



C·REAL

Creation of a
holistic methodology for
Renovation Advice with focus on
Lending solutions differentiated
by Target Group



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Acronym: C-REAL

Title: Creation of a holistic methodology for Renovation Advice with focus on Lending solutions differentiated by Target Group

Coordinator: Dubolimburg vzw

Consortium: Dubolimburg vzw, Provincie Limburg, Onesto Kredietmaatschappij nv

Start: September 1st 2020

Duration: 48 months

WP3– Target group of Buyers

WP4– Target group of Existing mortgage clients

WP5– Target group of ACO's

D3.1: Detailed Customer Journey all target groups

Type

R

Dissemination Level

PU

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Target Group(s):

Peers

Renovation advisers

Lenders

Estate agents

ACO's

Syndics

Credit advisors

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General Introduction

The main objective of C-REAL is to establish a permanent, structural collaboration between a mortgage lender (Onesto) and a renovation adviser (Dubolimburg) to increase the degree of renovation and improve renovation quality in the province of Limburg.

In addition to this and to achieve full customer satisfaction, an effective cooperation between the renovation adviser and contractors will be set up. Actively involving lenders to encourage home owners and home buyers to renovate provides significant added value. Lenders play a crucial role in purchasing and are frequently in contact with purchasers.

Moreover, based on the existing customer relationship regarding the home, lenders can address owners directly. It is of great importance to lenders that homes that they finance are made optimally energy-efficient and are refurbished qualitatively, as it is believed to reduce their financing risk. A supply of financing options, combined with a range of services to provide advice and guidance for the renovation, and timely and qualitative execution, provides all parties with significant added value, which paves the way for a clear, solid and scalable business model.

In setting up these structural collaborations and offering integrated home renovation services, we will focus on 3 target groups, guiding them through the whole customer journey. We want to support new home owners, existing mortgage clients and ACO's.

Executive Summary

This deliverable contains a description of the desired customer journeys of all three target groups within C-REAL. The customer journeys were developed during three online workshops with the expert groups, where experts representing all key actors, were invited to co-create.

In what follows, the journeys are presented graphically. The customer journeys will be used as a starting point of the project to detect the issues to be tackled in order to develop a tailored methodology for renovation advice and guidance for every target group.

1 Detailed customer journey - target group of buyers

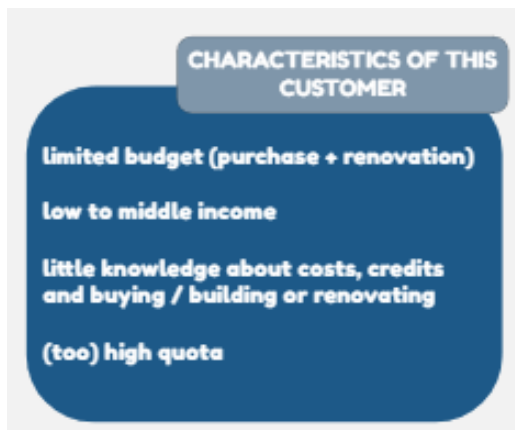


Figure 1 Characteristics of the customer (target group of Buyers)

First of all we defined the characteristics of the typical customer, which we expect to meet in the target group of buyers. Therefore we had a look at the data set of the existing mortgage clients of Onesto.

Typically (because of the preconditions of an Onesto mortgage), this customer has a limited budget for purchase as well as for renovation. He or she has a low or middle income and only has little knowledge about costs, credits and buying or building/renovating in general.

