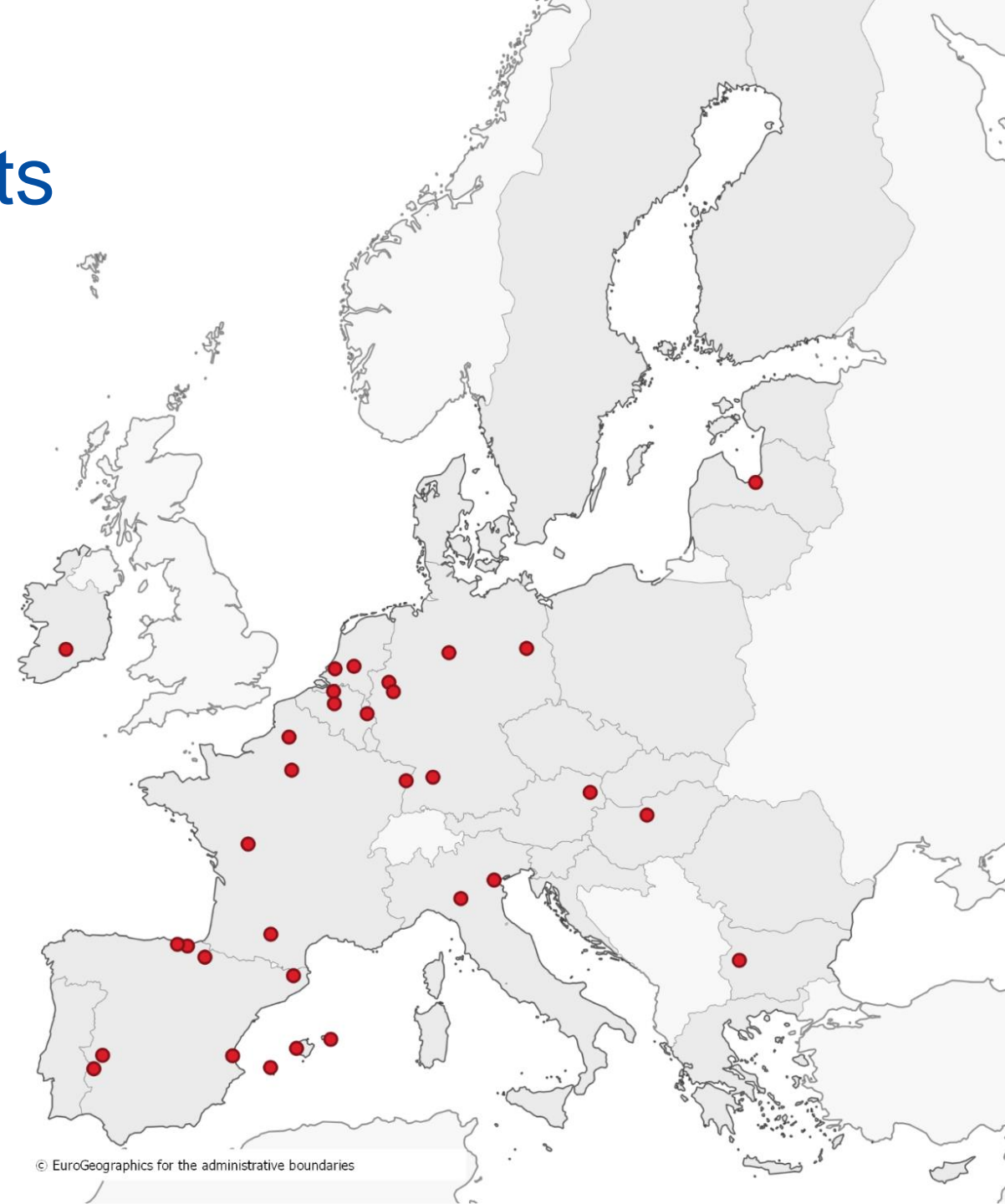




# Promising local experiments

- Over 20 projects supported under the H2020 and IEE programmes
- Mostly public-led, some private initiatives
- More initiatives under ELENA and ESIF financial instruments
- Further support in the coming year(s) under the LIFE CET programme:
  - [LIFE-2021-CET-HOMERENO](#)
  - [LIFE-2021-CET-HOMERECOM](#)

