



# The market of one-stop shops around Europe

Findings of the JRC  
report

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# Content of the presentation

- Background of the market research
- Registry of one-stop shops (OSS) in MSs
- Why do homeowners not renovate?
- Examples of business models
  - Industry-driven
  - Public authority driven
- Perspectives of benefits/the role of OSS
- The place of OSS in the value chain
- Policy recommendations of OSS

# Background

- **Market exploration**

January 2018

- Collecting basic information on the international experiences
- Gathering information on existing or past companies
- OSS fishes

February 2019

- **Assessment**

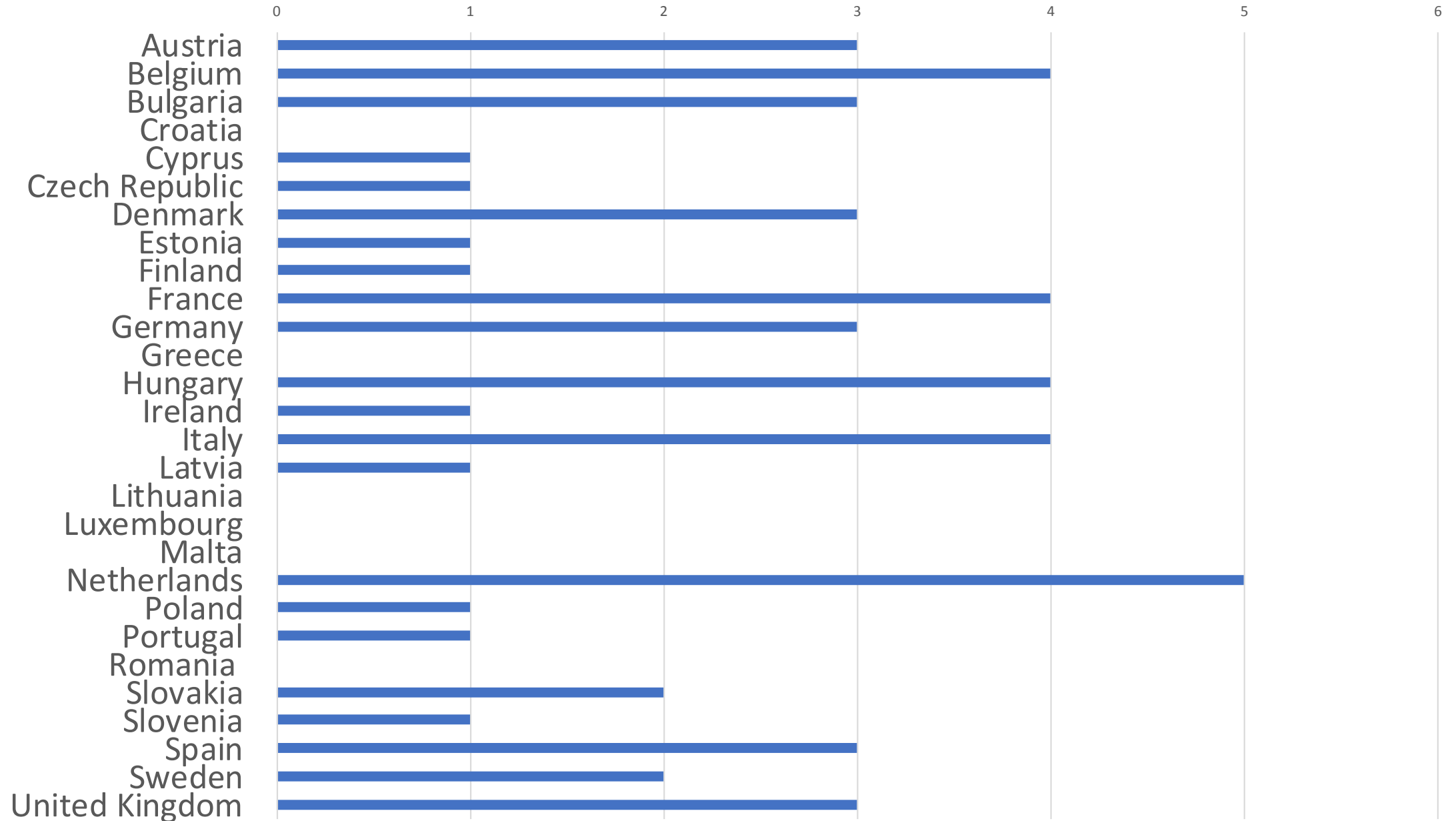
- Looking deeper
- Finding patterns
- Understanding needs and future potentials