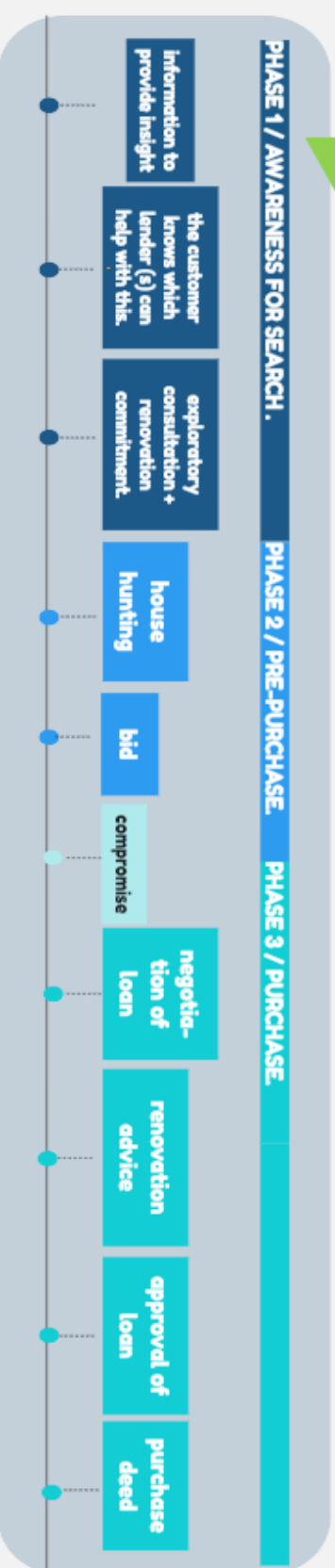
Secondly, to facilitate overthinking the customer journey, we divided the Journey into three phases. For each phase we started from what we believe to be the ideal customer journey:

- Phase 1 = Awareness before search
 - During this phase goal is to give valuable information to the customer to provide insight in the purchasing process and to facilitate this process; the ultimate goal has to be to change the mindset of the customer: renovation is not insurmountable and renovating as soon as possible has multiple gains
 - Important stakeholders in this phase are the EPC Reporter (a qualitative report ensures a smooth and accurate estimate of renovation needs and costs), the credit advisor (who has to give detailed information about all costs and about the global cost estimation of the project as a whole and, in case the customer has not yet found a suitable house to buy provide him/her with an accurate budget determination: how much can he/she borrow, maximum purchase price possible including additional costs and renovation possibilities)
- Phase 2 = Pre-Purchase
 - This phase consists of two subphases: the actual house hunting and the bidding
 - Key stakeholders here are the Real Estate Agent and the Renovation Advisor:
 - They both should unburden the customer as much as possible: advise him/her on the purchase and the possible renovation needs and options

- Phase 3 = the actual Purchase
 - Once the compromise is signed, the negotiation of a loan can start
 - Key stakeholder in this subphase of phase three is the credit advisor, together with the lender; they both have to check once again if the purchase keeps the customer in a financial healthy situation, they have to provide him of the most comfortable loan as possible
 - Already during the negotiation process of the loan, the renovation adviser has to do his/her work: tailored advice precedes an optimal, affordable and comfortable loan
 - After the approval of the loan and the purchase deed, the actual renovation can start; in an ideal customer journey the customer can still count on the necessary guidance of the renovation advisor(s)

DESIRED CUSTOMER JOURNEY C-REAL / BUYERS

to buy = ready to move in or to renovate.
 renovation is not insurmountable.
 renovating as soon as possible has multiple gains.



<p>role of the sector</p> <p>EPC REPORTER CREDIT ADVISOR ESTATE AGENT (LENDER)</p> <p>to give information to make the difference</p>	<p>CREDIT ADVISOR LENDER</p> <p>acquisition of client via usp</p>	<p>CREDIT ADVISOR</p> <p>budget determination: how much can I borrow maximum purchase price additional costs renovation possibilities</p>	<p>(online) ESTATE AGENT RENOVATION ADVISOR</p> <p>to unburden, to advise also on renovation needs and options</p>	<p>ESTATE AGENT (or private seller)</p>	<p>ESTATE AGENT (or private seller)</p>	<p>CREDIT ADVISOR LENDER VALUATOR</p> <p>financially healthy and comfortable loan in the smoothest possible process for the purpose of comfortable and affordable living</p>	<p>RENOVATION ADVISOR</p> <p>tailored advice</p>	<p>LENDER</p>	<p>NOTARY</p>	<p>LENDER RENOVATION ADVISOR EPC REPORTER</p>
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renovation