More details in [Milin & Bullier 2021](#).  
*Towards large-scale roll out of "integrated home renovation services" in Europe.* Proceedings of the ECEEE Summer Study 2021



© EuroGeographics for the administrative boundaries



# Three empirical models along the “customer journey”

- Mainly heuristic, based on the observation of pilot initiatives across Europe
- 3 main models:
  - **‘Advice’ model**: focused on the upstream part of the journey
  - **‘Support’ model**: extended Architect's mandate, covering the whole journey
  - **‘Implementation’ model**: combining design and renovation work
- Easy to distinguish in generic terms...  
...much less clear when getting into the details



# ‘Advice’ model

focused on the upstream part of the journey

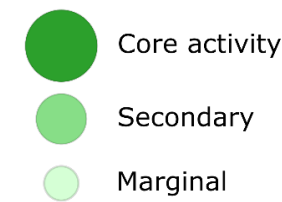
- **Information** and marketing
  - Largest audience, messages not specifically tailored
  - Raise homeowners’ awareness...
  - ... but also disseminate new social norms
- **Detection** of prospective homeowners (house buyers!)
- **Simplified diagnosis**, recommendations and financing plan (focused on investment, not on investor)
- ‘Light support’ in selecting contractors or retail banks (e.g. directory of companies, labels, certifications,...)
- Hardly a business case:  
is the ‘advice’ model rather a public service?



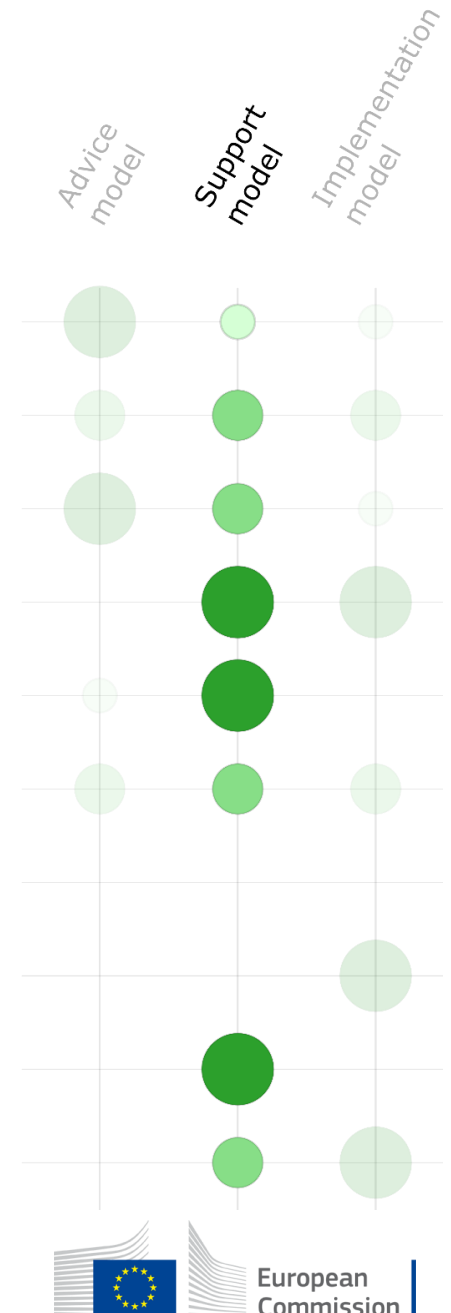
# 'Support' model

Extended Architect's mandate,  
covering the whole journey

- **Out of the 'comfort zone'** of most public actors:
  - Engaged in market activities, incurring professional liability
  - Fully involved in project design (e.g. drafting specifications)
  - Support in selecting companies and negotiating prices (incl. training and prequalification)
  - Worksite supervision and reception of work
  - Quality assurance and follow-up after renovation
- **Tipping point** between 'advice' and 'support' models?
  - Pay for the services provided?
  - Signature of a service contract?
  - Physical visit to carry out the audit?
  - **Open to interpretation** by a judge, in case of litigation