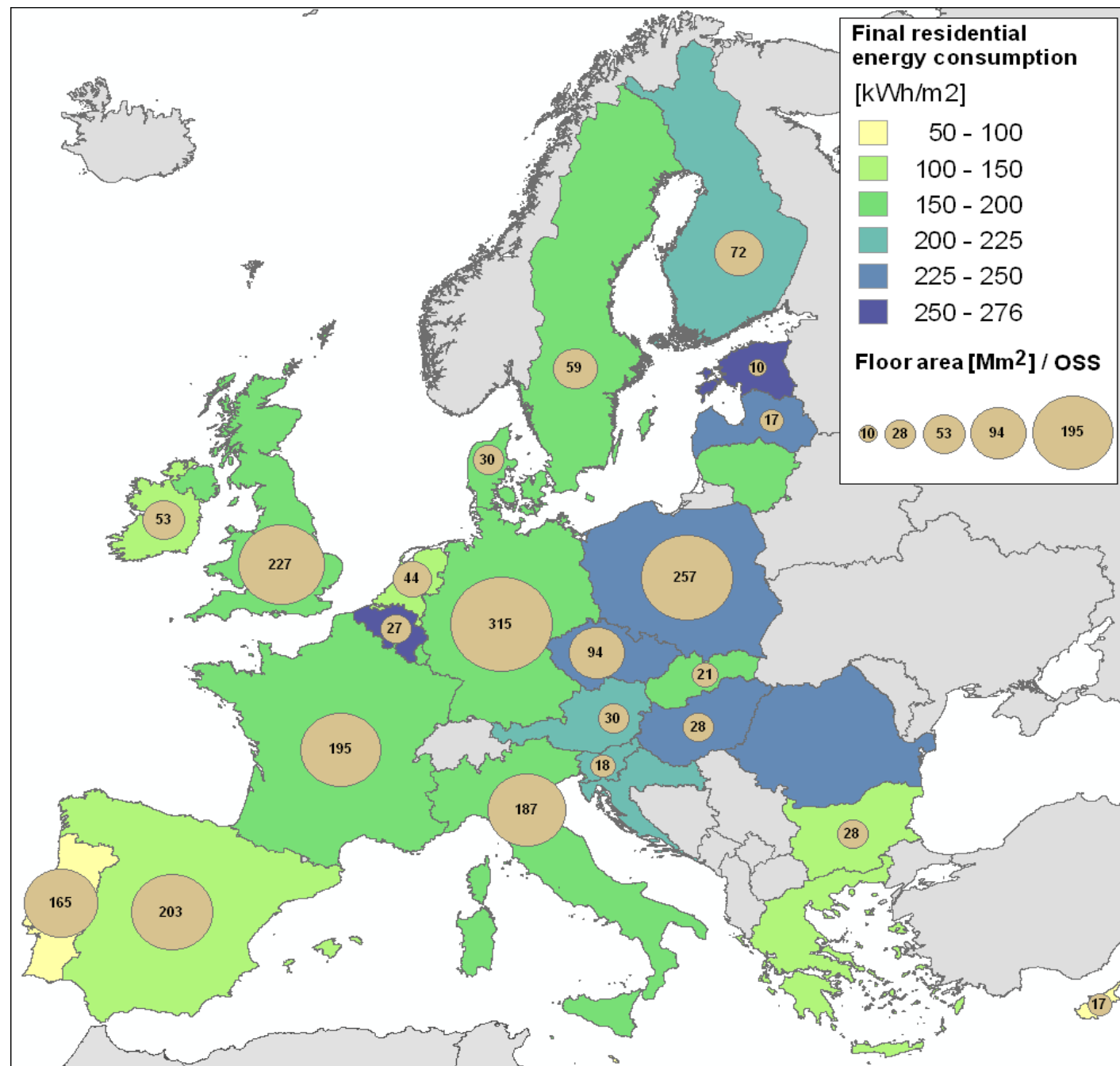
- **Work-shop**

March 2019

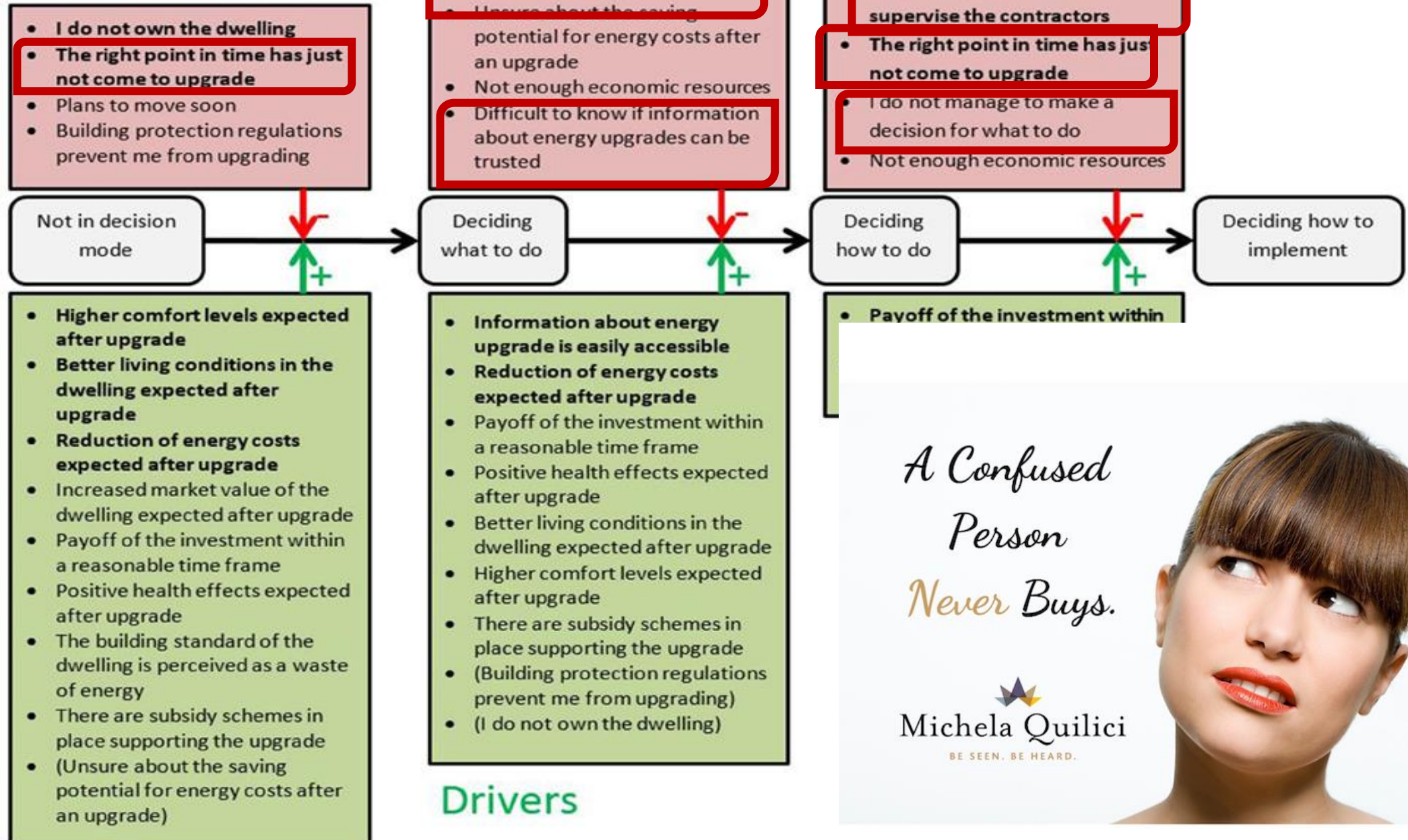
- Validating the collected information
- Updating our findings