2 Detailed customer journey - target group of existing mortgage clients

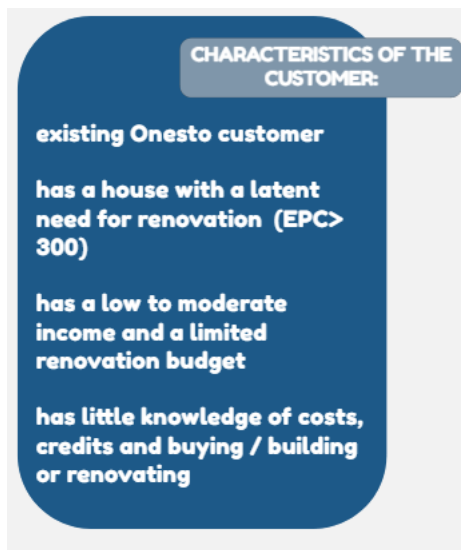


Figure 2 Characteristics of the customer (Target group of Existing Mortgage Clients)

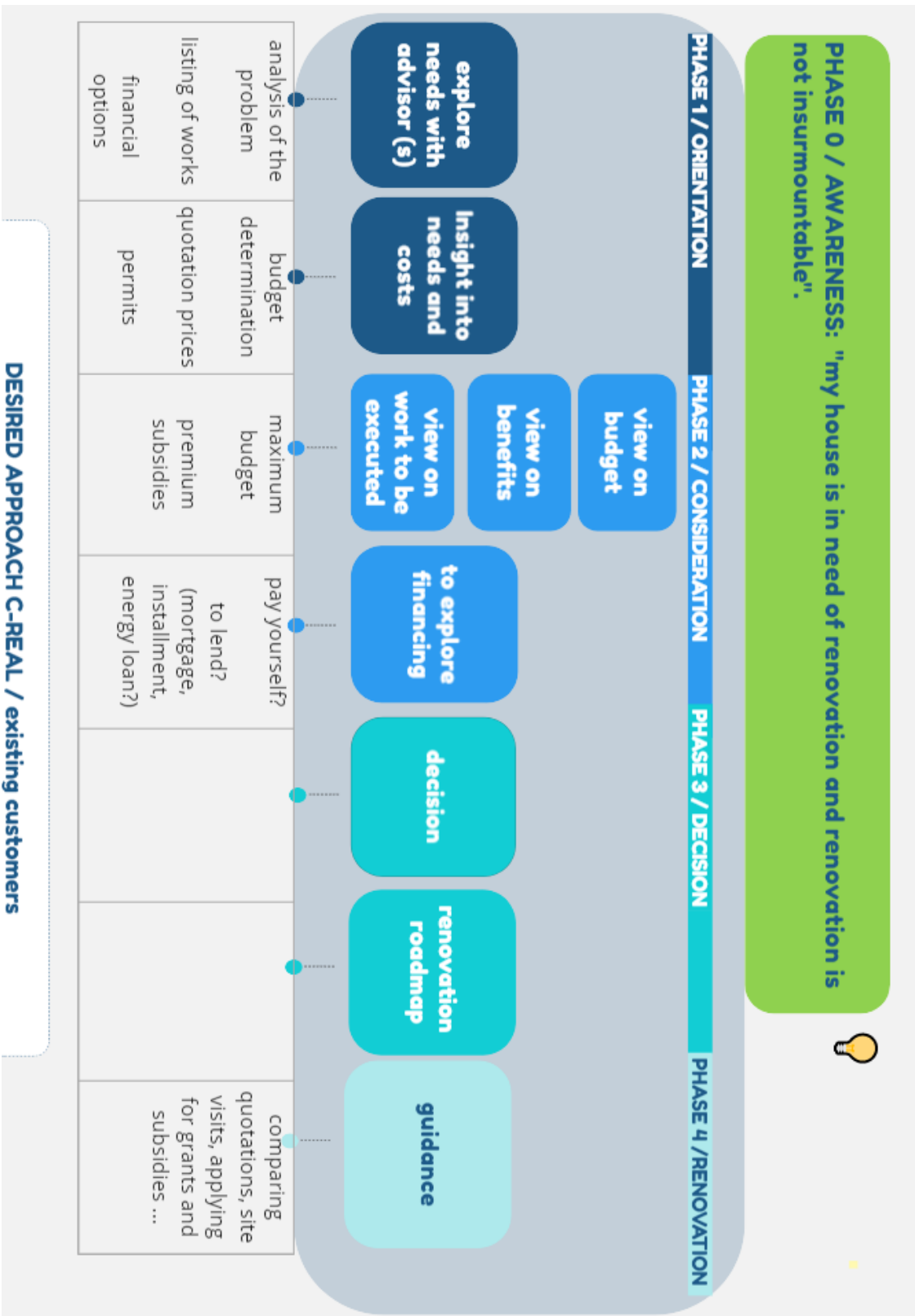
As we did for the target group of buyers, also for the target group of existing mortgage clients it was necessary to define first the characteristics of the typical customer, which we expect to meet in this target group. Therefore we had a look at the data set of the existing mortgage clients of Onesto.

