



Europe faces an unprecedented housing crisis. Over 10% of households in cities spent more than 40% of their income on housing in 2023, while rents have risen 26% since 2010.



At the same time, existing housing must be renovated to meet climate goals.



The EU has taken unprecedented steps towards designing an EU-wide affordable housing strategy, as reflected by the appointment of Dan Jørgensen as EU-Commissioner for Energy and Housing and the creation of a special committee on the housing crisis at the EU Parliament.

Energy renovation is key to addressing this crisis by lowering energy costs and improving the supply of decent housing. Local authorities play a central role, leveraging local expertise and stakeholder coordination to implement integrated, socially just renovation strategies.

IN SHORT

- In order to be socially oriented, one-stop shops for homeowners must offer comprehensive support and financing solutions, ensuring broad access to energy renovation.
- Integrated and flexible district-level strategies are crucial for scaling up energy and housing renovations that fit the local social conditions.
- Local authorities, best placed to implement these strategies, need access to tailored programs, relevant data and adaptable fundings.

The **Franco-German Forum for the Future** was commissioned by both governments to identify effective measures for a socially just renovation. Drawing on ambitious and innovative local initiatives, it has developed policy recommendations in a collaborative process with stakeholders from local authorities, government, business, academia, and civil society.

 Addressed to the French and German governments, these measures can inform EU decision-makers and contribute to shaping a EU-wide affordable housing strategy.



One-stop-shops and third-party financing: empowering all homeowners to renovate

Simplifying the process for homeowners who renovate: this is the proposition made by comprehensive French one-stop-shops gathered into **the SERAFIN network**. Managed by local authorities, they provide support throughout the renovation process and, under a 2024 budget law provision, are authorized to grant loans and pre-finance state subsidies.

Alternatively, they collaborate with banks to facilitate financing.

By empowering homeowners—including low-income households—to undertake renovations, these organisations build a way towards reduced energy costs for all.

ACTION PROPOSALS

The revised EPBD (2024) requires one one-stop shop per 80,000 inhabitants. The Forum for the Future recommends that German and French governments:

- Involve **local authorities** in the development of these services to leverage their local expertise, enhance coordination and strengthen partnerships.
- Implement a low-threshold **online advisory platform** for local authorities modelled on the **LOUTRE tool** used by the **Marseille Energy Agency**.
- Help establish **third-party financing models** for one-stop-shops, based on the **SERAFIN** approach.
- Foster the emergence of **sustainable business models** for private actors to complement existing one-stop-shops.

District-based approach: scaling-up integrated and tailored renovations



In Germany, district-based renovation strategies have proven effective. In Chemnitz's Brühl district, 90% of apartments have been renovated since 2010, a shopping zone revitalized, and a low-temperature heating network installed. These efforts have drastically reduced vacancies.

KfW development bank's Programme 432 played a crucial role in this success. Before its discontinuation in 2024, the program funded integrated energy concepts on district-level and personnel to coordinate implementation. Its flexibility enabled cities to combine urban development funding with energy renovation efforts.

ACTION PROPOSALS

Local authorities are best placed to conduct large-scale renovation projects at district level, that integrate climate and social aspects while leveraging private investment. The Forum for the Future recommends:

- Adopting flexible, **locally adaptable approaches** like **KfW 432** in national policies.
- Ensuring local authorities have access to **relevant data** for informed, socially just renovation strategies. Inspired by **Paris' EnerSIG**, nationally supported platforms should combine building and anonymized socioeconomic data to enhance targeted action.



To learn more about the proposed levers and **local inspirations**, read our recommendations on our website. Available in French and German



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