

Crayon Partners – Europe

Case Study Affordable Housing

Investing in Europe's future homeowners



PROJECT:
Crayon Jaune SCA SICAV-RAIF



COMPANY:
Crayon Partners



LOCATION
Europe

Challenge

Europe is facing a deep and structural housing affordability crisis. Young households have not abandoned the aspiration of homeownership: 77% of 18–30 year-olds expect to own a home by age 35 (Ifop, September 2024).

However, access has become increasingly difficult due to tighter regulations, rising construction costs, stagnant productivity and higher interest rates. In major capitals, purchasing a home now requires around 14 years of income in Paris or London, compared with six in the early 2000s. This trend is Europe-wide: over the past 20 years, homeownership rates among under-35s have fallen by nearly 35% in Western Europe.

As prices outpaced wages (by 2 to 3x), eroding affordability and pushing the age of first-time purchase back by five to seven years. Middle-income households able to service monthly housing costs are increasingly excluded. At the same time, institutional capital has struggled to access residential strategies that combine



downside protection, inflation resilience and measurable social impact.

Traditional build-to-rent models often fail to address the ownership gap, while purely social housing does not cater to households just above eligibility thresholds.

The challenge is therefore twofold: restore a credible pathway to homeownership while offering investors a resilient, scalable and impact-driven residential strategy.

Solution / Approach

Launched mid 2025, Crayon Jaune SCA SICAV-RAIF was designed as a Luxembourg Article 8 SFDR fund focused on Europe's residential assets operated through an innovative rent-to-own model.

Starting with London, the strategy targets households that can afford market-level rents today but require time to rebuild savings and credit capacity to access mortgage financing within two to three years.

The fund acquires well-located, value-add residential portfolios across Greater London, prioritising transport-connected submarkets with strong long-term demand fundamentals. Properties are newly-built or refurbished, long-term management is handled through a vertically integrated operating platform. Tenants enter into a structured pathway combining secure tenancy, financial coaching and an option to purchase the home at a pre-agreed formula. A defined portion of monthly rent is contractually credited toward a future deposit, allowing tenants to convert occupancy into ownership capacity.



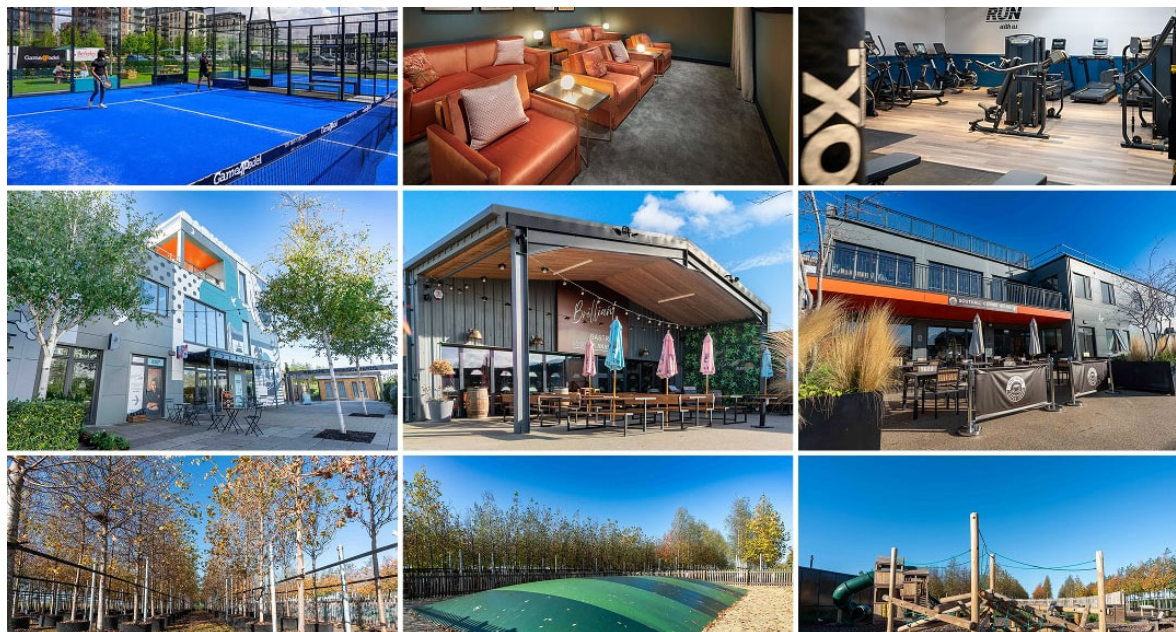
After two years in the programme, participants can typically secure up to 90% of the required deposit, materially reducing the primary barrier to mortgage access while maintaining income stability for the asset.