# The OSS registry





# Barriers

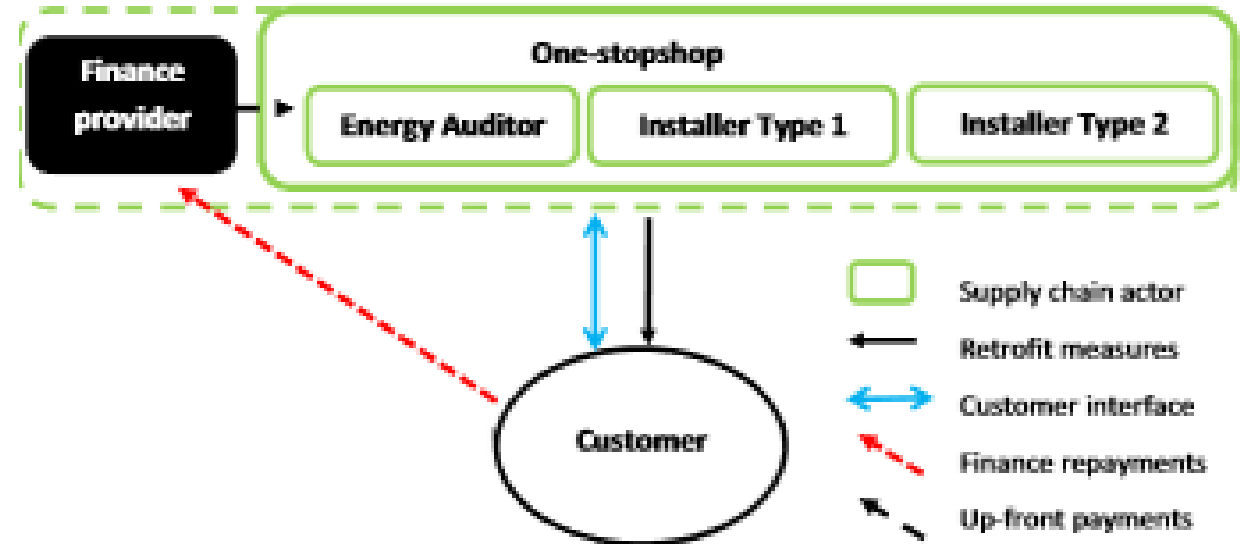
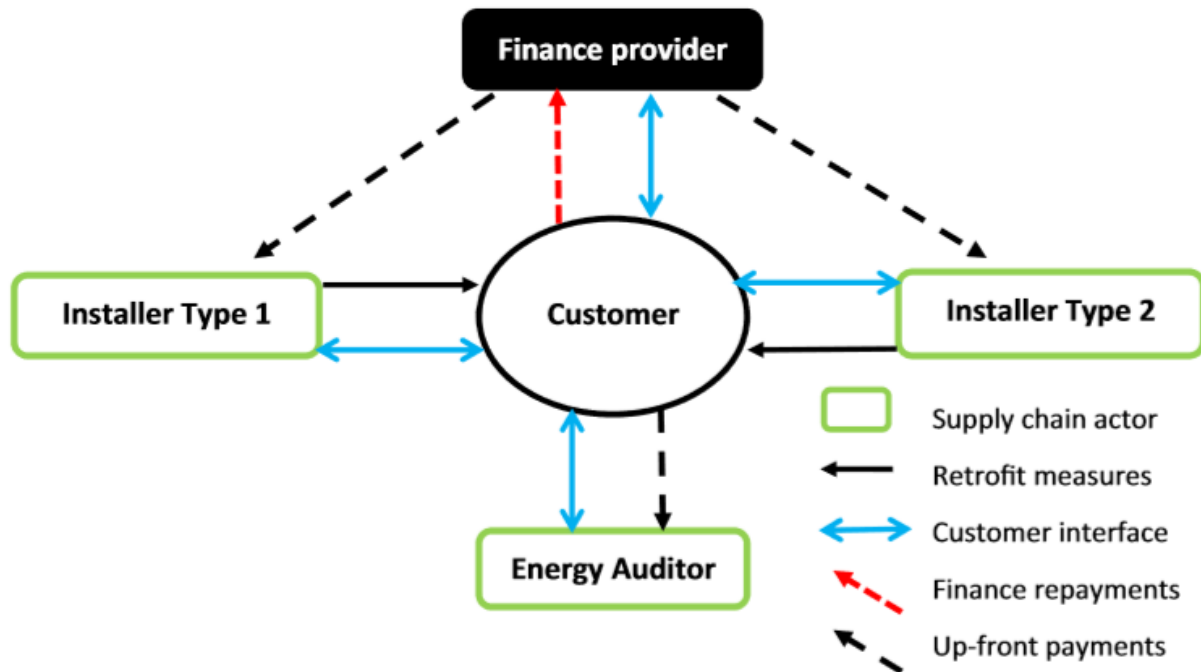