Typically (because of the preconditions of an Onesto mortgage), this customer possesses a house with a latent need for renovation and an EPC value of above 300. He or she has a low to moderate income and has a limited budget for renovation. He or she has little knowledge about costs, credits and building/renovating in general.

For this target group we cut the journey into four phases. For each phase we started from what we believe to be the ideal customer journey:

- Phase 0 = Awareness; the customer has to become aware of two core ideas:
 - 1) My house is in need of renovation
 - 2) Renovation is not insurmountable
- Phase 1 = Orientation; once the customer has recognized the needs for renovation of his/her home (analysis of the specific problems, make a listing of the works to be done, have a first look at the financial solutions), he or she has to further explore this needs with an advisor, by doing this the customer obtains more insights in the needs and the costs (permits necessary, first budget determination)
- Phase 2 = Consideration; during this phase the customer reviews the budget, has a view on the benefits and creates a good view on the work to be executed (what is the maximum possible budget needed, what about premiums and subsidies); further exploration of the financing: the customer checks whether he/she will pay for the works himself or is he/she going to take a loan (mortgage, energy loan, other)
- Phase 3 = Decision; Once every piece of the puzzle is available the customer can finally take a well-founded decision and a renovation roadmap is created.

- Phase 4 = Renovation; the actual renovation process starts, with the help and advice of the renovation advisor(s): comparing quotations, site visits, grants and subsidies are applied for...



3 Detailed customer journey - target group of ACO's

The customer journey for the target group of ACO's, the third target group of our C-REAL project looks totally different in comparison to that of the target group of buyers and of the existing mortgage clients of Onesto.

That is, mainly, due to the complexity of the functioning and the level of decision making of and inside an ACO. And of course, an ACO consist of multiple customers, so also multiple customer journeys are part of it.