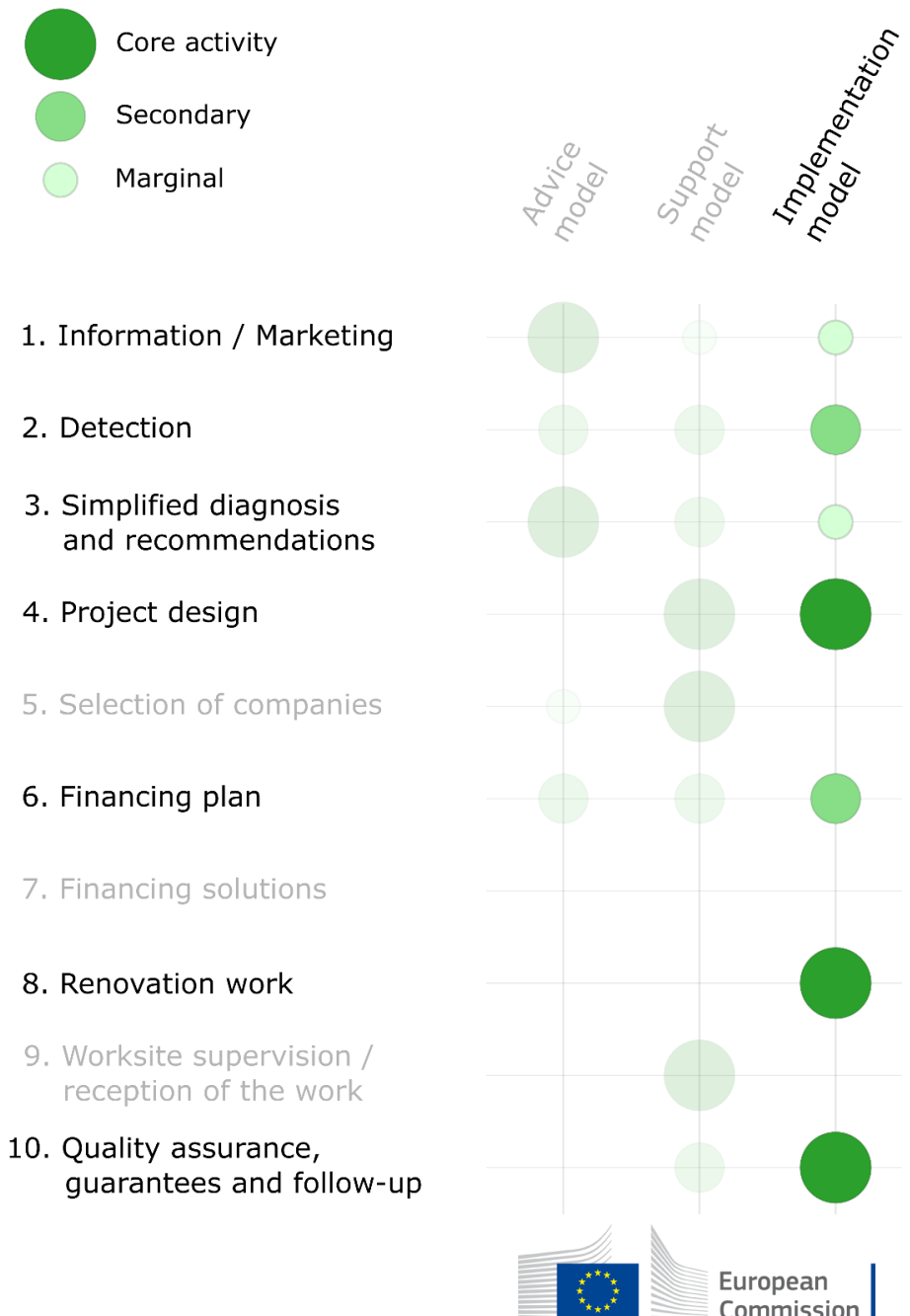
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# 'Implementation' model

## combining design and renovation work

- Turnkey contractor: designs and implements
  - Likely leads a consortium or uses subcontractor(s)
  - Selects professionals and imposes choice on homeowners
  - Profit on work may lead to cheaper advice?
- Typically where the ESCO model belongs, but not only
  - Quality assurance can cover the whole value chain
  - Intrinsic performance or savings guarantee?
- Existence of a **vested interest** (tipping point)
  - Interest in the nature and amount of work recommended
  - Support provided upstream perceived as less impartial?