*A Confused  
Person  
Never Buys.*

Michela Quilici  
BE SEEN. BE HEARD.

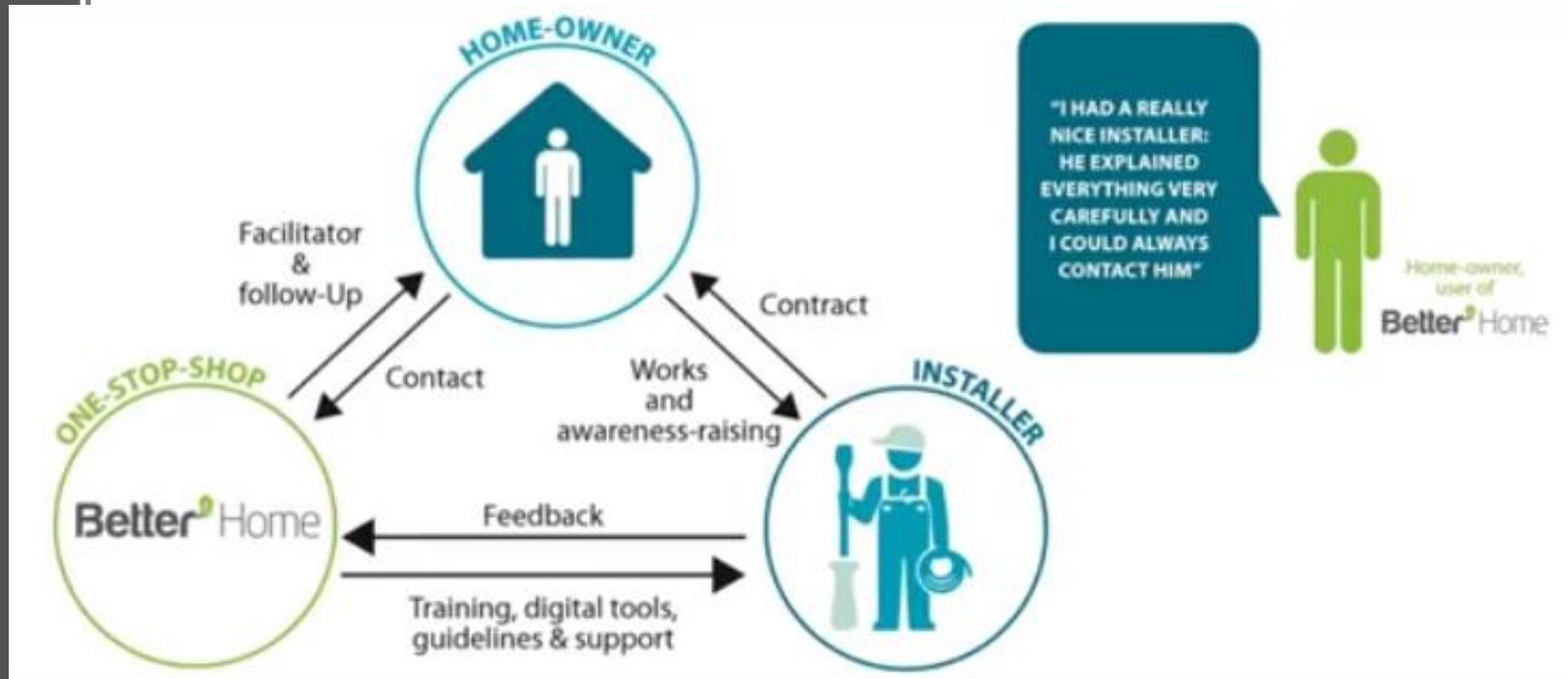


# The classic atomized model vs. OSS



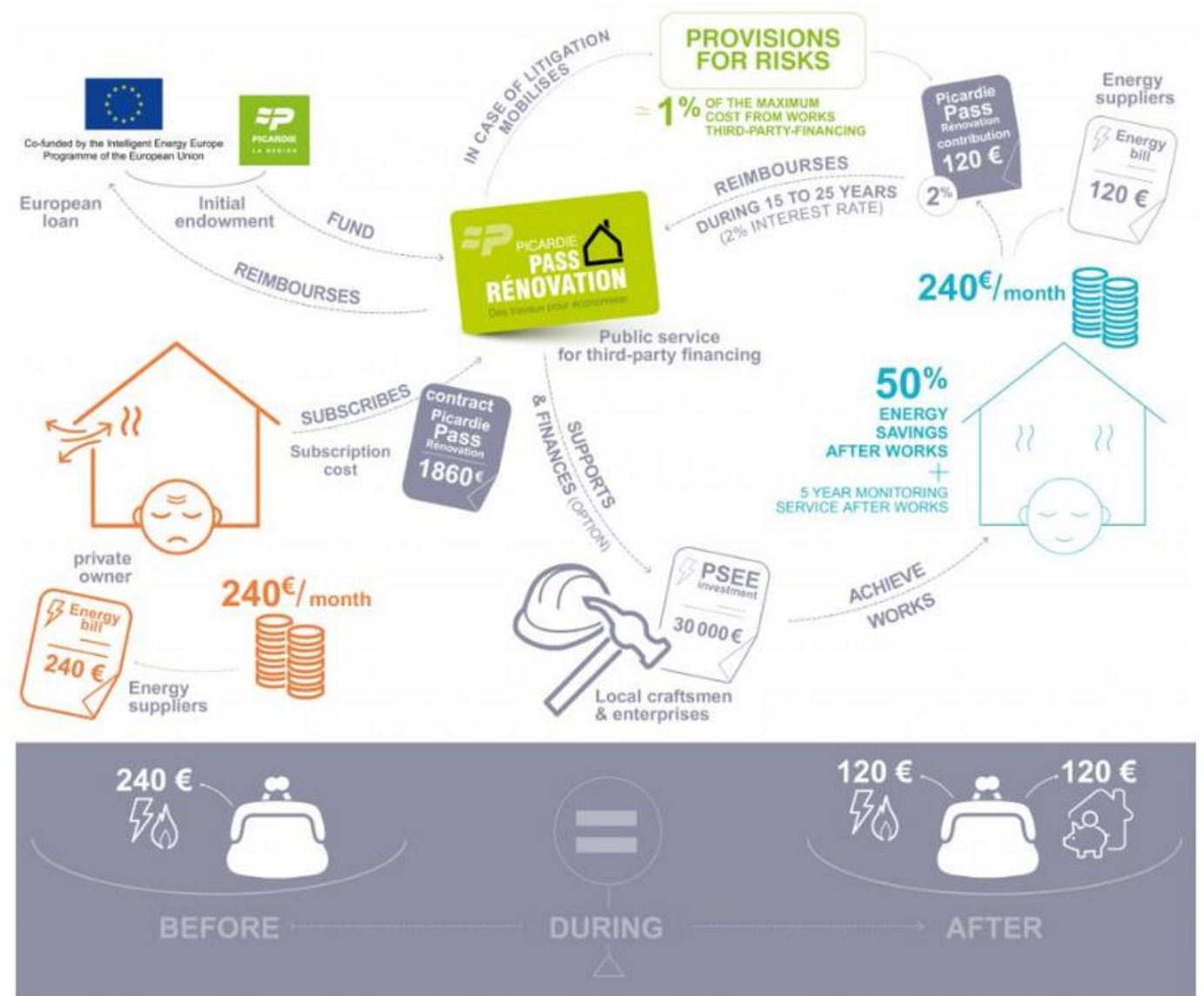
(Brown, 2018)

