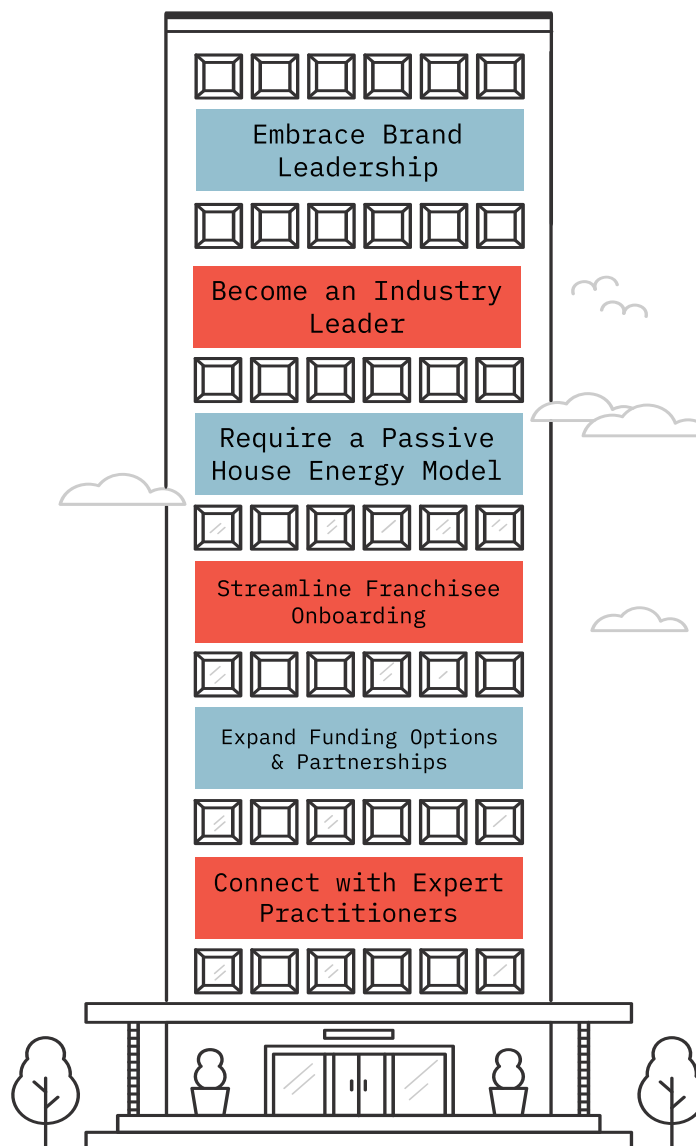


6 Steps to Incentivizing Passive House Opportunities for New Hotels

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Steps to Incentivizing Passive House Opportunities For New Hotels

Unlock Value, Mitigate Risk, and Pave the Way for Passive House Benefits



1 Embrace Brand Leadership

Make your brand synonymous with high-performance excellence. Hotel brands set the bar for sustainability and profitability in brand standards. Science-based targets, stricter building regulations, and growing guest demand for healthier, quieter stays have made high-performance buildings advantageous. Brands that integrate sustainability standards enhance their reputation, reduce regulatory and stranded asset risks, and attract more customers and investors. Helping franchisees meet building performance standards streamlines the benefits for all stakeholders. This cannot be done without early-stage energy modeling informed by established building science.



2 Become an Industry Leader

Join the world's leading standard for energy performance and comfort. Passive House relies on five key Passive House principles: airtight construction, continuous insulation, elimination of thermal bridges, high-performance windows and doors, and high-efficiency heat-recovery ventilation. Passive House Certified hotels provide:

- **Superior guest experience:** Soundproof windows, excellent air quality and thermal comfort make an ideal sleeping environment leading to higher guest satisfaction.
- **Lower operational costs:** Achieve over 50% utility cost savings
- **Future-proofed assets:** Buildings prepared for future codes and climates, with quantitative success metrics.



3 Require a Passive House Energy Model

Require an energy model at project conception. They are already required for all new hotel developments per building code. However, compliance models don't assess incremental improvements that drive real savings. Preliminary energy modeling to Passive House standards allows for early identification of financial benefits without delaying franchisee procurement or construction. In addition, energy modeling is the only strategy to assess if design intention matches reality. Energy modeling is an enterprising risk management approach to operational efficiency that drives asset value. A proactive conceptual energy model at minimal additional cost at early in the design process:

- Clarifies the ROI of Passive House features.
- Provides actionable NOI/operational savings data to increase asset value.
- Enables informed decisions and avoids costly redesign.
- Accelerates progress toward brand-wide goals.

4



Streamline Franchisee Onboarding

Create targeted incentive strategies. Below are two suggested strategies to implement advantageous early energy modeling without slowing the signing process or adding mandatory requirements. When treated as an incentive program, upfront energy-based modeling can provide financial benefits to all stakeholders.

- **Key money incentive:** Allocate a portion of key money, such as \$50K, for early-stage modeling. The incentive may be structured as a grant or a recoverable loan, with repayment from operational savings if the model is implemented.
- **Onboarding package:** Introduce the incentive as part of the owner project requirements orientation by including program terms and conditions in the onboarding materials, and equip your team to explain the mutual benefits.

5



Expand Funding Options & Partnerships

Leverage innovative funding opportunities. Position your brand and franchisees for long-term savings. Energy efficiency programs need not come with additional upfront cost to the developer or brand. Explore partnerships with financial providers for creative funding for the energy model pilot program and, potentially, Passive House construction. Passive House modeling and components can be included in CPACE financing or funded by lenders that structure repayment by operational savings. The Passive House Network can facilitate introductions to grant opportunities, innovative funders, and modeling companies that could support the brand's incentive program.

6



Connect with Expert Practitioners & Resources

Embrace incentive-driven energy modeling and creative partnerships. By piloting an initial energy modeling program tied to key money and flag onboarding procedures, brands can uphold science-based targets, unlock operational savings, and pave the way for Passive House-certified hotels. The Passive House Network is ready to support your journey to higher-performing, future-proofed hospitality assets. The Passive House Network is available to provide consultant recommendations and answer questions about potential program designs and Passive House in hospitality.

Ready to pave the way for Passive House?

- Explore Hospitality & Passive House resources: [Hospitality Resource Center](#)
- Find model consultants and certifiers: [PHN Consultant Directory](#)
- Learn more about Passive House certification: [PH Certification Info](#)
- See Passive House certification guidance: [Building Certification Guide \(PDF\)](#)