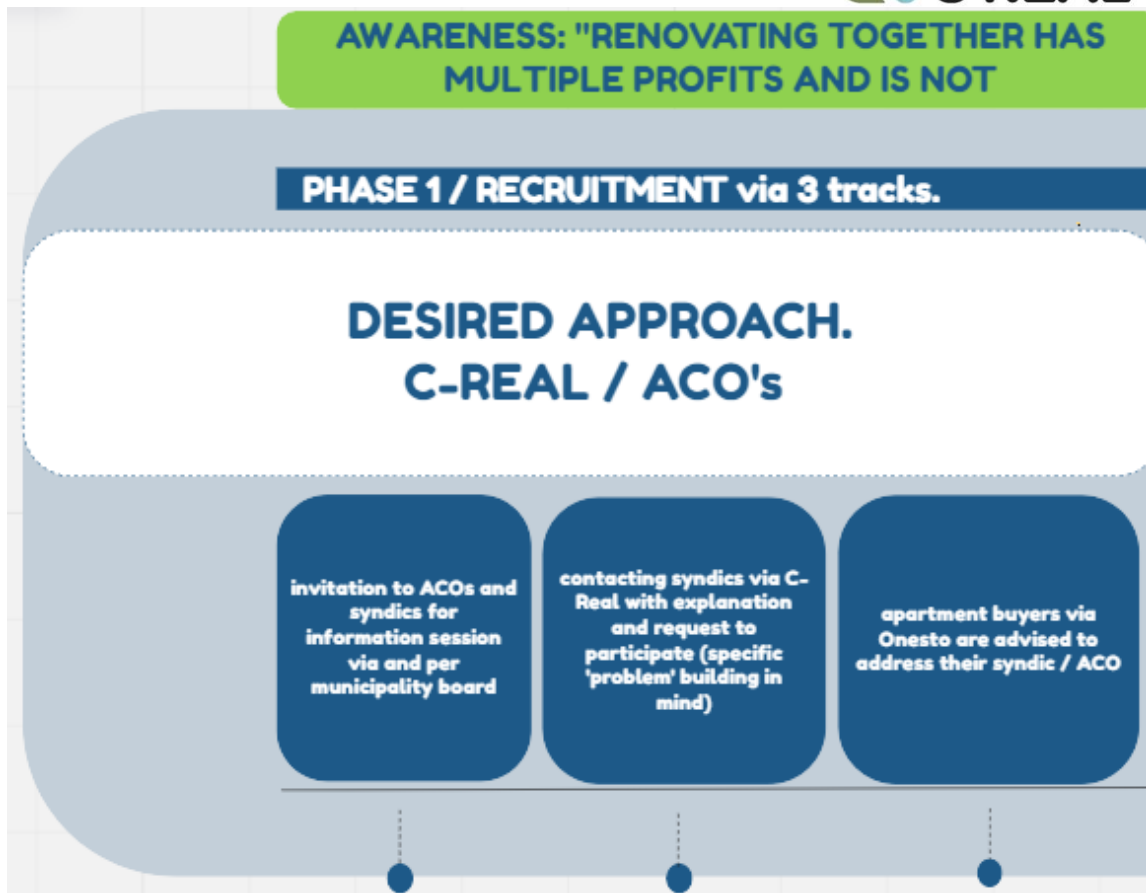
Figure 3 Characteristics of an ideal pilot of the ACO's

An ideal pilot for the target group of ACO's is a building that is older than forty years, in which there is a specific problem that prompts the visit of a renovation advisor and in which there lies some level of ambition in (some members) of the ACO.