# BetterHome model





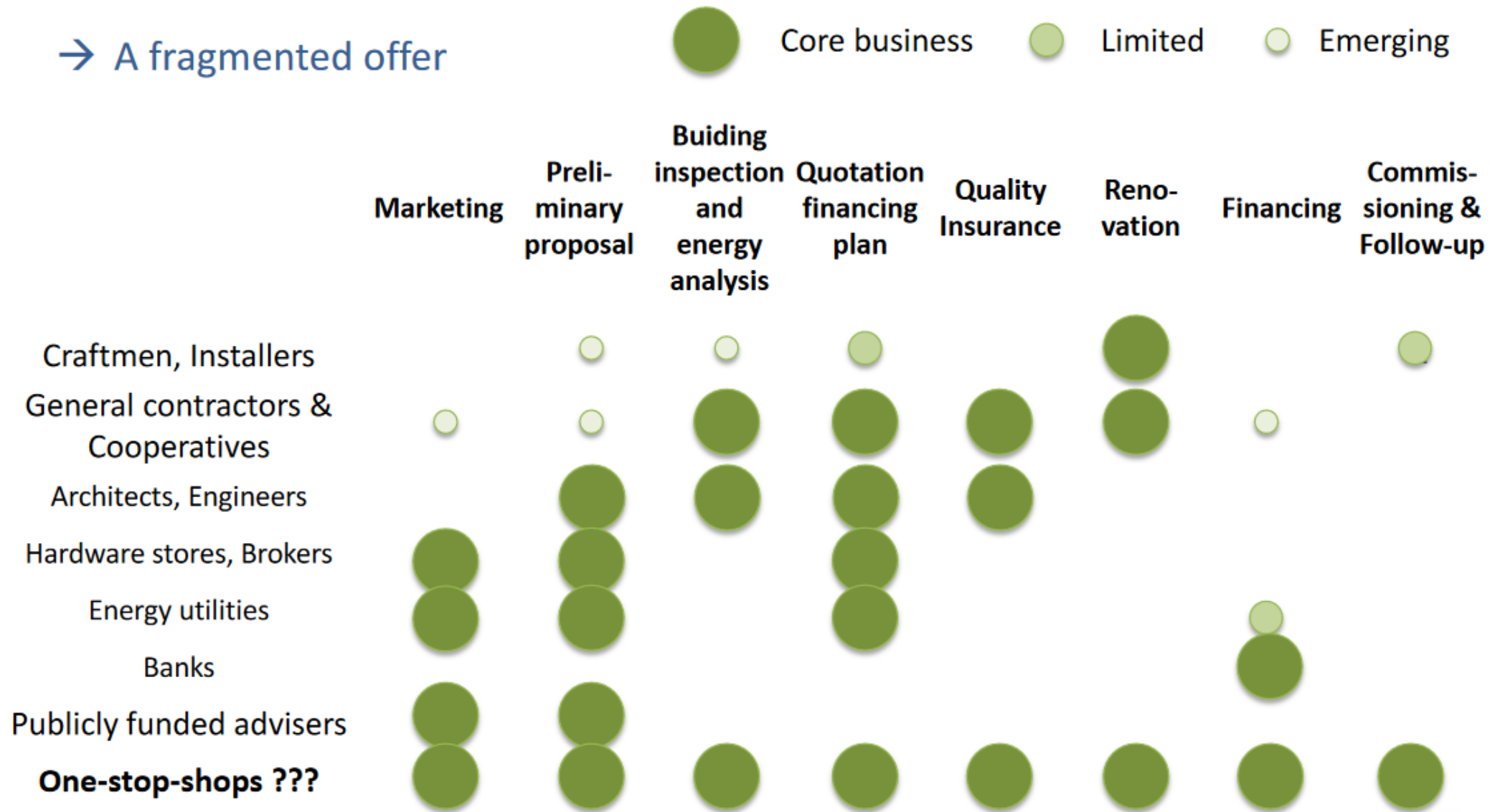
# Picardie model



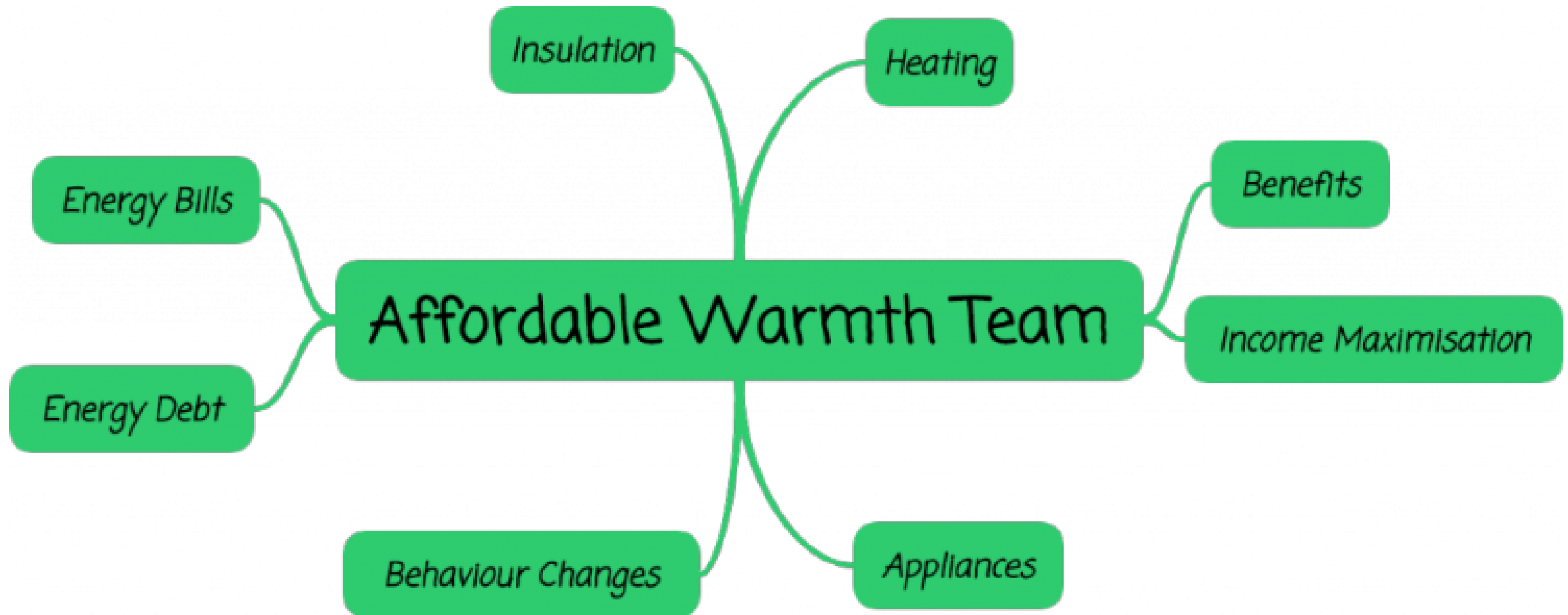
# EnergieSprong model