# What about financing?

- “Option” rather than 4<sup>th</sup> model
- More likely on top of support or implementation models
- Standalone offer requires appropriate **legal framework**
- Other financing services to consider:
  - Support in accessing public grants
  - Pre-financing of public grants
  - Pre-qualification for a retail bank financing offer
- Additional financial engineering is being explored  
(e.g. *Home-based financing, Guarantee Fund, subsidized loans ...*)





# Not all roads lead to Rome

- Different models hardly fit in one and the same structure
- Strategic decisions to be taken
  - operate on the fringes of the market or fully on the market?
  - position on the demand side, accompanying homeowners, or on the supply side, offering both advice and renovation work?
  - refer to a third-party financial offer or propose an autonomous financial offer?
- Balance costs with ambition and potential



# How to best position public action to build homeowners' trust?

- All examples based on public/private collaboration
- Not “*who performs the services?*”  
... but “*who is accountable for them?*”
- Should public authorities *push* or *pull* market actors?
- Should ‘support’ and ‘implementation’ models be defined as **Services of General Economic Interest** (SGEI)?



Source: PxHere.com



# Should IHRS be economically viable?

- None of the initiatives identified has reached self-sustainability
  - Already 4 to 6 years to reach maturity
- Effective use of public funds
  - High leverage factor
  - IHRS to **absorb public funds** and **channel financing streams** towards **low-energy renovation**
- How can public support comply with State aid rules? (support and implementation models)
  - IHRS include services that should normally be delivered by private market actors.
  - Yet, open competition to all market actors could be harmful for the deployment of these emerging offers



Source: Fred Marie on Foter.com

➤ **Reinforce interest for SGEI?**

# Conclusions

- IHRS are essential to move towards climate goals
- Findings from frontrunners must be further harvested, analysed and debated
  - [LIFE-2021-CET-HOMERECOM](#)
- Public funds should support the multiplication of initiatives
  - [LIFE-2021-CET-HOMERENO](#)
- Build the capacity of local actors to develop and operate such schemes, on a large scale
  - [MANAGENERGY](#)



Source: Chris Brooks on Flickr.com

# To go further...

- [Milin C., Bullier A. \(2021\)](#). *Towards large-scale roll out of "integrated home renovation services" in Europe*. Proceedings of the ECEEE Summer Study 2021.
- AnPost (IE): <https://www.anpost.com/Green-Hub/Home-Energy-Upgrade-Service>
- Arec occitanie (FR): <https://www.arec-occitanie.fr>
- Artée (FR): <https://www.artee.fr/>
- C-real (BE): <https://www.c-real.be>
- Easycopro (BE): <https://www.easycopro.be>
- Energy efficient mortgage initiative: <https://energyefficientmortgages.eu>
- Europace: <https://www.europace2020.eu/>
- Facirénov (FR): <https://www.facirenov.fr>
- Fithome (NL): <https://www.fithomeproject.eu>
- Hauskunft (AT): <https://www.hauskunft-wien.at>
- Hauts-de-France pass renovation (FR): <https://www.pass-renovation.hautsdefrance.fr>
- Holadomus (ES): <https://www.holadomus.com>
- Houseenvest (ES): <https://renuevatucasa.eu>
- Île-de-France énergies (FR): <https://www.iledefranceenergies.fr>
- Innovate: <http://www.financingbuildingrenovation.eu/>
- Oktave (FR): <https://www.oktave.fr>
- Opengela (ES): <https://opengela.eus/>
- Orfee (FR): <https://orfee-project.com>
- Padova fit (IT): <https://www.padovafit.eu>
- Proretro (DE): <https://proretro.eu>
- Reimarkt (NL): <https://reimarkt.nl>
- Renohub (HU): <https://renohub-h2020.eu>
- Renonbill (ES, IT, LT): <https://www.renonbill.eu>
- Save the homes (ES, NL): <https://savethehomes.org>
- Sheerenov (BG): <https://sheerenov.eu/>
- Sunshine (LV): <https://sharex.lv>
- Superhomes (IE): <https://superhomes.ie/>
- Turnkey retrofit (ES, FR, IE): <https://www.turnkey-retrofit.eu>

# Thank you