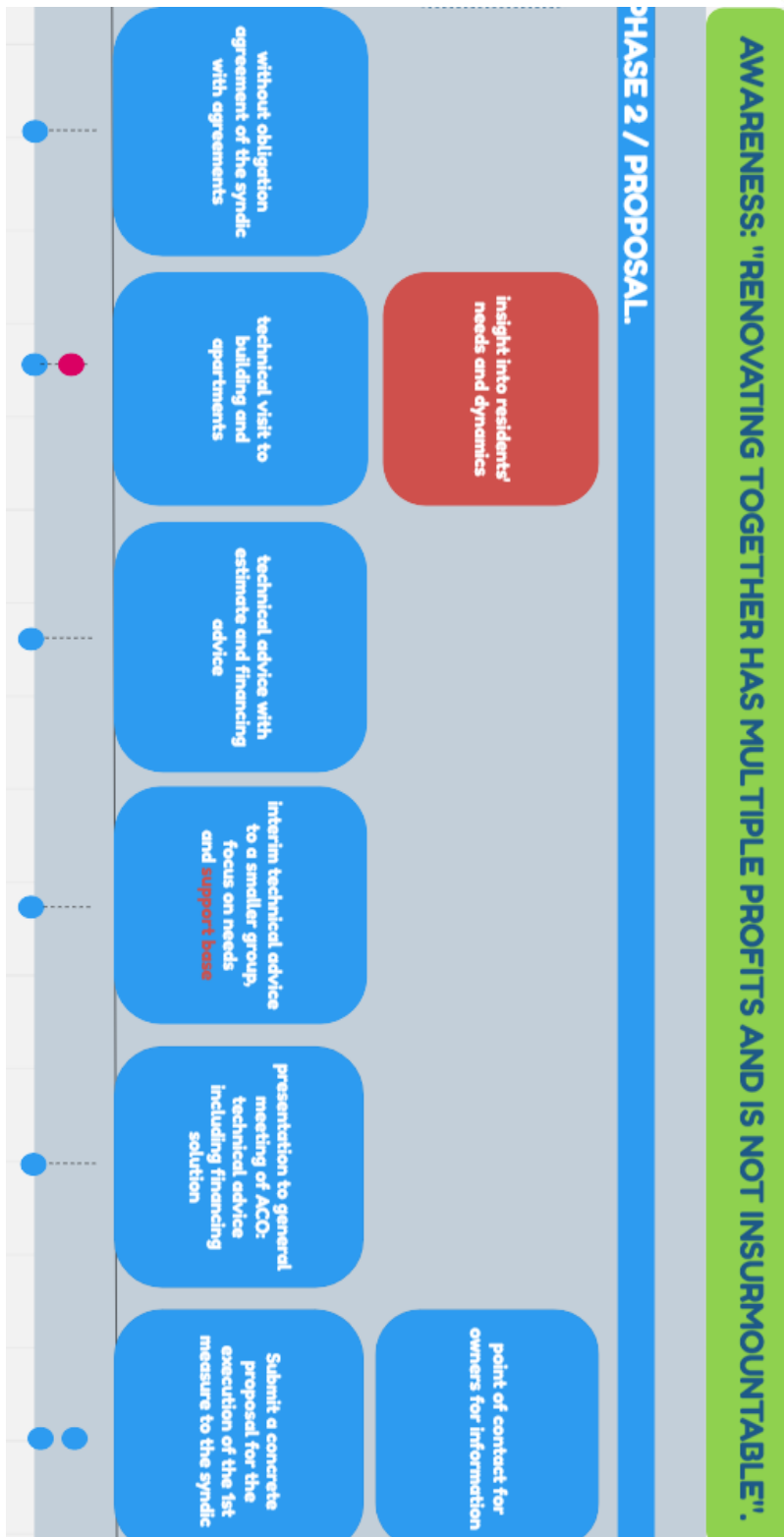
Goal is to create a mindset were the different customers all are convinced that renovation together has multiple profits and that renovating is not insurmountable.

Therefore, it is wise to divide this customer journey into three phases:

- Phase 1 = Recruitment; for ACO's, recruitment can be committed via three tracks:
 - 1) An invitation to ACO's and syndics for an information session via and per the municipality board
 - 2) Contacting the syndics via C-REAL with an explanation of the project and the request to participate, with a specific problem of the building in mind
 - 3) The individual buyers of apartments via Onesto are advised to address their syndic of ACO