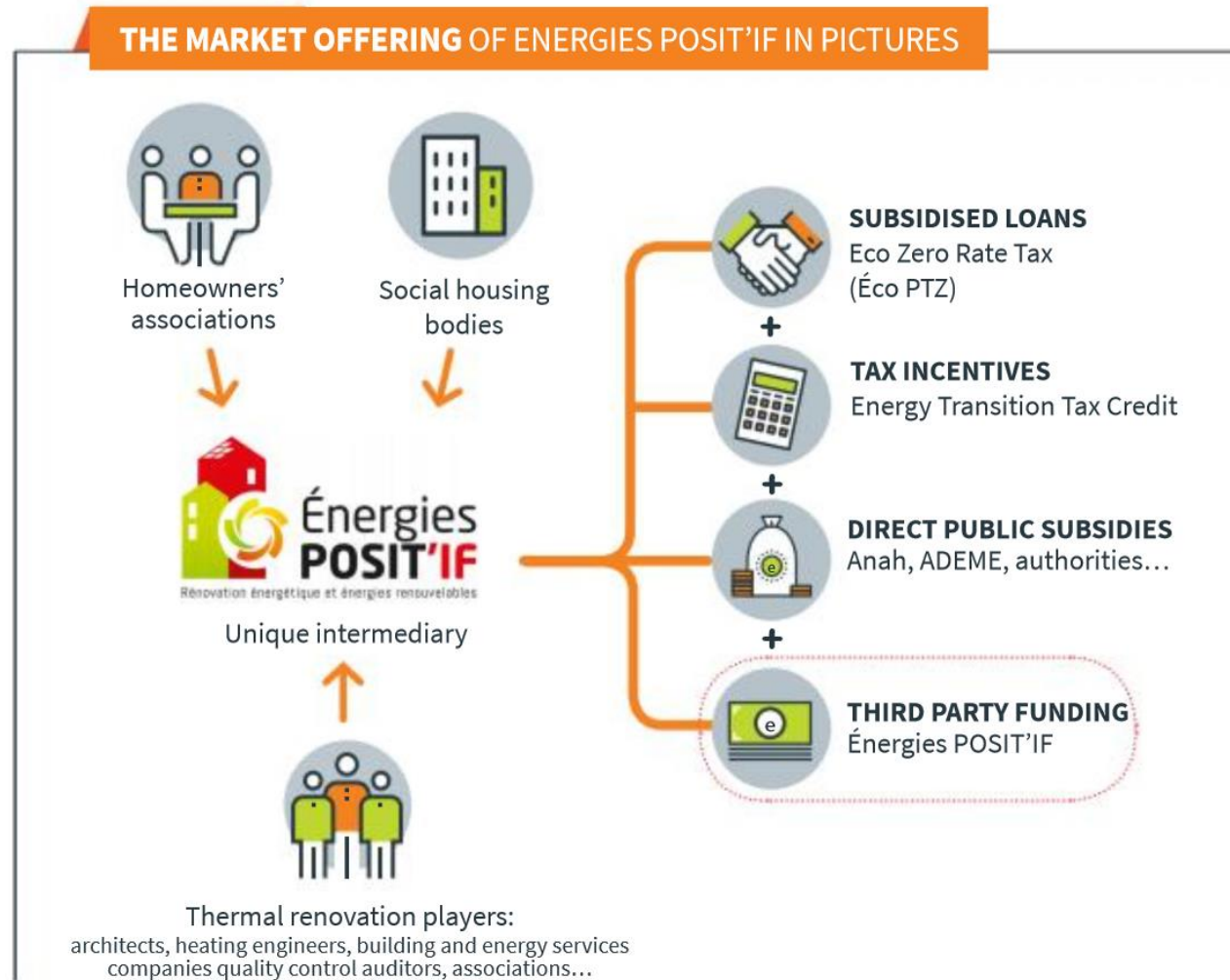
→ A fragmented offer



## Combination with other services

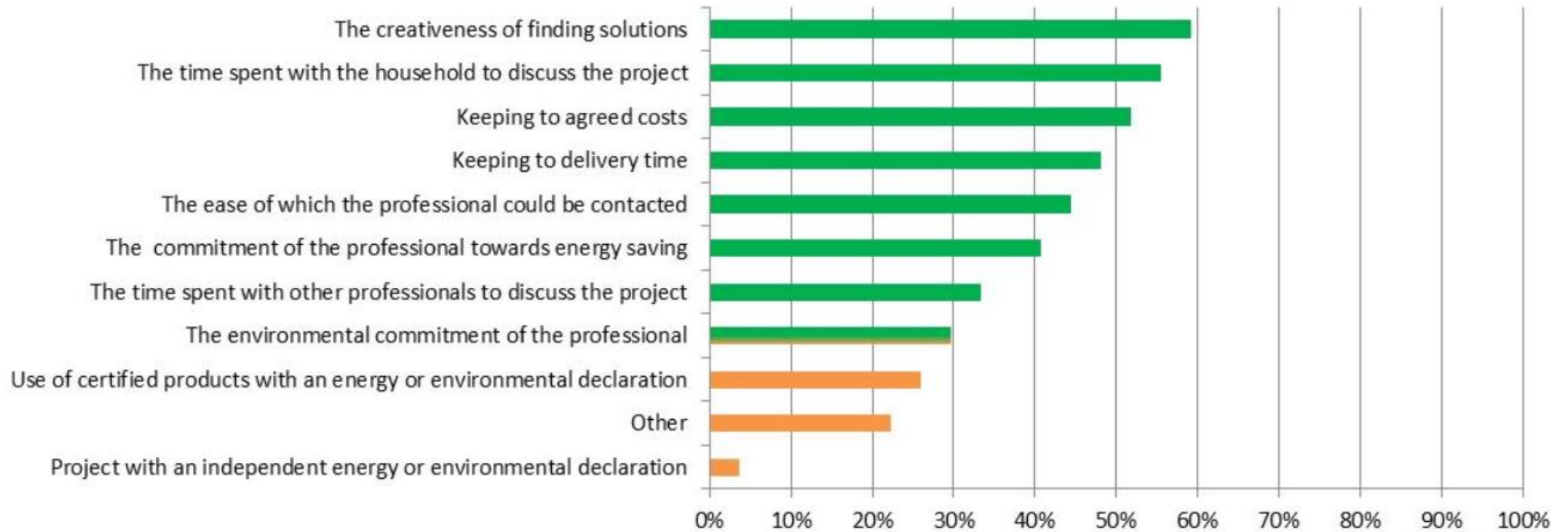


# Financing – many solutions, opportunity to tailor



# What homeowners appreciate about the general contractor

Issues indicated by themselves as 'excellent' (multiple answers possible, n=27).