This alignment of interests reduces tenant turnover, improves asset stability and creates a clear exit visibility for the fund. From an investment perspective, the model combines defensive income characteristics with capital appreciation and predictable disposals, while embedding social impact directly into the business model rather than treating it as an external constraint.

Results

Since launch, Crayon Jaune SCA SICAV-RAIF, distributed across 6 European countries, has completed multiple closings and acquired three initial residential portfolios across London. The fund has deployed approximately €30–40m of capital, securing residential units located in high potential areas.

Learnings from the seed portfolio in London prior to the fund's launch, complemented by insights from other partners across Europe, highlight several consistent outcomes. Tenant retention has significantly exceeded traditional private rental benchmarks, supporting stable cash flows and reduced operational friction. The rent-to-own structure has generated strong engagement from occupiers,



Crayon Partners

Company

Crayon Partners is a pan-European real estate investment and asset management platform headquartered in Paris, London and Luxembourg. The firm develops value-add and impact-driven strategies across residential and mixed-use assets, combining local execution with institutional structuring. Crayon Partners focuses on scalable models addressing structural urban and housing challenges.

See more about us : <https://www.crayonpartners.com/news>

with a growing share progressing along the ownership pathway. Tenants increasingly «behave like homeowners», taking greater care of their homes and investing in maintenance and improvements.

From an investor perspective, the strategy has attracted capital from private banks, family offices and professional investors across several European jurisdictions. The fund has also demonstrated its ability to source off-market opportunities in high potential areas, which are notably the areas where first-time buyers are looking to purchase. Overall,

Crayon Jaune has proven that social alignment and financial performance can reinforce each other within a scalable institutional framework.

Outcome

Crayon Jaune delivers measurable environmental and social outcomes by addressing a structural imbalance in European housing markets: the growing disconnect between stable household incomes and access to homeownership. The strategy targets economically active households

Turning today's tenants into tomorrow's homeowners through aligned capital.



(revenue deciles 3 to 7) that are creditworthy on a cash-flow basis but excluded from mortgage markets due to deposit constraints, tighter lending criteria or affordability thresholds. By focusing on this structurally underserved segment, the fund responds to long-term housing needs rather than short-term market cycles.

The strategy delivers a structured pathway to homeownership through a rent-to-own model that transforms renting from a permanent cost into a transitional phase. Households

progressively build purchasing capacity while benefiting from stable, long-term occupancy, supporting social mobility and improving tenant alignment.

The relevance of this outcome is supported by evidence. UK data shows that homeowners experience materially stronger long-term financial and social outcomes than long-term renters. According to the ONS (UK), median household net wealth for owner-occupiers is approximately three to four times higher than for private renters, largely reflecting housing equity accumulation. Homeownership is also

associated with greater housing stability, higher financial security and life satisfaction, as well as improved health and educational continuity for children.

While higher-income households are more likely to access ownership, access itself — notably through forced saving and long-term housing security — is recognised as a structural factor linked to improved financial resilience and social mobility.



From an environmental perspective, Crayon Jaune integrates sustainability at asset level through newly-built or targeted refurbishment programmes designed to reduce operating costs and improve living standards, directly supporting the fund's Article 8 SFDR objectives.

Compared to conventional private rental strategies, the rent-to-own model typically results in lower vacancy rates, longer average tenancies and reduced re-letting costs, reflecting stronger tenant engagement and alignment. For investors, this translates into defensive income visibility combined with clearly identified exit routes, either through tenant purchases or portfolio-level disposals.

At scale, the strategy creates a virtuous cycle: households gain a realistic pathway to ownership, communities benefit from more stable occupancy, and investors gain exposure to a resilient residential asset class with embedded environmental and social impact.

Crayon Jaune demonstrates that affordability, sustainability and institutional-grade returns can be integrated within a coherent and repeatable investment framework.