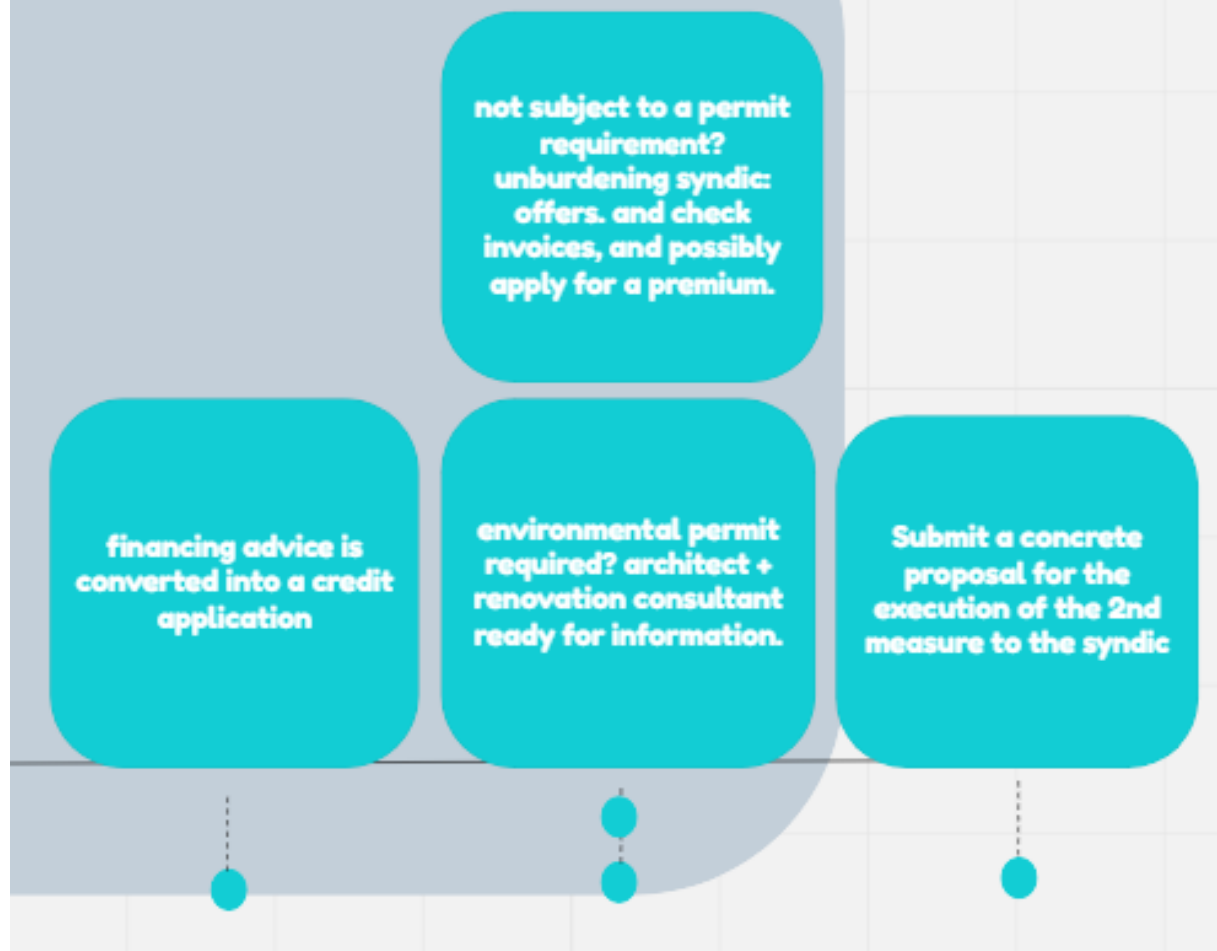


- Phase 2 = Proposal; First a technical visit is paid to the building and the apartments, secondly a technical advice with an estimate and financing advice is made. Following an interim technical advise is proposed to a smaller group with the focus on the needs and to create a support base. This is followed by a presentation of the technical advice including financing solutions to the general meeting of the ACO; it is important that there is a point of contact for the customers where they can gather some more information



- Phase 3 = Execution of works; the financing advice is converted into a credit application, the permits are checked (if necessary). Furthermore, we have to do everything to unburden the syndic, even apply for premiums and subsidies if useful

PHASE 3 / EXECUTION OF WORKS.



For each phase, of course it is important to think about the stakeholders on stage in that particular phase. Every stakeholder has a particular role to play (communities, syndics, owners, renovation advisors, lenders, building professionals, architects...).

This Customer Journey was revised after evaluating the first group of pilots. This revised customer journey is described elaborately in deliverables D5.3 and D5.4.