# Potential benefits of OSS

- OSS can reduce the problems that can arise from dealing with multiple parties by providing a turn-key product. There is a single point of accountability for clients. These factors make the management of a project more efficient from a client's perspective.
- Established OSS have experience of working together between disciplines, increasing the likelihood of efficiency and reducing the risk of errors.
- Promotion of communication and knowledge-sharing between disciplines. This should lead to more accurate working between disciplines, for example more accurate costing of works. In turn, this should deliver better value for money to the client.
- Attractive to lenders because of their efficiency in delivery providing greater certainty to lenders in terms of return on investment through better quality control and greater certainty of how long projects will take to complete.

# Potential limits of OSS

- They could reduce the ability for a client to 'shop around' and choose their preferred supplier at each step of the refurbishment.
- There may be inflexibility in the refurbishment options available to the client due to the services offered by the one-stop-shop.
- Potential conflicts of interest between the different disciplinary elements. For example, the cost consultant is looking to deliver the best value for money, whereas the contractor is looking to maximise profits.
- Having a single point of contact on a project could create a project bias. For example, if the contact is a designer, this could create a bias towards the design over other aspects such as costing or construction on-site. This could be overcome by having multiple contacts or a neutral single-point contact for the client to engage with.
- Any issues arising from the relationship between the client and the one-stop-shop could affect the whole project, rather than just one aspect as in conventional construction projects.



# Renovation market hurdles and solution by OSS – 3 perspectives

## Owners (demand side)

- \* Hassle
- \* Lack of technical knowledge (too many options)
- \* Lack of time
- \* Bad experience (own or „neighbour“)
- \* Lack of understanding of importance

- » One contact point, local and easily accessible
- » Personalized, tailored offer
- » Management by OSS from start to end
- » Alternative options analysed by OSS
- » Contractors certified by OSS, customer protection

## Contractors (supply side)

- \* Networking needs, own training
- \* Need for self-promotion
- \* High transaction time/cost
- \* Impact of „bad“ contractors (lack of trust)
- \* Difficulty to deal with complaints
- \* Simple and single offer difficulty to diversify

- » Combined offer with higher value
- » Tools (online and material)
- » Training
- » Quality assurance system – trust
- » Focus on local customers, due to shared activity area by fellow craftsman

## Financiers (banks)

- \* Lack of understanding of the potential
- \* Lack of technical knowledge
- \* Lack of experience in evaluating EE projects/clients

- » Partnership with OSS
- » Pre-examination done by OSS
- » Technical security/guarantee from OSS
- » Economies of scale, possibility of pooling
- » Reduced transaction costs and risks

Barriers	Solution by an OSS
<b>Lack reliable and credible information</b>	<p>Promote EE in general, and provide detailed information about renovation packages, possible interventions, solutions, benefits.</p> <p>OSS can develop quality control, quality assurance systems, and may require partners to pass a certification/training.</p>
<b>Lack of implementation capacity (e.g. shortage of technical skills)</b>	<p>OSS partners with a number of technical partners, and ensures a balanced and coordinated collaboration.</p> <p>The OSS acts as the manager of the renovation project.</p>
<b>Risk aversion</b>	<p>An OSS can guarantee the technical and financial viability of the project.</p> <p>By developing quality assurance systems, the clients can trust the partners more.</p>
<b>Lack of national/local commitment</b>	<p>OSS usually partner with local actors, and thus develop the local businesses.</p>
<b>Governmental internal procedures that discourage EE in public buildings</b>	<p>OSS can also help in the administration and paperwork.</p>
<b>Poorly designed public policies that undermine price signals</b>	<p>Price signal is important for an OSS service.</p>

Barriers	Solution by an OSS
Budget constraints	<p>An OSS helps to identify the financially most appropriate intervention package for the client.</p> <p>If needed, assists in loan/grant acquirement.</p>
Lack of long term financing solutions at moderate costs	If needed, assists in loan/grant acquirement.
High transaction costs due to small projects	Pools projects from the client and from the supplier point of view.
Unattractive financial returns	OSS helps to develop a financial meaning for the project.
Unreliable payments	Single-point of contact.
Split incentives	Some OSS specifically target both owners and tenants.
Suboptimal solutions due to insufficient information	The OSS has role in identifying the most adequate intervention package and can design a single or a step-by-step intervention package.
Fragmented building trades, multiple professionals involved in different stages and different decision processes.	Single entry OSS.

# OSS wish-list

OSS characteristics	Framework recommendations
Long-term contractual arrangement	Stable regulatory environment
Success among „interested” households	Develop general energy efficiency awareness
High costs of promotion	Develop a general knowledge and understanding of the value of energy performance improvements
Lock-in potential of their intervention	Support the „additional” negawatthours
They act best at transaction (i.e. Households that have renovated within few years, do not take-on)	Promote energy renovation top-up of general renovations (see Lithuania)
High costs of audits/feasibility	Financial mechanism to support wide-scale home audits
High costs of audits/feasibility	Strengthen EPC practices (real audits, real recommendations)
Financing to be integrated	Guarantee fund (currently e.g. The region) + banks should accept savings

# Thank you very much

- We collect:
  - Identification of further OSS
  - Information on costs, market potential, replicability
  - Business models
  - Financing models in combination with the OSS
  - Good practices of integrating into the renovation market
  - Experiences
  - Etc.