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HEERLEN MUNICIPALITY (THE NETHERLANDS)

The Dutch city decided for an IKEA-style one-stop-shop where homeowners get tailor-made advice on renovation works and can discover construction materials and technologies on the spot. The one-stop-shop is a joint project of a total of 7 municipalities. It offers a coordination service going from do-it-yourself to turn-key solutions, depending on the homeowner's needs and budget.

PROJECT ID

One-stop-shop name	WoonWijzerWinkel
One-stop-shop location	Heerlen (covering 7 municipalities in Parkstad Limburg Region, 250,000 inhabitants)
Business Model	Coordination model
Legal status of the project company	Private company
Project sponsors	Seven municipalities from the Parkstad Limburg region
Types of residential buildings targeted	Single family houses
Cost of energy renovation works in the area	One or several measures: €10,000 Deep retrofit: €60,000 (including insulation, solar panels, installation of a heat pump)
Project kick-off	September 2020



LOCAL POLICY OBJECTIVES IN A NUTSHELL

The regional Action Plan for the Energy Transition aims at making the Parkstad region energy-neutral by 2040. The plan was first adopted in 2015 and then adapted in 2018. It defines several targets for the housing sector such as:

- Refurbish 15,000 private houses;
- Extend the one-stop-shop services to the Province of Limburg (450,000 houses);
- Inform the homeowners of all 88,000 private houses about energy renovation benefits and options;
- Make financial products available to all homeowners;
- Involve social housing companies (covering 32,000 houses).



WHAT SERVICES DOES THE ONE-STOP-SHOP PROVIDE TO HOMEOWNERS?

Engagement process	✓
Energy renovation and financial plan	✓
Coordination of the renovation process	✗
Long-term and affordable financing	✗
Guaranteed results & post-work monitoring	✓

Engagement process

The one-stop-shop is located in a shopping and leisure area near the local football stadium. It is very visible and people can easily walk in. In the shop, they can receive a customised advice on how to renovate their house. The staff offers solutions and helps clients make the right choices in terms of suitable measures, best available products and construction companies. In addition to providing advice, construction materials and technologies are also on display, making the renovation more tangible. The ambition is to offer an "experience" to customers, like in an IKEA-shop. However, the staff does not recommend specific brands.

The one-stop-shop reaches out to its clients through different communication and marketing tools such as social media, leaflets or events. In the future, the coordinators hope to trigger mouth-to-mouth advertising through clients who are satisfied with the service - the most efficient form of promotion according to research.

Energy renovation and financial plan

The basic tailor-made house scan, followed by advice on suitable energy measures and improvements, is carried out online or in the shop free of charge. If homeowners decide to move further with their project, they have to pay for a more detailed audit and financial plan. The auditors conduct a house visit only once they are contracted by the homeowner.

Coordination of the renovation process

The one-stop-shop has developed a catalogue of energy renovation products and services with fixed prices and a guaranteed quality. Homeowners are free to choose from the catalogue and directly conclude the contract with the suppliers. The one-stop-shop offers a coordination service going from do-it-yourself to turnkey solutions, depending on the homeowner's needs and budget.

Long-term and affordable financing

The one-stop-shop does not provide its own financial products. However, it operates as an intermediary between the financiers such as banks or mortgage providers and homeowners. In the future, the one-stop-shop plans to welcome financiers' stands or offices in its premises.

Guaranteed results & post-work monitoring

The one-stop-shop has developed a set of quality criteria that need to be met by all the partner installers whose products are included in the catalogue. The shop also performs a post-work quality monitoring. Guaranteed results are part of the initial house-scan but some additional services and guarantees can be provided at extra costs for the homeowner. The customers are always free to arrange things themselves, without the service or quality control of the one-stop-shop.

BEHIND THE SCENES: HOW HEERLEN DEVELOPED ITS ONE-STOP-SHOP STEP-BY-STEP

Market Gap Analysis

Heerlen is not an economically prosperous area. The city and its surroundings also suffer from a negative demographic growth. Both have a negative impact on the real estate market. The area counts many poor households whose mortgages are often higher than the actual value of the house. For these homeowners it is impossible to get a new loan for home renovation. The market gap analysis also revealed that the market is too dispersed with little or no connection between supply and demand. Homeowners who could eventually afford the renovation do not know what to do, where to get the right information and they often do not trust the construction sector professionals. When it comes to installers, they do not have sufficient competences in terms of communication with the customers.



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Business model

The Heerlen one-stop-shop was actually inspired by an already existing one-stop-shop: The “*Woon WijzerWinkel*” which opened in 2012 in Rotterdam. It is an IKEA-style shop where tailor-made solutions are exhibited and offered to homeowners. The shop has achieved the 25% conversion rate, which convinced the municipality to open **a shop franchise** in Heerlen.

Very early in the process, the municipality of Heerlen wished to enlarge the scope and ownership of the shop to other municipalities in the region. Many discussions have been held with their political representatives and finally, seven municipalities from the Parkstad region decided to join the project and co-finance the one-stop-shop.

The total **development and operational costs** for a period of 5 years will reach about €1.2 million.

The one-stop-shop **team** is composed of one director and two persons in charge of sales, advice and technical services to homeowners.

Regarding the **communication and marketing costs**, the one-stop-shop pays a fee to the parent company in Rotterdam to be able to benefit from their back office, logos, ICT, customer relations management system and communication supports.

Revenues come from the homeowners' fees for one-stop-shop services. The prices are fixed and depend on the scope of the service provided. Additional revenues come from installers who pay a provision for leads. Installers may also charge the fees for their services to homeowners, these are included in the overall invoice for the renovation works.

The one-stop-shop has also **negotiated special deals with manufacturers**. For example, it has achieved important economies of scale by buying some 1000 heat pumps for a reduced price. Specific communication campaigns promote these special deals to homeowners.

Local politicians in charge of sustainability policies in the participating municipalities act as ambassadors and promote the one-stop-shop in the region. The shop is an opportunity to bring politics closer to homeowners and installers and to promote a concerted action of local actors.

This business model should be viable if the one-stop-shop manages to implement **10,000 renovations over the next 10 years** (excluding social housing). However, negotiations with social housing organisations have started as they would give an extra boost to the existing business model. Moreover, at the end of 2020, a regional project focused on condominiums should be launched. In the near future, the idea is to scale the concept up and spread it through The Netherlands.