

# The Case for Energy and Carbon Efficiency in Hotel Development



The Case for Energy and Carbon Efficiency in Hotel Development evaluates how sustainable design strategies can influence both short- and long-term financial performance, providing actionable recommendations that may support business objectives to achieve long-term success.

## About the Reports

To support exploration of potential outcomes relevant to a broad range of development projects, JLL has created representative hotel archetypes informed by market valuation data across the segments studied. Following an analysis of trends and data in the Commercial Real Estate and Hospitality Real Estate sectors, JLL has outlined four general categories that frame their business case for sustainable hotel development. The data presented reflects modeled scenarios and indicative outcomes for a Business as Usual, Energy-Efficient, and Net-Zero hotel scenarios, and should be interpreted as directional rather than predictive.

- **Increase long-term asset value**

For hotel archetypes that incorporate key energy-efficiency measures during project development, modeled scenarios suggest that year-10 exit values may experience a maximum uplift of 23% in the U.S. and Canada, and 18% in Europe, relative to net property value. These projections reflect potential market preferences and anticipated operational savings. Conversely, hotels with comparatively high energy and carbon usage could experience a reduction in year-10 exit value of up to 16%, which may be attributable to expected retrofit costs and increased investor scrutiny.

- **Reduce operating costs through utility savings**

Modeled reductions in annual utility costs for hotels implementing key energy-efficiency measures may reach between 14% to 47% in certain segments in the U.S. and Canada, and between 10% and 35% in Europe.

- **Increase long-term occupancy**

Modeling suggests that hotels with higher emissions in the U.S., Canada, and Europe may experience up to a 4% decline in long-term occupancy, reflecting potential supply gaps for properties meeting sustainability criteria among corporate and group bookings. Hotels demonstrating sustainability performance may see occupancy increases of up to 5% over the long term.

- **Partially mitigate regulatory risk and benefit from incentives**

## Who is it for?

This business case offers Owners, Franchisees, and project teams insights into potential risks and opportunities for low-carbon hotel development. Research is available for new builds and conversions across hotel brands in Europe, the U.S., and Canada.

## How were the reports created?

Marriott International has hired JLL, a firm with expertise in real estate services, to explore approaches to sustainable hotel development. JLL's teams—including Hotel Valuations, Risk Advisory, Sustainability Consulting, and Hotel Research—provide analytical support, market data, and advisory input intended to inform Marriott's owner and franchisee community as they consider long-term planning and sustainability strategies.

## Download information

The Marriott International Owner and Franchisee community can access the full research reports within MGS and Global Design standards website (lobo) / design standards and guidelines / tools / sustainability folder.



*Luxury New Build Development  
US+Canada*



*MSB New Build Development  
US+Canada*



*Midscale Conversion Development  
US+Canada*



*Premium New Build Development  
Europe*



*MSB New Build Development  
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